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General Accounting Office
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160569

Accounting and Information
Management Division

B-279640

May 28, 1998

The Honorable Ben Nighthorse Campbell
Chairman, Committee on Indian Affairs
United States Senate

Subject: Indian Trust Funds: Status of Department of the Interior's Plan for
Improving Trust Fund Management

Dear Mr. Chairman:

On May 4, 1998, we briefed Committee staff on the results of our review of the Department of the Interior's efforts to develop an implementation plan for the Secretary of the Interior's Indian trust management improvement project. The briefing focused on (1) the status of the plan's development, (2) the level of participation by key department officials in the development of the plan, (3) the main components of the plan, and (4) actions that have been undertaken to implement those components. We are enclosing a copy of the briefing slides.

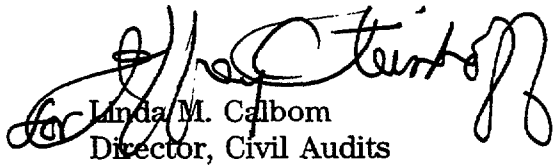
Development of the draft implementation plan is substantially complete. Interior's project manager told us that as of April 17, 1998, he had received implementation plan sections from the responsible Interior units for each of the 13 subprojects that represent the main components of the plan. The Secretary of the Interior and other key department officials have provided input on various aspects of the plan at steering committee meetings and are now scheduled to review the entire draft plan, which the project manager told us he had given to them on May 1, 1998. We determined that some actions are already underway to implement several of the subprojects. The project manager told us that we would receive a copy of the implementation plan after departmental review, which he projected would occur by the middle of June 1998.

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We appreciate the opportunity to be of assistance to your Committee and look forward to working with you and your office on future assignments. If you have questions regarding the briefing, please contact me at (202) 512-8341 or Mike Koury, Assignment Manager, at (202) 512-3405.

Sincerely yours,



Linda M. Calbom
Director, Civil Audits

Enclosure

(913819)

GAO Accounting and Information
Management Division

**Development of an Implementation
Plan for the Indian Trust Management
Improvement Project**

**Briefing for the Senate Committee
on Indian Affairs**

May 4, 1998

GAO Objectives

- Determine the status of development of an implementation plan for the Trust Management Improvement Project.
 - Determine if key department officials are participating to an adequate extent in the plan's development.
 - Provide a summary of the plan's components.
 - Identify implementation actions initiated, if any.
-

GAO Background

- **The Special Trustee for American Indians issued a strategic plan in April 1997.**
 - **The Secretary of the Interior did not fully support the strategic plan.**
 - **The Senate Committee on Indian Affairs heard testimony on the strategic plan.**
 - **The Secretary of the Interior issued a memorandum on trust management improvements on August 22, 1997.**
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GAO Background

- The Secretary's August 22, 1997, memo:
 - Established the Trust Improvements Project.
 - Established a steering committee.
 - Engaged affected Interior bureaus and offices in planning activities.
 - Called for development of a high-level implementation plan within 60 days.
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GAO Status of Development of the
High-Level Implementation Plan

- The Project Manager told us that a draft of the implementation plan will be ready for departmental review by April 30, 1998.
 - He advised us that all 13 of the project's components had completed sections in the working draft as of April 17, 1998.
 - We will not be provided a copy of the draft plan until review by the Department has been completed, about May 15, 1998.
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GAO Key Officials' Participation in the Plan's Development

- **The Secretary of the Interior**
 - **chaired steering committee meetings;**
 - **approved the 13 sub-projects;**
 - **approved pilot sites for sub-projects;**
and
 - **has been very supportive, according to the designated Project Manager.**

GAO **Key Officials' Participation in the Plan's Development**

- **Steering Committee:**
 - **Special Trustee for American Indians**
 - **Solicitor**
 - **Assistant Secretary for Indian Affairs**
 - **Assistant Secretary for Land and Minerals Management**
 - **Assistant Secretary for Policy, Management, and Budget**
 - **Chief Information Officer**
 - **Had met five times as of April 10, 1998.**
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**GAO Trust Improvement Sub-Project: Trust
Financial Records Cleanup**

- **Project Description: Standardize and verify Individual Indian Money (IIM) system data for trust finance records, and correct and establish an inventory of hard copy records for each trust fund account.**
 - **Interior unit with lead responsibility: Office of the Special Trustee/Office of Trust Funds Management.**
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GAO Trust Improvement Sub-Project: Trust
Financial Records Cleanup

- Status of plan: Working draft section.
 - Implementation actions initiated:
 - Pilot Agency (Flathead) selected and all files reviewed.
 - Pilot Area (Albuquerque) selected and all files reviewed.
 - Cleanup policies and procedures written.
 - Contractor engaged, contractor completed methods study and began "production" data cleanup in Albuquerque on January 5, 1998.
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**GAO Trust Improvement Sub-Project: Trust
Resource Records Cleanup**

- **Project description: Eliminate processing backlogs and update existing and future trust resource management systems data to ensure timely ownership and land status data.**
 - **Interior unit with lead responsibility: Bureau of Indian Affairs.**
 - **Status of plan: Working draft section.**
 - **Implementation actions initiated: None.**
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**GAO Trust Improvement Sub-Project: BIA
Probate Backlog**

- **Project description: Inventory, identify, and develop action plans and procedures to eliminate BIA probate backlog.**
- **Interior unit with lead responsibility: Bureau of Indian Affairs.**
- **Status of plan: Working draft section.**
- **Implementation actions initiated: None.**

GAO Trust Improvement Sub-Project: Office of Hearings and Appeals Probate Backlog

- **Project description: Inventory, identify, and develop action plans and procedures to eliminate OHA probate backlog.**
 - **Interior unit with lead responsibility: Office of Hearings and Appeals.**
 - **Status of plan: Working draft section.**
 - **Implementation actions initiated: None.**
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**GAO Trust Improvement Sub-Project: E
Appraisal Program**

- **Project description: Assess present appraisal program and develop corrective action plans as appropriate regarding the policies, procedures, qualifications, and adherence to inc standards.**
- **Interior unit with lead responsibility: Bureau of Indian Affairs.**

**GAO Trust Improvement Sub-Project: E
Appraisal Program**

- Status of plan: Working draft section.
- Implementation actions initiated:
 - Appraisers trained for certification.
 - Appraisal committee established.
 - Appraisal handbook drafted.
 - Provides policy on when appraisals needed
 - Provides processes for completing appraisals
 - Incorporates industry standards.

**GAO Trust Improvement Sub-Project:
Funds Accounting System**

- **Project description: Acquire, install pilot, using a service bureau approved, commercial-off-the-shelf trust accounting system to replace the present IIM accounting module.**
- **Interior unit with lead responsibility Office of the Special Trustee/Office Trust Funds Management.**

**GAO Trust Improvement Sub-Project:
Funds Accounting System**

- Status of plan: Working draft section
 - Implementation actions initiated:
 - Request for proposals (RFP) drafted, approved by Information Resources Management Review Council.
 - Chief Information Officer approved the Technical Investment Analysis.
 - RFP released and proposals received
 - Contract awarded March 26, 1998.
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GAO Trust Improvement Sub-Project: Trust Asset and Accounting Management System

- Project description: Evaluate, acquire, and pilot standardized, proven, commercial-off-the-shelf general trust management system technology (master lease, billing and accounts receivable, and collection subsystems) for full implementation across BIA.
- Interior unit with lead responsibility: Office of the Special Trustee.

**GAO Trust Improvement Sub-Project: Trust Asset
and Accounting Management System**

- **Status of plan: Working draft section.**
 - **Implementation actions initiated:**
 - **Selected pilot site - Billings Area Office.**
 - **Acquired external consulting services.**
 - **Assembled BIA/OST management team to develop functional requirements.**
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GAO Trust Improvement Sub-Project: Land
Records Information System Enhancements

- **Project description: Modernize BIA's official title system to provide on-line and up-to-date legal and beneficial title ownership and encumbrance information for all Indian lands and resources.**
- **Interior unit with lead responsibility: Bureau of Indian Affairs.**

GAO Trust Improvement Project: Land Records
Information System Enhancements

- Status of plan: Working draft section.
- Implementation actions initiated:
 - Evaluation team formed.
 - Contractor hired.
 - Functional requirements and alternatives analysis decision paper presented.

GAO Trust Improvement Sub-Project: Minerals Management Service System Reengineering

- Project description: Design, develop, and implement new core business processes for the Minerals Management Service's royalty management functions with supporting systems.
- Interior unit with lead responsibility: Minerals Management Service.
- Status of plan: Working draft section.
- Implementation actions initiated:
 - Initiated programwide reengineering.
 - Initiated benchmarking the processes.

GAO Trust Improvement Sub-Project: Records Management

- **Project description: Develop and implement a joint records management solution for Interior trust records that covers management, storage, access, control, and disposition of the records and contemplates electronic recordkeeping.**
- **Interior unit with lead responsibility: Office of the Special Trustee.**

GAO Trust Improvement Sub-Project: Records Management

- **Status of plan: Working draft section.**
 - **Implementation actions initiated:**
 - **Established joint OST/BIA working group.**
 - **Developed memorandum of agreement defining trust records.**
 - **Notified National Archives and Records Administration of changes in access to and transfer of financial records.**
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GAO Trust Improvement Sub-Project: Policy and Procedures

- **Project description:** Inventory, review, and, where appropriate, revise or establish Indian trust policies and procedures.
- **Interior unit with lead responsibility:** Office of the Special Trustee.
- **Status of plan:** Working draft section.
- **Implementation actions initiated:**
 - **Inventoried existing policies and procedures.**

GAO Trust Improvement Sub-Project: Training

- Project description: Plan and deliver both trust management and employee skills training relevant to delivery of Interior's trust fiduciary responsibilities.
 - Interior unit with lead responsibility: Office of the Special Trustee.
 - Status of plan: Working draft section.
 - Implementation actions initiated: None.
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GAO Trust Improvement Sub-Project: Internal Controls

- Project description: Systematically address documented internal control deficiencies in Indian trust management, item-by-item, that have been identified through internal and external audit, congressional oversight, and outside reviews.
 - Interior unit with lead responsibility: Office of the Special Trustee.
 - Status of plan: Working draft section.
 - Implementation actions initiated:
 - Inventoried and catalogued documented control weaknesses.
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