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U.S. DEPARTMENT OF THE INTERIOR



Audit



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U.S. DEPARTMENT OF THE INTERIOR

SEP 22 2025

Memorandum

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Exercising the Delegated Authority of the Director, Bureau of Land Management

From: Nicki Miller *Nicki Miller*
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Subject: Final Audit Report – *The U.S. Department of the Interior Needs To Improve Consistency in Implementation of Federal Standards for Accounting and Reporting of Government Land*
Report No. 2023-FIN-038

This memorandum transmits our audit report on the Department of Interior's implementation of the Statement of Federal Financial Accounting Standards No. 59, "Accounting and Reporting of Government Land."

We will track open recommendations for resolution and implementation. We will notify Congress about our findings, and we will report semiannually, as required by law, on actions you have taken to implement the recommendations and on recommendations that have not been implemented. We will also post a public version of this report on our website.

If you have any questions about this report, please contact me at aie_reports@doioig.gov.

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Results in Brief

Objective

We audited the U.S. Department of the Interior (DOI) to ensure it took sufficient steps to prepare for implementation of Statement of Federal Financial Accounting Standards (SFFAS) No. 59, “Accounting and Reporting of Government Land.” Given the DOI’s status as one of the Government’s largest landowners, effective implementation and inclusion of accurate information is particularly important. SFFAS 59 requires Federal agencies to report general property, plant, and equipment (G-PP&E) and stewardship lands by estimated acres, not by dollars, and classify the land acres using one of three predominant use subcategories: conservation and preservation, operational, or commercial use. DOI is required to comply with all Federal Accounting Standards Advisory Board (FASAB) standards when preparing and reporting its financial statements. SFFAS 59 required DOI for fiscal years (FYs) 2022 through 2025 to report Federal land acres estimates in its annual agency financial report (AFR) “Required Supplementary Information” section, but the information is not required to be audited until FY 2026 when it will be included as note disclosures.¹ We specifically sought to determine whether DOI bureaus had documented their determinations for classifying Federal land acres in SFFAS 59’s predominant use subcategories and accurately reported Federal land acres in the FY 2023 AFR.

Findings

We found that though DOI took steps to prepare for the implementation of SFFAS 59, it may have misstated² the total number of acres by 82 percent, or 892 million acres, in DOI’s FY 2023 AFR because nearly a quarter of the land reported was not sufficiently supported with underlying records such as deeds. We also found that bureaus did not document their determinations for classifying Federal land acres in the predominant use subcategories as required. These issues occurred because DOI did not provide oversight to ensure information submitted by bureaus had appropriate support and did not verify reported Federal land acres for completeness, accuracy, and proper documentation. In addition, the bureaus did not have policies and procedures to help land managers determine or document predominant uses.

Impact

FASAB issued SFFAS 59 to increase transparency, comparability, consistency, and reliability of Federal land information because it recognized that prior Federal accounting standards led to agencies reporting and accounting for Federal land holdings differently. FASAB noted that the vast holdings and uses of Federal land could not be adequately conveyed to the public through monetary measures because, due to the passage of time and inflation, historical costs are not relevant to users as a value of land. Failure to implement SFFAS 59 correctly may result in a qualified opinion³ on DOI’s financial statement audit, which could lead to questions regarding DOI’s financial integrity, reliability, and credibility. In addition, given DOI’s status as one of the Government’s largest landowners, inaccurate information could significantly impact the accuracy of Governmentwide financial statements.

¹ SFFAS 59 states that G-PP&E land and stewardship land should be presented as required supplementary information for FYs 2022 through 2025 and transition to note disclosures in FY 2026. Note disclosures amplify or complement information about items reported in the body of the financial statement.

² A “misstatement” in this context refers to a difference between actual financial statement items prepared by the subject of an audit and those required by applicable accounting standards.

³ A qualified opinion concludes a misstatement is material but not pervasive, but a misstatement can be a result of serious financial management problems, inability to adequately account for governmental activity, and weaknesses in the Federal Government’s process for preparing the consolidated financial statements.

Recommendations

We make six recommendations to help ensure DOI is prepared to implement SFFAS 59 and prepare future AFRs in a way that accounts for and reports all Federal land acres accurately.

Introduction

Objective

The objective of our audit was to determine whether the U.S. Department of the Interior (DOI) took sufficient steps to prepare for implementation of Statement of Federal Financial Accounting Standards (SFFAS) No. 59, “Accounting and Reporting of Government Land.” Specifically, we sought to determine whether DOI bureaus had documented their determinations for classifying Federal land acres in SFFAS 59’s predominant use subcategories and accurately reported Federal land acres in the fiscal year (FY) 2023 agency financial report (AFR).

See Appendix 1 for our audit scope and methodology.

Background

Throughout U.S. history, the Federal Government has acquired land through various methods to include land ceded from the original Thirteen Colonies, territorial annexations, land purchases, and treaties. SFFAS 6, “Accounting for Property, Plant, and Equipment,” and SFFAS 29, “Heritage Assets and Stewardship Land,” established accounting and reporting guidance for federally owned land.⁴ SFFAS 6 required that general property, plant, and equipment (G-PP&E) land⁵ be reported at historical cost in the financial statements, and SFFAS 29 required that stewardship land⁶ be assigned no value in the financial statements because such land is considered to be both priceless and irreplaceable. Stewardship land is referenced as a balance sheet note,⁷ disclosing information about policies for managing land, categories of land, and physical quantity information.

The Federal Accounting Standards Advisory Board (FASAB) identified weaknesses with existing Federal financial accounting standards for Federal land ownership because of inconsistent and incomplete reporting of Federal land pertaining to G-PP&E and stewardship lands. In addition, Federal entities’ corroborating documents, detailed listings, and supporting documentation of ownership were inconsistent. FASAB determined that having two sets of guidance (SFFAS 6 and SFFAS 29) resulted in differences in accounting for Federal land holdings; FASAB was specifically concerned with inconsistent reporting of disclosures on balance sheets.⁸ FASAB also recognized that the vast holdings and uses of Federal land could not be conveyed to the public adequately through monetary measurements.⁹ Due to the passage of time and inflation, historical costs are not relevant to users as a value of land.

SFFAS 59 Requirements and Implementation

On July 30, 2021, FASAB issued a new accounting standard, SFFAS 59, as an amendment to SFFAS 6 and SFFAS 29, to ensure consistent accounting and reporting of Federal land by all Federal agencies. SFFAS 59 requires Federal agencies to report G-PP&E and stewardship lands by estimated acres, not by dollars, and

⁴ SFFAS 6 was issued November 30, 1995; SFFAS 29 was issued July 7, 2005.

⁵ SFFAS 6 states that G-PP&E consists of items that could be used by other Federal programs, State or local governments, or nongovernmental entities but are used by the Federal entity to produce goods or services, or to support the mission of the entity.

⁶ Stewardship land includes public domain and land owned by the Federal Government that is intended to be held indefinitely.

⁷ A balance sheet is the statement of financial position of a reporting entity based on current assets and liabilities. It shows the financial position of a point in time of an entity’s economic resources and claims on resources. A balance sheet note provides information to include descriptions of major categories, physical unit information for the end of the reporting period, physical units added or withdrawn during the year, and a description of the methods of acquisition and withdrawal.

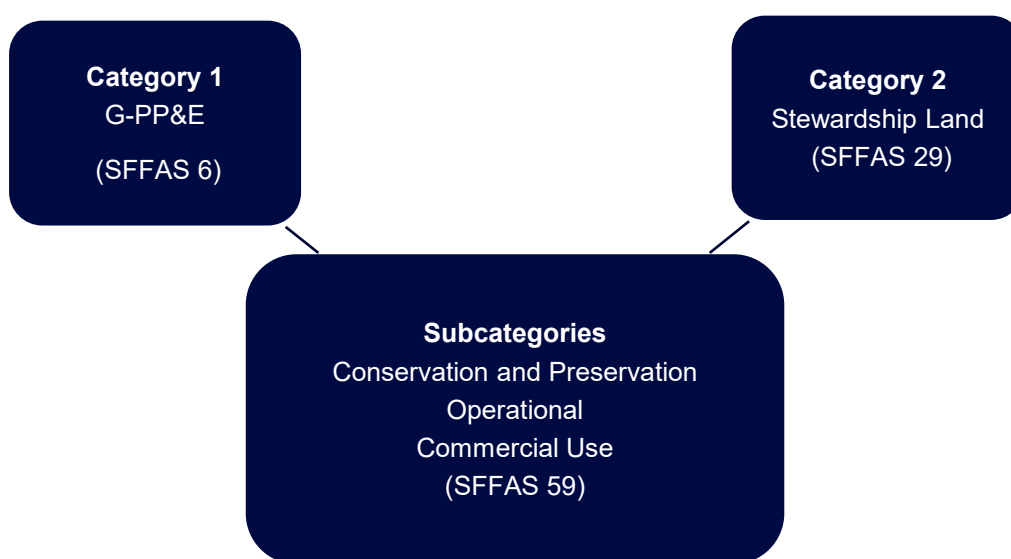
⁸ SFFAS 59, Appendix A, A1(a) and (b).

⁹ SFFAS 59, Appendix A, A9(h).

classify the land acres using one of three predominant use¹⁰ subcategories: conservation and preservation, operational, or commercial use (see Figure 1). Specifically, SFFAS 59 requires Federal agencies to:

- Reclassify G-PP&E land and permanent land rights as non-capitalized assets.
- Reference a note on the balance sheet that discloses information about G-PP&E land and permanent land rights without including an asset dollar amount.
- Report estimated acres of G-PP&E land and stewardship land using three predominant use subcategories: conservation and preservation, operational, and commercial use.
- Report estimated acres of Federal land held for disposal or exchange.
- Report Federal land rights information, whether such rights are permanent or temporary, and amounts paid during the year to maintain such rights.

Figure 1: Subcategories Complementing Existing Land Use Categories



Source: SFFAS 59, Appendix B.

The predominant use subcategories encompass the following types of land:¹¹

- Conservation and preservation land includes Federal land that is used for wilderness/non-wilderness wildlife, endangered species, critical environments, timber preservation, watershed and water resources, wildlife and fish habitats; national forests, reserves, preserves, refuges; national parks, monuments, cemeteries; recreation; and educational and visitor information centers.
- Operational land includes Federal land that is used for military readiness, training, airfields, and office building locations; power development and distribution; research and development; storage; communication systems locations; flood control and navigation; housing and institutional; and all other operational land.

¹⁰ Predominant use is the major or primary current use of an asset during the reporting period and does not include incidental or infrequent uses of the asset. An asset's predominant use should be consistent with the entity's authorizing legislation but may not always be consistent with the original intent or reason the asset was initially acquired.

¹¹ SFFAS 59, Appendix B.

- Commercial use land includes Federal land that is held for land disposal,¹² sales, and leases; livestock grazing and herd management; mining, oil, coal, and gas development; and timber cutting and harvesting.¹³

Federal agencies were given four years to transition reporting and initiate SFFAS 59 requirements in AFRs. Beginning in FY 2022, agencies were required to report Federal land acres in the AFR's "Required Supplementary Information" section, which is unaudited, without changing their G-PP&E Land Balance Sheet reporting or current stewardship land disclosures. Beginning in FY 2026, agencies will be required to transition Federal land acres to note disclosures, which will be audited as part of the annual financial statement audit.

FASAB's goal for implementation of SFFAS 59 is to increase transparency, comparability, consistency, and reliability of Federal land acres information from Federal agencies that own Federal land. Prior to SFFAS 59, Federal accounting standards required the recognition of G-PP&E land on the balance sheet as an asset recorded at cost and required expensing costs of stewardship land in the period the land was acquired. Reporting estimated Federal land acres could minimize or avoid costs that would be borne if monetary measurements were to be used to recognize Federal land in the financial statements.

DOI's Implementation of SFFAS 59

DOI's Office of Financial Management (PFM) has the responsibility to report all Federal land acres of DOI's bureaus in the AFR. PFM reports to DOI's Deputy Assistant Secretary for Budget, Finance, Grants and Acquisition and performs DOI-wide functions, including those relating to financial and accounting policy and procedures, financial data and data integrity, and financial management strategic planning. These functions also encompass fiscal and financial reporting, including Departmentwide coordination of financial statements. According to its website, PFM provides "executive level leadership and direction, coordinates policy development, program evaluation and guidance, and provides advocacy and support for program and bureau operations in all financial and related functional areas."¹⁴ To assist in implementing SFFAS 59, PFM issued a land reporting policy¹⁵ that provides guidance to DOI bureaus. PFM requires the bureaus to report their Federal land acres using the following templated format (see Figure 2).

Figure 2: PFM Template for Land Reporting

**Estimated Acreage by Predominant Use
as of 09/30/20XX**

Conservation and Preservation Land	Operational Land	Commercial Use Land	Total Estimated Acreage	Explanatory Comments
G-PP&E Land				
Stewardship Land				
Total Estimated Acreage				

Source: PFM, *Financial Management Handbook*, Chapter 29.

¹² SFFAS 59 defines acres of land held for disposal or exchange as land that is no longer required for a Federal purpose and generally designed to permit entities to dispose of or exchange. FASAB clarified that "acres of land held for disposal or exchange" applies only to land satisfying legislative disposal authority requirements intended to be conveyed to non-federal entities. Disposal includes conveyances of Federal land not limited to sale, transfer, exchange, lease, public-private partnership, and donation or any combination thereof.

¹³ Commercial use land includes land or land rights that are predominantly used to generate inflows of resources (such inflows may be derived from the land itself or activities performed on the land and regardless of whether the use or activity is intended to produce a profit). Examples include concession arrangements, grants for a specific project, land sales or land exchanges, leases, permits for public use, forest product sales, and public-private partnerships.

¹⁴ <https://www.doi.gov/pfm/staff>.

¹⁵ PFM's *Financial Management Handbook*, Chapter 29, "DOI Land Reporting Policy."

PFM's policy also requires bureaus to submit support for estimated Federal land acres along with written documentation outlining the process used to categorize and estimate Federal land acres, including controls used to ensure accurate reporting.

DOI Bureaus With Significant Federal Land Acres

For FY 2023, four bureaus reported Federal land acre totals to PFM¹⁶ for inclusion in the AFR: the Bureau of Land Management (BLM), the Bureau of Reclamation (BOR), the U.S. Fish and Wildlife Service (FWS), and the National Park Service (NPS) (see Figure 3). Each bureau uses its own unique database system(s) to record and track Federal land acres, specifically:

- BLM uses the Surface Management Agency geospatial database, the Eastern States Parcel Identification List for all Eastern States,¹⁷ the Facilities Asset Management System database, and DOI's Financial and Business Management System (FBMS).
- BOR uses FBMS.
- FWS uses its own proprietary database, the Land Record System.
- NPS uses its own proprietary database, the Master Lands Console.

Figure 3: Bureau-Reported Land

Estimated Acreage by Predominant Use as of 09/30/2023					
	Conservation and Preservation Land	Operational Land	Commercial Use Land	Total Estimated Acreage	Explanatory Comments*
BLM					
G-PP&E Land	—	20,437	—	20,437	—
Stewardship Land	49,500,000	3,100,000	192,000,000	244,600,000	—
BOR					
G-PP&E Land	—	3,623,519	—	3,623,519	—
Stewardship Land	—	4,103,768	—	4,103,768	—
FWS					
G-PP&E Land	—	—	—	—	—
Stewardship Land	757,366,000	1,000	—	757,367,000	—
NPS					
G-PP&E Land	—	—	—	—	—
Stewardship Land	80,443,957	—	—	80,443,957	—
Total Estimated Acreage	887,309,957	10,848,724	192,000,000	1,090,158,681	

* We omitted the explanatory comments provided by the bureaus for this chart.

Source: PFM.

¹⁶ DOI provides bureaus an exemption from reporting if Federal land estimates are less than the materiality threshold. DOI's materiality threshold is 1 percent based on data collected and analyzed for the prior fiscal year.

¹⁷ This database includes information pertaining to the States of Alabama, Arkansas, Florida, Illinois, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Missouri, Virginia, and Wisconsin.

Bureau Roles and Responsibilities

Each bureau has its own process and specific procedures to acquire land, populate land-tracking databases, and collect Federal land acre information to report to PFM. In addition, supporting documentation for Federal land acres is different depending on the type of land and when it was acquired. Supporting documentation can include deeds to property, proclamations, judgements, and easements. Some documents include the exact number of acres of a specific property, and some documents only have a description of where the property is located and its size in a measurement other than acres. This description, created by the Public Land Survey System (PLSS), records the location of land within the United States and is generally found written on surface management area maps, plats of surveys, and Master Title Plats. The PLSS divides land into six-mile-square “townships,” which are then subdivided into 36 ranges that are one-mile-square sections. These sections can be divided even further into quarter sections, quarter-of-a-quarter sections, or irregular Government lots. A township is located on a map or the ground starting at a specific point called the “meridian.”¹⁸ Each township is made up of 640 acres—one square mile. As the parcels are divided up into smaller sections, this acreage determines the total amount of acres each parcel contains. Each bureau has staff that reviews the detailed descriptions, calculates the actual acres for each specific property, and enters the information into the land databases.

BLM

BLM field offices located in each State are responsible for the acquisition and management of BLM’s Federal land within their respective States. Staff in each field office calculate land acres from land descriptions or deeds and enter the information into the land databases. At the end of the year, BLM’s National Operations Center staff pull land acre information from the databases, generate excel spreadsheets, and individually review each spreadsheet. Staff manually remove duplicate acres and then generate the Federal land acre estimations to report to PFM. BLM classifies its Federal land within the three predominant use subcategories.

BOR

BOR has five regions responsible for Federal land management for the States located within their respective regions. Realty specialists in each region use land contracts, plat books, and engineer drawings to create, maintain, and update land data in FBMS. BOR uses FBMS as the original source of all data for land acres reported to PFM. BOR classifies all its Federal land as operational land.

FWS

FWS has eight regions responsible for Federal land management for the States located within their respective regions. Legal instruments examiners in each region use the land descriptions specified in legal instruments to map tracts in the FWS Geographic Information System and then enter the Federal land acres into the Land Record System. The FWS Headquarters’ Division of Realty pulls land acre information from the Land Record System and generates the “Statistical Data Tables for Fish and Wildlife Service Lands.” From the report, FWS parcels out land information to report to PFM. FWS generally classifies its Federal land as conservation and preservation land.¹⁹

NPS

NPS has 12 regions responsible for Federal land management for the States located within their respective regions. When national parks and monuments are created or expanded, Congress determines the boundary of Federal land in legislation or proclamation. Cartographers located in each region perform surveys of land, determine the Federal land acres, and enter the information into the Master Lands Console. Each quarter, the NPS Land Resources Division generates an acreage report of all Federal land acres. NPS classifies all its Federal land as conservation and preservation land.

¹⁸ A meridian is a line running accurately north and south through any given point on or near the earth’s surface.

¹⁹ Though FWS reported 1,000 Federal acres as operational land, we determined this amount to be immaterial, since FWS reports the majority of its Federal land as conservation and preservation.

Results of Audit

Though DOI took steps to prepare for the implementation of SFFAS 59, we found several areas requiring improvement, specifically:

- DOI may have misstated its Federal land acres estimate by a total of 82 percent, or up to a combined 892 million acres in DOI's FY 2023 AFR.
- Bureaus did not document their determinations for classifying Federal land acres in the predominant use subcategories.

These issues occurred because PFM did not provide oversight to ensure information submitted supported reported Federal land acres and did not verify reported Federal land acres for completeness, accuracy, and proper documentation. In addition, the bureaus did not have policies and procedures to help land managers determine predominant uses, including documentation requirements for the determinations.

Misststatements of Federal Land Acres

SFFAS 59 provides expectations regarding supporting documentation for Federal land acres estimations. Specifically, bureaus may use different underlying sources of data to apply different measurements and mapping methods that are deemed reasonable for estimating Federal land acres within industry-accepted tolerance levels. Examples of evidence bureaus can use to prove ownership include public laws, treaties, maintenance or renovation contracts, historical maintenance records, payment histories, historical databases, or initial surveys of land. Furthermore, the U.S. Government Accountability Office's (GAO's) 2014 *Standards for Internal Control in the Federal Government* stipulates that management has the responsibility to perform ongoing monitoring of internal control system designs and operating effectiveness.²⁰ Responsibilities include regular management and supervisory activities, comparisons, reconciliations, and other routine actions.

During our review, we found that, in DOI's AFR, PFM consolidated estimated land acre totals provided by bureaus; however, two of the four bureaus we reviewed did not have sufficient supporting documentation for estimated Federal land acres reported and may have misstated their land acres. Specifically:

- FWS did not provide sufficient documentation for its conclusion that submerged lands in the Outer Continental Shelf (OCS)²¹ should have been included in Federal land estimates, and
- BLM did not provide supporting documentation for the total Federal land acres it reported.

The misstatements occurred because PFM did not provide sufficient guidance to bureaus regarding the treatment of submerged acres or ensure bureaus followed the new reporting standard consistently and accounted for Federal land acres appropriately.²² More specifically, these instances occurred because of PFM's lack of a process to validate reported Federal land acres provided by the bureaus. As the DOI party responsible for AFR reporting, PFM should review the accuracy and completeness of information included in the AFR.

²⁰ Principle 16.05.

²¹ SFFAS 59 refers to OCS as the seabed, subsoil and energy or mineral resources derived therefrom.

²² As discussed in more detail subsequently, although PFM has issued a land reporting policy, the policy is silent on the treatment of submerged OCS lands.

Misstatement of Submerged Lands in the Outer Continental Shelf

The Outer Continental Shelf Lands Act²³ defines the OCS as all submerged lands lying seaward and outside of the area of lands beneath navigable waters²⁴ and of which the subsoil and seabed appertain to the United States and are subject to its jurisdiction and control or within the U.S. Exclusive Economic Zone (EEZ). According to SFFAS 59, Federal land acres estimates do not apply to the OCS. The standard explicitly states that OCS lands do not meet the FASAB definition of land—the solid part of the surface of the earth, excluding OCS resources, related to land.²⁵ That is, areas that are a part of the OCS are not “land” for purposes of SFFAS 59.

We asked FWS for supporting documentation used to validate its 757,367,000 Federal land acres reported for FY 2023.²⁶ During our review of its supporting documentation, we found that FWS reported 647,686,068 Federal land acres, or 85 percent of its total Federal land acres, as part of the National Monument Area located outside national wildlife refuge boundaries and within OCS boundaries (See Appendix 2). This land also makes up 59 percent of the total amount reported by DOI in the AFR. The reported Federal land acres included submerged land and waters within portions of four Marine National Monuments (MNM)s²⁷ that are outside FWS’ refuge boundaries²⁸: Northeast Canyons and Seamounts, Mariana Trench, Pacific Remote Islands,²⁹ and Papahānaumokuākea.

We asked if FWS conducted an analysis to justify the inclusion of the submerged acreage in its total Federal land acres, but FWS could not provide supporting information to confirm the land should be reported. FWS told us that, because each area was created by Presidential proclamation as part of the U.S. EEZ, it is allowable to include the entirety of this area.³⁰ However, we concluded that FASAB—which issued SFFAS 59—interprets the term OCS to include the seabed, subsoil and energy or mineral resources derived therefrom. Accordingly, the acreage for the four monuments was not appropriate for reporting under SFFAS 59.³¹ The fact that a Presidential proclamation established each of the MNMs does not affect the appropriate categorization of the land acres located in the OCS for purposes of reporting under SFFAS 59 and therefore in the DOI’s AFR.

In short, the inclusion of these submerged OCS lands may have resulted in inaccurate information in the 2023 AFR. Moreover, absent clear direction from relevant Department leadership—for example, detailed and clear guidance from PFM regarding submerged lands within the OCS or an official opinion from the Solicitor’s Office—FWS risks misstating its reported Federal land acres by almost 647 million acres going forward, which, as noted previously, will be subject to audit as of FY 2026. Such a misstatement of Federal land acres would not meet the SFFAS 59 objective to consistently account for and report all Federal land acres.

²³ 43 U.S.C. § 1331 *et seq.*

²⁴ “Lands beneath navigable waters” include all lands permanently or periodically covered by tidal waters up to but not above the line of mean high tide and seaward to a line three geographical miles distant from the coast line of each State. 43 U.S.C. § 1301(a)(2).

²⁵ SFFAS 59, Appendix A, A29(g).

²⁶ At the time of our review, FWS was only able to provide supporting documentation for FY 2022 reported Federal land acres. For FY 2023, FWS queried acreage data from the Land Record System that provided only an overall summary of estimated land acres. The acreage data was queried prior to FWS’ end-of-year data review process, which includes data that had not been officially reviewed by the FWS Headquarters’ Realty Program staff. In addition, the FY 2023 FWS Annual Report of Land had not been published, which would typically include supporting information for all Federal land acres. Therefore, we used FWS’ supporting documentation for FY 2022 to perform our testing of Federal land acres because FWS reported 757,263,000 Federal land acres for FY 2022 and 757,367,000 Federal land acres for FY 2023—a 0.01 percent difference, which we determined to be immaterial. See Appendix 1 for our methodology for testing of evidence supporting reported Federal land acres.

²⁷ An MNM is an ocean area designated by a Presidential proclamation under the Antiquities Act. FWS partners with the U.S. National Oceanic and Atmospheric Administration and State and territorial governments to manage national monuments that conserve oceans and remote islands.

²⁸ National wildlife refuges include lands, waters, and interests therein administered by FWS, which include wildlife refuges, ranges, management areas, game preserves, and conservation areas.

²⁹ On January 6, 2025, the name “Pacific Remote Islands MNM” was updated to the “Pacific Islands Heritage MNM” on <https://www.fisheries.noaa.gov/pacific-islands/habitat-conservation/pacific-islands-heritage-marine-national-monument>.

³⁰ For example, pursuant to Presidential Proclamation No. 5030, dated March 10, 1983, the United States has sovereign rights for the purpose of exploring, exploiting, conserving and managing natural resources of the seabed and subsoil and the superjacent waters, to the extent permitted under international law. The outer limit of the U.S. EEZ extends to a maximum distance of 200 nautical miles from the baseline from which the breadth of the territorial sea is measured.

³¹ We also submitted a technical inquiry to FASAB for a determination of the reported submerged land, but FASAB did not provide an official response.

Misstatements Due To Unvalidated Support of Federal Land

PFM issued Chapter 29, “DOI Land Reporting Policy,” in its *Financial Management Handbook* to establish policy to guide bureaus’ estimates of Federal land acres. The policy requires DOI bureaus to submit Federal land acre estimations with documentation to substantiate the number of acres reported. PFM then aggregates the bureaus’ reported Federal land acres estimates and reports the total amount in DOI’s AFR. We reviewed all information submitted by the bureaus to support their Federal land acre estimates for FY 2023 and found that BLM did not provide supporting documentation for its total reported Federal land acres.

Specifically, BLM reported 244,620,437 Federal land acres to PFM for FY 2023; however, BLM’s supporting documentation submitted with the reported acres was the Bureau’s FY 2021 Federal land acres report, which only reported 244,289,704 acres. Because of this, we were unable to select a sample of recorded Federal land acres from BLM that tied to supporting documentation. Though a report did show a total amount of Federal land acres BLM reported to PFM, it did not provide a list of detailed information for its Federal land acres; therefore, we were unable to determine if BLM (1) had the proper supporting documentation for the Federal land acres it reported, (2) reported complete and accurate amounts, and (3) accounted for all Federal land acres and provided a complete representation of land it managed.

We also found that FWS provided an incomplete annual report, titled “Statistical Data Tables for Fish and Wildlife Service Lands,” as support of its Federal land acres estimates for FY 2023. Prior year reports consisted of all land acreage information broken out into 10 tables with detailed information about FWS’ Federal land acres. However, for FY 2023, FWS only provided a summary of the statistical data tables report without inclusion of the 10 tables of detailed information.

PFM did not verify BLM’s and FWS’ supporting documentation to determine if the reported Federal land acres were accurate or complete. However, PFM nonetheless included the total unverified Federal land acre amounts in the FY 2023 AFR. When we asked PFM staff how they verified the supporting information from the bureaus, they could not provide an explanation. PFM stated that it did not perform tests of source documentation to determine if the bureaus could provide deeds to validate reported Federal land acres. Instead, PFM relied solely on the reports that bureaus produced to support reported Federal land acres.

As part of its financial management responsibilities, PFM has a duty to review the data for accuracy, completeness, and appropriate classification in the AFR. The DOI’s AFR feeds into the Governmentwide financial statements; therefore, like all Federal agencies, DOI must submit correct information to ensure the overall financial integrity, reliability, and credibility of these statements. Because DOI is one of the largest Federal landowners, accuracy of its reported information regarding land acreage is particularly important and could significantly affect the Governmentwide financial statements in this area. Moreover, without proper accounting for Federal land, DOI could potentially receive a qualified opinion from its external auditors if DOI’s bureaus do not produce proper documentation to support the Federal land acres reported in DOI’s financial statements.

Recommendations

We recommend that PFM:

1. Remove all lands meeting the SFFAS 59 definition of Outer Continental Shelf from the Federal land acres reported in the agency financial report.
2. Develop and implement policies and procedures to provide bureaus with guidance on the treatment for reporting submerged lands.
3. Develop and implement a process to review supporting documentation and validate Federal land acres reported by bureaus that includes steps to follow up with bureaus when PFM identifies discrepancies or deficiencies.

Bureaus Did Not Document Predominant Use Determinations

SFFAS 59 requires Federal land to be reported with a predominant use subcategory and established three such subcategories: conservation and preservation, operational, or commercial use. As noted previously, PFM has the overall responsibility to report Federal land acres in the AFR in accordance with SFFAS 59 requirements. To meet this responsibility, PFM relies on the bureaus that manage and track Federal land acres under their respective jurisdictions. PFM’s “DOI Land Reporting Policy” highlights the predominant use subcategories defined by SFFAS 59 and provides descriptions of roles and responsibilities for each bureau. PFM also requires bureaus to submit justification for their determinations of predominant use.

We reviewed four bureaus responsible for Federal land management and found that they did not have support for their selected determinations for predominant use during the reporting period. We reviewed the bureaus’ documentation of how land information was queried from their respective database systems. We could not, however, find documented processes or methodologies used to categorize Federal land acres or descriptions of how to verify inclusion of all relevant Federal land acres information.

During our review, we found that all bureaus did assign predominant use subcategories as required. FWS and NPS categorized all land as conservation and preservation and BOR categorized all land as operational—approaches that align with each bureau’s respective mission. BLM also reported its estimated Federal land acres, which it categorized within the three subcategories for FY 2023 (see Figure 4). When we asked for supporting documentation for the amounts of conservation and preservation land, operational land, and commercial use land determinations, BLM provided a “Public Land Statistic Report,” which is published annually. However, we could not verify BLM’s methodology for calculating the number of acres in each predominant use subcategory.

Figure 4: BLM Estimated Acreage Submitted to PFM

Estimated Acreage by Predominant Use as of 09/30/2023					
	Conservation and Preservation Land	Operational Land	Commercial Use Land	Total Estimated Acreage	Explanatory Comments*
G-PP&E Land	–	20,437	–	20,437	–
Stewardship Land	49,500,000	3,100,000	192,000,000	244,600,000	–
Total Estimated Acreage	49,500,000	3,120,437	192,000,000	244,620,437	

* We omitted the explanatory comments provided by the Bureau for this chart.

Source: BLM

To create the “Public Land Statistic Report” for each year, BLM uses several different land-tracking databases, including the BLM Surface Management Agency database, the Eastern States Parcel Identification List for all Eastern States, the Facilities Asset Management System database, and the FBMS. We asked BLM staff how it determines the land acres amounts in each predominant use subcategory. BLM staff members stated that they use queries on the land tracking databases and manually calculate how much land is in each predominant use subcategory. However, BLM was not able to provide supporting documentation, such as a written justification, or demonstrate to us how the queries were performed. Overall, BLM was not able to provide detailed information to support the total amounts reported in each of the predominant use subcategories. We asked if BLM could produce a detailed listing of acres included in the total of Federal land acres reported, and BLM staff members stated they could not do so.

As part of SFFAS 59 implementation, bureaus are required to develop policies and procedures for capturing and recording acreage information by predominant use subcategory. Though BLM reported land acres in all three subcategories, its policies and procedures were not updated to clearly describe how it makes determinations to classify Federal land acres within the predominant use subcategories it used in its database systems. It moreover could not demonstrate how it generated the Federal land acres it reported by predominant use subcategories.

During our site visits to two State offices, we learned that BLM staff within the different States were responsible for entering BLM's Federal land acreage information into databases for their respective properties. During discussions, we found that staff were not aware of the new reporting requirements mandated by SFFAS 59, including the requirement to classify land acres by predominant use subcategory. We were also informed that BLM database systems were not able to classify Federal land acres based on predominant use subcategories. Multiple BLM staff members stated that there is a lack of training and communication within the Bureau about land reporting requirements.

These issues occurred because PFM did not issue sufficient guidance to bureaus for developing methodologies for classifying acres by predominant use subcategory. In addition, PFM's policy does not require bureaus to update processes for capturing and recording acreage information by SFFAS 59's predominant use subcategories, and PFM did not verify the acreage amounts reported under the predominant use subcategories.

As SFFAS 59 is a new accounting standard stipulating that agencies report all Federal land acres by predominant use to promote consistent reporting across the Federal Government, DOI's information must be correct to ensure financial integrity, reliability, and credibility. As noted previously, without proper accounting for Federal land, DOI could potentially receive a qualified opinion from its external auditors if DOI's bureaus do not produce proper documentation to support the Federal land acres reported in DOI's financial statements.

Recommendations

We recommend that PFM:

4. Update Chapter 29, "DOI Land Reporting Policy," to instruct bureaus to develop and document their methodologies for determining predominant use subcategories and include guidance for bureaus to develop and implement systems and processes for capturing and recording acreage information by predominant use subcategories (conservation and preservation, operational, or commercial use).

We recommend that BLM:

5. Provide a detailed listing of Federal land acres that supports the number of estimated Federal land acres reported to PFM.
6. Provide training on SFFAS 59 requirements for classification of predominant use subcategories to all BLM staff entering Federal land acres data.

Conclusion and Recommendations

Conclusion

We found that DOI did not ensure consistent implementation of SFFAS 59 for FY 2023 and moreover identified several areas for improvement in the implementation process—FWS and BLM may have misstated land acres, and all four bureaus we audited did not have documentation to support their determinations for reported predominant use subcategories. In addition, PFM does not have a process or requirement in place to follow up with bureaus if discrepancies or deficiencies are identified in reporting.

We concluded that these issues occurred because PFM did not issue sufficient guidance to bureaus that would allow them to properly implement SFFAS 59. In addition, PFM did not provide guidance that mandated bureaus change their processes to ensure proper classification of Federal land acres by predominant use, as stated in SFFAS 59. Without attention to these issues, DOI risks improper implementation of SFFAS 59 and potentially inaccurate reporting of Federal land acres. These weaknesses, in turn, risk the possibility that DOI would receive a qualified opinion from DOI’s external auditors on its FY 2026 financial statement audit.

We make six recommendations to help ensure DOI is prepared to implement SFFAS 59 and prepare future AFRs in a way that accounts for and reports all Federal land acres accurately.

Recommendations Summary

We provided a draft of this report to PFM and BLM for review; Recommendations 1 through 4 were directed to PFM, and Recommendations 5 and 6 were directed to BLM. PFM concurred with Recommendations 1 through 3 and partially concurred with Recommendation 4. BLM concurred with Recommendations 5 and 6. We consider Recommendation 1 implemented and Recommendations 2 through 6 resolved. We determined that Recommendations 3 and 5 are significant and will be reported as such in our semiannual report to Congress in accordance with the Inspector General Act.³² Below we summarize PFM’s and BLM’s responses to our recommendations, as well as our comments on their responses.

PFM noted in its response to each recommendation that it did “not agree with OIG’s assessment in the report that PFM did not exercise due diligence in the implementation of [the standard because] SFFAS 59 provides for a (4) year implementation timeline.” We acknowledge that SFFAS 59 implementation is a multiyear process, which began in FY 2021³³ and will cease in FY 2026. Based on PFM’s comments, we clarified some passages of the report, but we did not modify our overall findings and recommendations. We also acknowledge that PFM has taken various steps to help DOI implement this standard, including (1) meeting with GAO since 2021 to discuss questions, concerns, and challenges; (2) issuing the “DOI Land Reporting Policy” in 2022 to establish guidance for bureaus in accordance with SFFAS 59; and (3) scheduling monthly meetings with bureaus to assist them with implementation of SFFAS 59 requirements. That being said, as set forth in the report, we identify areas for improvement to ensure that accurate information is provided going forward with respect to this significant update in standards. We chose to review FY 2023 data to determine DOI’s progress in applying the new standards and allow DOI time to implement recommendations before the information would be audited in FY 2026.

Appendix 3 provides the full text of PFM’s and BLM’s responses; Appendix 4 lists the status of each recommendation.

³² The Inspector General Act of 1978, 5 U.S.C. § 405(b), requires inspectors general to prepare semiannual reports summarizing OIG activities during the immediately preceding 6-month periods ending March 31 and September 30. It also states that these semiannual reports should include an identification of each “significant recommendation” described in previous semiannual reports on which corrective action has not been completed.

³³ SFFAS 59, issued July 30, 2021.

We recommend that PFM:

1. Remove all lands meeting the SFFAS 59 definition of Outer Continental Shelf from the Federal land acres reported in the agency financial report.

PFM Response: PFM concurred with this recommendation and stated that DOI obtained clarification on FASAB's intent concerning "the nature of [OCS] lands and the proper placement" and "removed the OCS lands related to [FWS' Marine National Monuments] from the [Required Supplementary Information] Land disclosure for FY 2024." PFM provided a September 30, 2026 target implementation date.

OIG Comment: Based on PFM's response, we consider this recommendation implemented. We reviewed the FY 2024 AFR and confirmed that DOI excluded the FWS land located in the OCS from the land disclosure in the "Required Supplementary Information" section.

2. Develop and implement policies and procedures to provide bureaus with guidance on the treatment for reporting submerged lands.

PFM Response: PFM concurred with this recommendation and stated it "reached out to FASAB for clarification on [submerged lands]." Further, PFM stated, "The topic of submerged lands is on the agenda for the FASAB board to consider [an] additional definition or implementation guidance. PFM will add guidance for submerged lands when [SFFAS 59] is updated." PFM provided a September 30, 2026 target implementation date.

OIG Comment: Based on PFM's response, we consider this recommendation resolved. We will consider it implemented when PFM provides its updated policy providing guidance to bureaus for excluding submerged lands located in the OCS from the reported estimated land acres, in accordance with SFFAS 59.

3. Develop and implement a process to review supporting documentation and validate Federal land acres reported by bureaus that includes steps to follow up with bureaus when PFM identifies discrepancies or deficiencies.

PFM Response: PFM concurred with this recommendation. PFM stated it "has actively worked with bureaus and offices during the implementation phase to understand the nature of their land reporting." Further, PFM stated it "reviews the land populations submitted [by bureaus] for consolidation in the AFR and follows up with bureaus when [it identifies] discrepancies." Additionally, PFM stated that it has a "monthly Land Taskforce meeting where [it engages] with bureaus and offices to discuss any identified discrepancies or deficiencies." PFM also stated, "DOI is one of the largest federal landholders and will need time to fully understand all the populations and how to review them." PFM stated it "will develop guidance for bureaus and offices as we approach the end of the implementation phase." PFM provided a September 30, 2026 target implementation date.

OIG Comment: Based on PFM's response, we consider this recommendation resolved and will consider it implemented once PFM provides evidence that it has implemented a sufficient process to review supporting documentation and validate Federal land acres reported by bureaus that includes steps to follow up with bureaus when PFM identifies discrepancies or deficiencies.

4. Update Chapter 29, "DOI Land Reporting Policy," to instruct bureaus to develop and document their methodologies for determining predominant use subcategories and include guidance for bureaus to develop and implement systems and processes for capturing and recording acreage information by predominant use subcategories (conservation and preservation, operational, or commercial use).

PFM Response: PFM partially concurred with this recommendation. PFM stated:

As we progress in the implementation phase of [SFFAS 59], PFM will update Chapter 29 to provide additional guidance to bureaus. The guidance will include the requirement that bureaus and offices must have documented procedures for identifying the predominant use categories by estimated acreage. The standard does not require that agencies record in the systems the predominant use category for each acre.

PFM provided a September 30, 2026 target implementation date.

OIG Comment: Based on PFM's response, we consider this recommendation resolved. SFFAS 59 requires bureaus to determine predominant use by the "level of aggregation (for example, by national park or reserve, regional/district office, topography/land cover), the assignment of land, and the permanent land rights considering the entity's mission, types of land use, and how the bureau manages its assets."³⁴ In addition, SFFAS 59 states that "entities should develop and implement systems and processes for capturing and recording acreage information (balances and transactions during the year by predominant use subcategory); design and implement appropriate internal controls; [as well as] validate that the required information is independently verifiable or auditable."³⁵ These systems and processes should describe the methodologies bureaus use to capture and record acreage information for reporting purposes. OIG recommends that PFM instruct bureaus to record predominant use category by level of aggregation to ensure compliance with SFFAS 59. We will consider this recommendation implemented when PFM provides an updated Chapter 29 with instructions for bureaus to document their methodologies for determining predominant use subcategories and their processes for capturing and recording acreage information by predominant use subcategories for reporting purposes.

We recommend that BLM:

5. Provide a detailed listing of Federal land acres that supports the number of estimated Federal land acres reported to PFM.

BLM Response: BLM concurred with this recommendation and stated, "The processes used to track and register lands have changed multiple times due to technology and policy." BLM also noted that the Public Land Survey System (PLSS), which it inherited from the General Land Office in 1946, has been in use to manage Federal parcels for over 200 years. BLM stated:

The advent and wide implementation of Geographic Information Systems (GIS) allowed the BLM to consolidate land information from various sources and improved accuracy in reporting and mapping. Based upon the historical nature of public domain lands management, BLM land data is reported based upon the best available data as assembled within national datasets. BLM land estimates will remain approximate based upon both the accuracy of survey data defining the official boundaries of all public land parcels and limitations resultant from the incorporation of manual paper records into digital systems. The BLM can provide listings of areas with highly accurate survey data, and those with less accurate surveys. The BLM can provide a list of legal descriptions of parcels, however manual research would be required to provide the official surveyed acreage.

BLM provided a January 15, 2026 target implementation date.

OIG Comment: Based on BLM's response, we consider this recommendation resolved. According to SFFAS 59, due to "the diverse nature of how land has been acquired into the public domain, information from different vintages or time-periods would be expected to affect acreage estimation methods and/or

³⁴ SFFAS 59, A35.

³⁵ SFFAS 59, A39(d) and (e).

techniques.”³⁶ Therefore, “[e]ntity estimates can be based on different underlying sources of data applying different measurement and/or mapping methods and can be deemed reasonable within industry accepted tolerance levels applied at an aggregation level (e.g., by national park or reserve, regional/district office, topography/land cover, etc.).”³⁷ Furthermore, “it is not unreasonable that supporting documentation will be developed using alternative methods [to estimate acres].”³⁸ With the implementation of SSFAS 59, preparers are expected “to apply a variety of documented methods and techniques in arriving at estimates.”³⁹

Given BLM’s detailed explanation of the historical nature of public domain lands management and barriers BLM encounters with producing a detailed list of acres from several different land-tracking databases, we will consider the recommendation implemented once we review BLM’s list of legal descriptions of parcels and determine that the documented methods and techniques support the reported land estimations.

6. Provide training on SFFAS 59 requirements for classification of predominant use subcategories to all BLM staff entering Federal land acres data.

BLM Response: BLM concurred with this recommendation. BLM stated that its “Energy, Minerals, and Realty Management Directorate will coordinate with relevant [DOI Offices] on training needs for [GIS specialists, accountants, realty specialists, and cadastral surveyors] that includes standard protocols and national land dataset adjustment processes.” Further, BLM stated it “will coordinate with DOI to incorporate this information into the existing recurring training courses” and “will develop an overview of the reporting process for general awareness among other related specialists.” BLM provided a May 30, 2026 target implementation date.

OIG Comment: Based on BLM’s response, we consider this recommendation resolved. We will consider it implemented when BLM provides evidence of training on SFFAS 59 requirements for classification of predominant use subcategories to all BLM staff entering Federal land acres data.

³⁶ SFFAS 59, A35.

³⁷ *Id.*

³⁸ SFFAS 59, A37.

³⁹ *Id.*

Appendix 1: Scope and Methodology

Scope

Our audit scope included the bureaus with Federal land acres reported in the U.S. Department of the Interior's (DOI's) Agency Financial Report (AFR) for fiscal year 2023: the Bureau of Land Management (BLM), the Bureau of Reclamation (BOR), the U.S. Fish and Wildlife Service (FWS), and the National Park Service (NPS). We reviewed DOI bureaus' documentation that supported predominant use determinations; documentation that supported the reported Federal land acreage; the Office of Financial Management's (PFM's) policies and procedures for implementation of Statement of Federal Financial Accounting Standards (SFFAS) No. 59; and selected samples of recorded Federal land acreage from BOR, FWS, and NPS.

Scope Limitation

The DOI's AFR for fiscal year 2023 reported 1,090,159,000 total estimated acres of land—244,620,437 acres of which were managed by BLM. Significant constraints were imposed on our audit approach because BLM could not provide documentation that supported its portion of DOI's total reported Federal land acres. We were unable to select a sample of recorded Federal land acres from BLM that tied to supporting documentation, so we narrowed our scope to include only the bureaus that were able to provide supporting documentation that we could tie to reported Federal land acres.

Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

We assessed whether internal control was significant to the audit objective. We determined that DOI's control environment and control activities and the following related principles were significant to the audit objective:

- The oversight body should oversee the entity's internal control system.
- Management should design control activities to achieve objectives and respond to risks.
- Management should implement control activities through policies.

We tested the operation and reliability of internal controls over activities related to our audit objective. Our tests and procedures included:

- Gathering background information on the land databases used by BLM, BOR, FWS, and NPS.
- Interviewing officials, including management and staff from BLM, BOR, FWS, NPS, and PFM.
- Reviewing evidence that supports Federal land acres reported by BOR, FWS, and NPS. (Due to our scope limitation, we could not review evidence from BLM to support Federal land acres reported.)
- Conducting site visits to BLM's State offices in Salt Lake City, Utah, and Lakewood, Colorado; BOR's regional office in Salt Lake City, Utah; NPS' regional office in Lakewood, Colorado; and FWS' regional office in Lakewood, Colorado.

- Reviewing supporting documentation required for land estimations provided by DOI bureaus.
- Determining how PFM validated the Federal land acres reported by DOI bureaus.

We relied on computer-generated data provided by three of the four bureaus—BOR, FWS, and NPS—to assess the reliability of computer-generated information and determine if facts, dates, and land acres entries contained errors or were incomplete. We performed some basic reasonableness checks of the land data against source documentation by obtaining copies of deeds in PDF format and by comparing the land acres information. We also interviewed individuals responsible for entering data into the land databases to determine how they entered it.

For the three bureaus that provided computer-generated information, we determined that the data was adequate for the purpose of making a broad comparison of reported Federal land acres. However, we also noted several limitations in the data—notably, that the data was largely supported by documentation that used land descriptions that included township, range, and meridian, as opposed to actual acres. Each DOI bureau used cartographers or land specialists to read the information in the supporting documentation, determine the number of acres, and then enter the information into the land databases. In addition, BLM did not provide supporting documentation for its Federal land acres, and we were unable to determine if BLM's facts, dates, and land acre entries contained any errors or were incomplete.

Based on the results of our initial assessments, we assigned a level of risk and selected a judgmental sample of transactions for testing from BOR, FWS, and NPS. BLM did not provide a detailed listing of land acre transactions from which we could select a sample. We used auditor judgment and considered risk levels relative to other audit work performed to determine the degree of testing performed in each area. We reviewed:

- 55,243 acres of BOR's stewardship lands from DOI's Financial and Business Management System and selected samples from three different regions.
- 333,996,420 acres of FWS lands from a report generated by the Land Record System. Included in the sample were national wildlife refuges located in 13 different States, coordination areas located in 3 different States, a marine national monument area located in the Pacific Ocean, and waterfowl production areas located in 4 different States.
- 380,997 acres of NPS lands from a report generated by its Master Lands Console. Included in the sample were six national monuments, three national historic sites, three national seashores, one national park and preserve, one national historic park, one national battlesite, one forest park, one national recreation area, one national battlefield park, one national memorial, and two national parks.

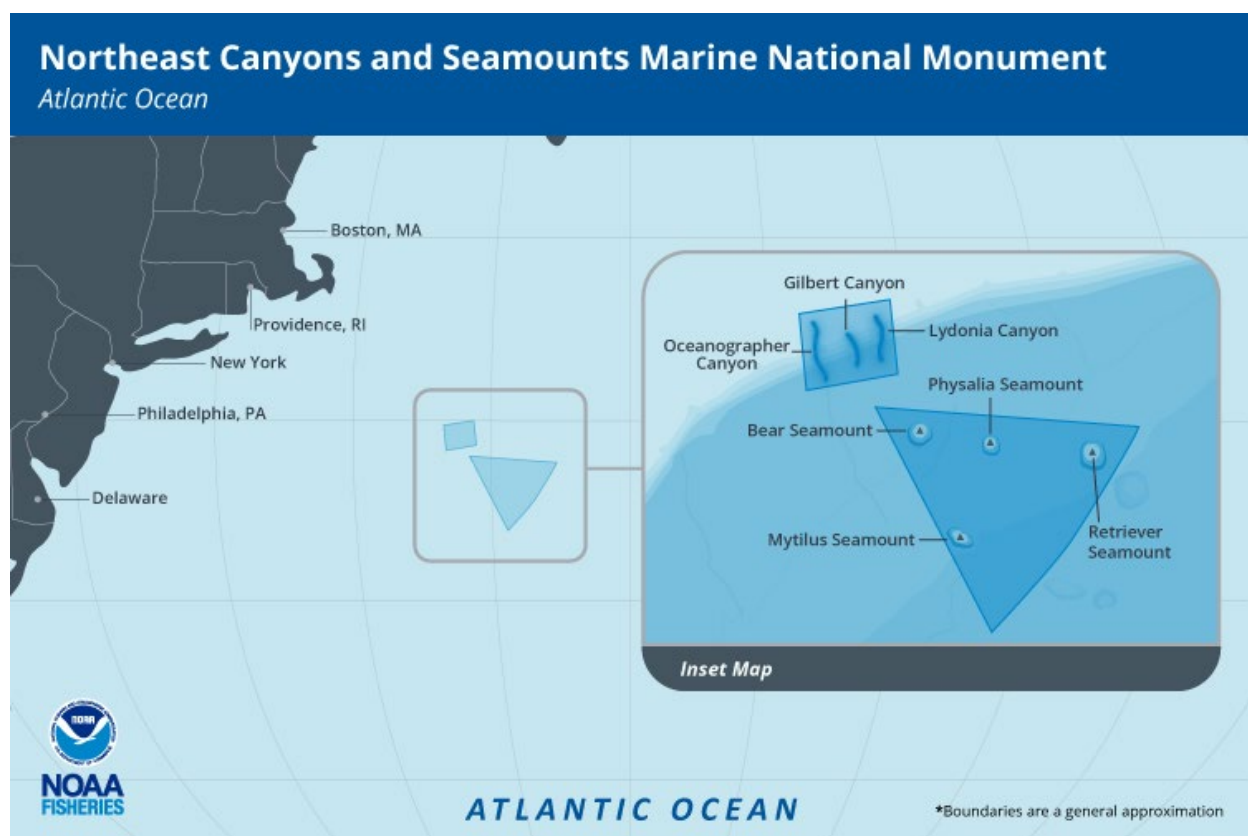
Our sample selections were not generated using statistical sampling. Therefore, we did not project the results of our tests to the total population of transactions. We reviewed supporting documentation, which included deeds to property, proclamations, judgements, and easements for BOR, FWS, and NPS.

Appendix 2: Marine National Monuments Outside National Wildlife Refuge Boundaries

This appendix provides additional information on the four Marine National Monuments (MNM) discussed in this report, which are outside the U.S. Fish and Wildlife Service's (FWS') refuge boundaries: Northeast Canyons and Seamounts, Mariana Trench, Pacific Remote Islands⁴⁰, and Papahānaumokuākea. An MNM is an ocean area designated by a Presidential proclamation under the Antiquities Act. FWS partners with the U.S. National Oceanic and Atmospheric Administration (NOAA) and State and territorial governments to manage national monuments that conserve oceans and remote islands. FWS manages the monuments for conservation purposes.

Northeast Canyons and Seamounts MNM (3,144,320 acres)

Northeast Canyons and Seamounts MNM is located undersea about 130 miles east-southeast of Cape Cod, Massachusetts. The canyons include the Oceanographer, Gilbert, and Lydonia canyons covering about 941 square miles starting at the edge of the geological continental shelf and dropping to thousands of feet deep. The seamounts include approximately 30 extinct undersea volcanoes. Four of the seamounts (in particular, Bear, Physalia, Retriever, and Mytilus) are in the U.S. Exclusive Economic Zone (EEZ).



A map depicting the location of the Northeast Canyons and Seamounts MNM.

Source: NOAA Fisheries, <https://www.fisheries.noaa.gov/habitat-conservation/marine-national-monuments>.

⁴⁰ On January 6, 2025, the name "Pacific Remote Islands MNM" was updated to the "Pacific Islands Heritage MNM."

Mariana Trench MNM (50,578,881 acres)

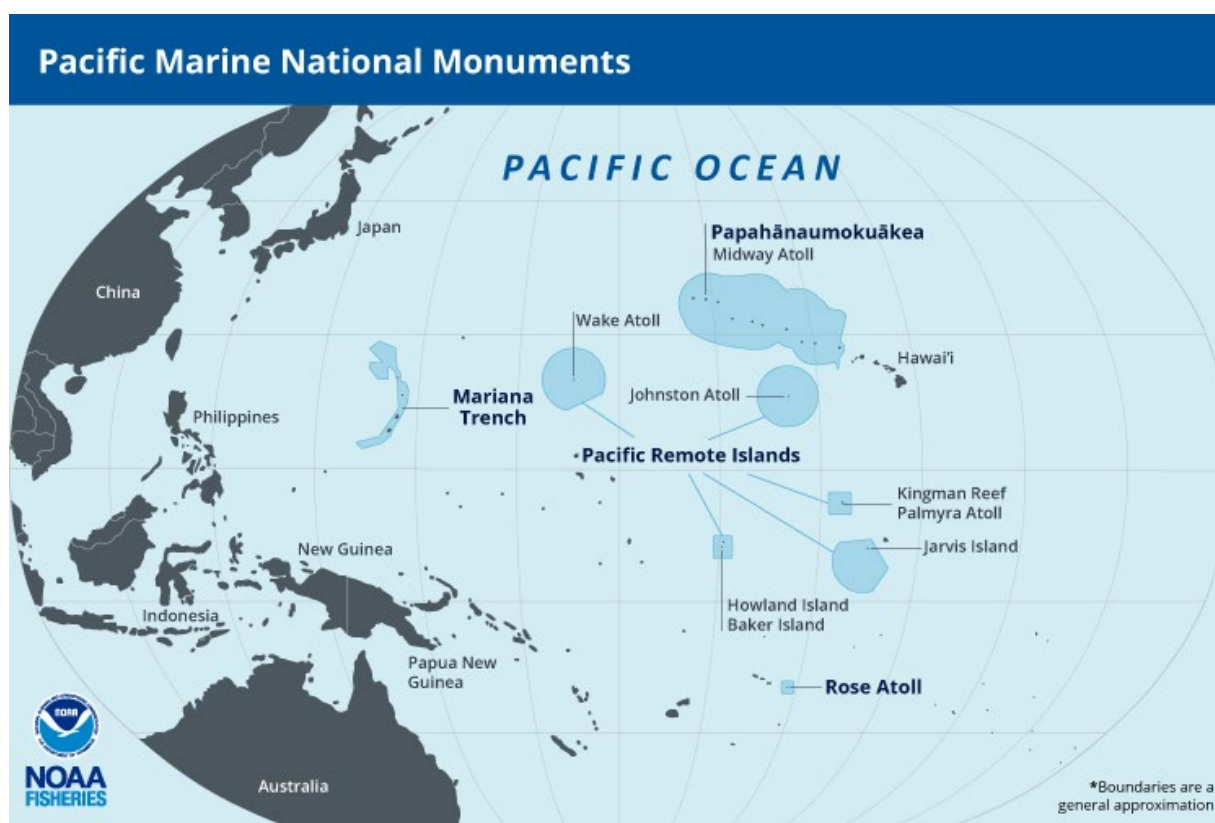
The Mariana Trench MNM consists of submerged land and waters of the Mariana Archipelago east of the Philippines. The trench unit and refuge encompass the submerged lands extending from the northern limit of the U.S. EEZ in the Commonwealth of the Northern Mariana Islands to the southern limit of the U.S. EEZ in the U.S. Territory of Guam.

Pacific Remote Islands MNM (310,584,458 acres)

The Pacific Remote Islands MNM consists of seven islands and atolls located in the central Pacific Ocean. More specifically, it consists of Baker, Howland, and Jarvis Islands; Johnston, Wake, and Palmyra Atolls and Kingman Reef.

Papahānaumokuākea MNM (283,378,409 acres)

The Papahānaumokuākea MNM includes the Northwestern Hawaiian Islands Coral Reef Ecosystem Reserve, the Midway Atoll National Wildlife Refuge, the Battle of Midway National Memorial, and the Hawaiian Islands National Wildlife Refuge. The monument is a vast, remote, and largely uninhabited marine region that is dotted with small islands, islets, reefs, shoals, submerged banks, and atolls.



A map depicting the location of the Mariana Trench, Pacific Remote Islands, and Papahānaumokuākea MNMs. On January 6, 2025, NOAA Fisheries update the name of the Pacific Remote Islands MNM to the Pacific Island Heritage MNM and revised the associated map on their website to reflect this change.

Source: NOAA Fisheries, <https://www.fisheries.noaa.gov/habitat-conservation/marine-national-monuments>.

Appendix 3: Responses to Draft Report

PFM's and BLM's responses to our draft report follow on page 22.



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

Caryl Brzymialkiewicz
Acting Inspector General
Office of the Inspector General
U.S. Department of the Interior

Dear Ms. Brzymialkiewicz:

Thank you for providing the Department of the Interior (Department, Interior) the Office of the Inspector General (OIG) Draft Report titled, *The U.S. Department of the Interior Did Not Ensure Consistent Implementation of Federal Standards for Accounting and Reporting of Government Land and Needs to Make Improvements* (Report No. 2023-FIN-038) for review and comment. We appreciate the OIG's review of the Department's implementation of the Statement of Federal Financial Accounting Standards (SFFAS) No. 59, "Accounting and Reporting of Government Land."

The OIG issued six recommendations to the Department, including four directed to the Office of Financial Management (PFM), to address its findings. Below is PFM's response to each recommendation:

Recommendation 1: We recommend that PFM remove all lands meeting the SFFAS 59 definition of Outer Continental Shelf from the Federal land acres reported in the agency financial report.

Response: PFM Concurs. PFM has been actively engaging with FASAB, GAO, and FWS throughout the implementation of the standard to understand the nature of these lands and the proper placement. The standard referenced active management of the OCS as a reason to disclose and DOI worked to clarify FASAB's intent. Once we obtained the clarification, DOI removed the OCS lands related to the Fish and Wildlife Services (FWS) National Maritime Monuments (NMM) from the RSI Land disclosure in FY 2024 and are currently working to move these to the Heritage Assets disclosure in FY 2025.

While PFM appreciates the review and concurs with the recommendation, we do not agree with OIG's assessment in the report that PFM did not exercise due diligence in the implementation of the standard. SFFAS 59 provides for a (4) year implementation timeline. Agencies are not expected to be fully implemented until the end of the implementation period. This review took place in FY 2023, which was early in the implementation timeline. FASAB provided a long implementation period because they understood it would take agencies time to fully implement and be ready to undergo an audit. Performing an audit in FY 2023 and expecting DOI to be fully implemented and in compliance with the standard is not what FASAB expected. PFM has been working diligently during the timeline to ensure DOI can be ready for full implementation when the standard moves from RSI to Basic.

Responsible Official: Associate Chief Financial Officer / Deputy Director of Financial Reporting, PFM

Target Date: September 30, 2026

Recommendation 2: We recommend that PFM develop and implement policies and procedures to provide bureaus with guidance on the treatment for reporting submerged lands.

Response: PFM Concur. PFM has been actively working with bureaus and offices during the implementation timeline to understand the nature of the submerged lands within each bureau. PFM also reached out to FASAB for clarification on this topic and the interaction with the exclusion for Outer Continental Shelf. The topic of submerged lands is on the agenda for the FASAB board to consider additional definition or implementation guidance. PFM will add guidance for submerged lands when the policy is updated.

While PFM appreciates the review and concurs with the recommendation, we do not agree with OIG's assessment in the report that PFM did not exercise due diligence in the implementation of the standard. SFFAS 59 provides for a (4) year implementation timeline. Agencies are not expected to be fully implemented until the end of the implementation period. This review took place in FY 2023, which was early in the implementation timeline. FASAB provided a long implementation period because they understood it would take agencies time to fully implement and be ready to undergo an audit. Performing an audit in FY 2023 and expecting DOI to be fully implemented and in compliance with the standard is not what FASAB expected. PFM has been working diligently during the timeline to ensure DOI can be ready for full implementation when the standard moves from RSI to Basic.

Responsible Official: Associate Chief Financial Officer / Deputy Director of Financial Reporting, PFM

Target Date: September 30, 2026

Recommendation 3: We recommend that PFM develop and implement a process to review supporting documentation and validate Federal land acres reported by bureaus that includes steps to follow up with bureaus when PFM identifies discrepancies or deficiencies.

Response: PFM Concur. PFM has actively worked with bureaus and offices during the implementation phase to understand the nature of their land reporting. PFM reviews the land populations submitted for consolidation in the AFR and follows up with bureaus when we identify discrepancies. PFM has a monthly Land Taskforce meeting where we engage with bureaus and offices to discuss any identified discrepancies or deficiencies. PFM will develop guidance for bureaus and offices as we approach the end of the implementation phase.

While PFM appreciates the review and concurs with the recommendation, we do not agree with OIG's assessment in the report that PFM did not exercise due diligence in the implementation of the standard. SFFAS 59 provides for a (4) year implementation timeline. Agencies are not expected to be fully implemented until the end of the implementation period. This review took place in FY 2023, which was early in the implementation timeline. FASAB provided a long implementation period because they understood it would take agencies time to fully implement

and be ready to undergo an audit. Performing an audit in FY 2023 and expecting DOI to be fully implemented and in compliance with the standard is not what FASAB expected. PFM has been working diligently during the timeline to ensure DOI can be ready for full implementation when the standard moves from RSI to Basic.

This review was completed in FY 2023 at the beginning of the transition period. PFM is working diligently with bureaus and offices to understand the land populations. FASAB provided (4) years for agencies to properly understand the populations and implement the standard. DOI is one of the largest federal landholders and will need time to fully understand all the populations and how to review them.

Responsible Official: Associate Chief Financial Officer / Deputy Director of Financial Reporting, PFM

Target Date: September 30, 2026

Recommendation 4: We recommend that PFM update Chapter 29, “DOI Land Reporting Policy,” to instruct bureaus to develop and document their methodologies for determining predominant use subcategories and include guidance for bureaus to develop and implement systems and processes for capturing and recording acreage information by predominant use subcategories (conservation and preservation, operational, or commercial use).

Response: Partially Concur. Bureaus have developed guidance for the accounting and reporting of land and PFM has reviewed this guidance. As we progress in the implementation phase of the standard, PFM will update Chapter 29 to provide additional guidance to bureaus. The guidance will include the requirement that bureaus and offices must have documented procedures for identifying the predominant use categories by estimated acreage. The standard does not require that agencies record in the system the predominant use category for each acre.

While PFM appreciates the review and partially concurs with the recommendation, we do not agree with OIG’s assessment in the report that PFM did not exercise due diligence in the implementation of the standard. SFFAS 59 provides for a (4) year implementation timeline. Agencies are not expected to be fully implemented until the end of the implementation period. This review took place in FY 2023, which was early in the implementation timeline. FASAB provided a long implementation period because they understood it would take agencies time to fully implement and be ready to undergo an audit. Performing an audit in FY 2023 and expecting DOI to be fully implemented and in compliance with the standard is not what FASAB expected. PFM has been working diligently during the timeline to ensure DOI can be ready for full implementation when the standard moves from RSI to Basic.

The OIG audit took place in FY 2023, which was early in the implementation timeline. FASAB allowed agencies (4) years to fully implement this standard. Expecting that DOI have all policies and procedures available prior to the completion of the implementation timeline is unreasonable.


Responsible Official: Associate Chief Financial Officer / Deputy Director of Financial Reporting, PFM

Target Date: September 30, 2026

If you have any questions, or need additional information, please contact the PFM Audit Management (AM) Division team at DOI_PFM_AM@ios.doi.gov.

Sincerely,

TONYA
JOHNSON-
SIMMONS

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Tonya R. Johnson-Simmons
Deputy Chief Financial Officer (DCFO) &
Director, Office of Financial Management (PFM)



United States Department of the Interior
BUREAU OF LAND MANAGEMENT
National Headquarters
Washington, DC 20240
<https://www.blm.gov>



In Reply Refer To:
1245/1301 (750/OC-620)

Memorandum

To: Caryl Brzymialkiewicz
Acting Inspector General

Through: Adam G. Suess **ADAM SUESS**
Assistant Secretary,
Land and Minerals Management
Digitally signed by ADAM SUESS
Date: 2025.06.18
17:20:35 -04'00'

From: Jon K. Raby **JON RABY**
Exercising the Delegated Authority of the Director
Bureau of Land Management
Digitally signed by JON RABY
Date: 2025.06.17
12:06:20 -07'00'

Subject: Office of Inspector General Draft Audit Report, "The U.S. Department of the Interior Did Not Ensure Consistent Implementation of Federal Standards for Accounting and Reporting of Government Land and Needs To Make Improvements" (2023-FIN-038)

Thank you for the opportunity to review and comment on the Office of Inspector (OIG) draft audit report titled, "The U.S. Department of the Interior Did Not Ensure Consistent Implementation of Federal Standards for Accounting and Reporting of Government Land and Needs To Make Improvements" (2023-FIN-038).

The Bureau of Land Management (BLM) appreciates the OIG's work in reviewing the implementation of the Statement of Federal Financial Accounting Standards (SFFAS) No. 59, "Accounting and Reporting of Government Land." The BLM generally agrees with the audit findings and concurs with the two recommendations that were issued to the BLM. The information contained in the report will ensure the BLM's reported land acres are complete, reliable, and accurate.

Below is a summary of the actions already taken or planned by the BLM to address each recommendation.

Recommendation 5: We recommend that BLM provide a detailed listing of Federal land acres that supports the number of estimated Federal land acres reported to PFM.

Response: Concur. The BLM inherited the stewardship responsibility of the Public Land Survey System (PLSS) from the General Land Office (GLO) in 1946. The PLSS has been used to manage federal parcels in the United States for over 200 years. The processes used to track and register lands have changed multiple times due to technology and policy. In addition, the accuracy of the reported acreage varies greatly depending upon survey age. The advent and wide implementation of Geographic Information Systems (GIS) allowed the BLM to consolidate land information from various sources and improved accuracy in reporting and mapping. Based upon the historical nature of public domain lands management, BLM land data is reported based upon the best available data as assembled within national datasets. BLM land estimates will remain approximate based upon both the accuracy of survey data defining the official boundaries of all public land parcels and limitations resultant from the incorporation of manual paper records into digital systems. The BLM can provide listings of areas with highly accurate survey data, and those with less accurate surveys. The BLM can provide a list of legal descriptions of parcels, however manual research would be required to provide the official surveyed acreage.

Target Date: January 15, 2026

Responsible Officials: Mitchell Leverette, Acting Assistant Director, Energy, Minerals and Realty Management Directorate and H. Thomas Workman, Director, National Operations Center

Recommendation 6: We recommend that BLM provide training on SFFAS 59 requirements for classification of predominant use subcategories to all BLM staff entering Federal land acres data.

Response: Concur. The BLM staff primarily involved with updating this reporting data include GIS specialists, accountants, realty specialists, and cadastral surveyors. The BLM's Energy, Minerals, and Realty Management Directorate will coordinate with the relevant Department of Interior (DOI) Office on the training needs for these specialists that includes standard protocols and national land dataset adjustment processes to ensure proper recordation in the appropriate systems of record. The BLM will also coordinate with DOI to incorporate this information into the existing recurring training courses. In addition, the BLM will develop an overview of the reporting process for general awareness among other related specialists.

Target Date: May 30, 2026

Responsible Officials: Mitchell Leverette, Acting Assistant Director, Energy, Minerals and Realty Management Directorate and H. Thomas Workman, Director, National Operations Center

If you should have any questions about this response, please contact Benjamin E. Gruber, Chief, Division of Business, Engineering, and Evaluations, at 951-269-9548; or LaVanna Stevenson, Audit Liaison Officer, at 202-568-0274.

Appendix 4: Status of Recommendations

Recommendation	Status	Action Required
2023-FIN-038-01 We recommend that the Office of Financial Management (PFM) remove all lands meeting the SFFAS 59 definition of Outer Continental Shelf from the Federal land acres reported in the agency financial report.	Implemented	No action is required.
2023-FIN-038-02 We recommend that PFM develop and implement policies and procedures to provide bureaus with guidance on the treatment for reporting submerged lands.		
2023-FIN-038-03 We recommend that PFM develop and implement a process to review supporting documentation and validate Federal land acres reported by bureaus that includes steps to follow up with bureaus when PFM identifies discrepancies or deficiencies.	Resolved	We will track implementation.
2023-FIN-038-04 We recommend that PFM update Chapter 29, "DOI Land Reporting Policy," to instruct bureaus to develop and document their methodologies for determining predominant use subcategories and include guidance for bureaus to develop and implement systems and processes for capturing and recording acreage information by predominant use subcategories (conservation and preservation, operational, or commercial use).		

Recommendation	Status	Action Required
2023-FIN-038-05 We recommend that the Bureau of Land Management (BLM) provide a detailed listing of Federal land acres that supports the number of estimated Federal land acres reported to PFM.	Resolved	We will track implementation.
2023-FIN-038-06 We recommend that BLM provide training on SFFAS 59 requirements for classification of predominant use subcategories to all BLM staff entering Federal land acres data.		



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