



**U.S. Department of the Interior
Minerals Management Service
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IG'S PEER REVIEW FINDS MMS AUDIT DIVISION PERFORMING WELL

A report issued by the Department of the Interior's Office of Inspector General concluded that audits performed by the Minerals Management Service, Royalty Management Program complied with required standards. The recent report titled *External Quality Control Review of the Audit Division, Minerals Management Service*, found the agency in compliance with all required standards and made no specific recommendations for improvement.

The report is a review of the agency's audit performance conducted by independent, professional peers in the Office of Inspector General. Peer review is required periodically and regularly of any audit organization operating in accordance with Government Auditing Standards. It is a key event because it confirms that an organization is performing properly and up to established professional and legal standards.

MMS and its State and Tribal audit partners conduct ongoing internal quality control reviews to assure that auditing standards are being met. MMS requested, however, that the peer review be performed because several years had passed since the last one.

Audit activities have resulted in the collection of \$40 million in Fiscal Year 1997 and over \$2 billion since the agency began operations in 1982. In recent years, the value of the audit program has been further underscored as the agency has focused on instances of underpayment and misreporting of royalties. Mineral leasing revenues are one of the Federal government's greatest sources of non-tax receipts.

MMS is the federal agency that manages the Nation's natural gas, oil and other mineral resources on the OCS. It collects, accounts for, and last year disbursed nearly \$6 billion in revenues from offshore federal mineral leases and from onshore mineral leases on federal and Indian lands.

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