



OFFICE OF  
**INSPECTOR GENERAL**  
U.S. DEPARTMENT OF THE INTERIOR

# **Independent Auditors' Biennial Report on the Audit of Expenditures and Obligations Used by the Secretary of the Interior in the Administration of the Wildlife and Sport Fish Restoration Programs Improvement Act of 2000 for Fiscal Years 2017 Through 2018**

**This is a revised version of the report prepared for public release.**



OFFICE OF  
**INSPECTOR GENERAL**  
U.S. DEPARTMENT OF THE INTERIOR

MAY 04 2020

Memorandum

To: Aurelia Skipwith  
Director, U.S. Fish and Wildlife Service

From: Mark Lee Greenblatt  
Inspector General

A handwritten signature in black ink, appearing to read "Mark Lee Greenblatt".

Subject: Independent Auditors' Biennial Report on the Audit of Expenditures and Obligations Used by the Secretary of the Interior in the Administration of the Wildlife and Sport Fish Restoration Programs Improvement Act of 2000 for Fiscal Years 2017 Through 2018  
Report No. 2019-FIN-044

### **Introduction**

This memorandum transmits the report prepared by Saint George Consulting Inc. for its audit of the expenditures and obligations used by the Secretary of the Interior in the administration of the Wildlife and Sport Fish Restoration Programs under the Improvement Act of 2000, Public Law 106-408, for fiscal years 2017 through 2018. The U.S. Fish and Wildlife Service (FWS) administers programs covered by the Act.

Under a contract issued by the Office of Inspector General (OIG), Saint George Consulting, an independent public accounting firm, performed the required audit of the expenditures and obligations for fiscal years 2017 through 2018. The contract required that the audit be performed in accordance with the Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States.

### **Results of Independent Audit**

In its biennial audit report, dated April 1, 2020, Saint George Consulting identified deficiencies resulting from ineffective internal controls and noncompliance related to certain unallowable costs. The report contains 10 recommendations that, if implemented, should resolve the findings.

## **Evaluation of Saint George Consulting Audit Performance**

To ensure the quality of the audit work performed, the OIG—

- reviewed Saint George Consulting’s approach to and planning of the audit;
- evaluated the qualifications and independence of the auditors;
- monitored the progress of the audit at key points;
- participated in periodic meetings with FWS management and Saint George Consulting to discuss audit progress, findings, and recommendations;
- reviewed Saint George Consulting’s audit report; and
- performed other procedures we deemed necessary.

Saint George Consulting is responsible for the attached report and conclusions expressed therein. We do not express an opinion on the findings and recommendations or on Saint George Consulting’s conclusions regarding effectiveness of internal controls or compliance with laws and regulations.

### **Report Distribution**

The legislation creating the OIG requires that we report to Congress semiannually on all audit, inspection, and evaluation reports issued; actions taken to implement recommendations; and recommendations that have not been implemented.

As required by the Act, this report was transmitted to the Secretary and the Inspector General on April 2, 2020, and has been transmitted to the appropriate Senate and House of Representative committees. We appreciate the courtesies and cooperation extended to Saint George Consulting by FWS staff during the audit. If you have any questions regarding the report, please contact me at 202-208-5745.

Attachment

Saint George Consulting Inc.  
2603 Amanda Ct.  
Vienna, VA 22180

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SAINT GEORGE  
CONSULTING

April 1, 2020

Mr. Mark Lee Greenblatt, Inspector General  
Office of Inspector General  
U.S. Department of the Interior  
1849 C Street, N.W.  
Washington, DC 20240

Dear Inspector General Greenblatt:

Please find enclosed the final report titled 'Performance Audit of Expenditures and Obligations Used by the Secretary of the Interior in the Administration of the Wildlife and Sport Fish Restoration Programs Improvement Act of 2000, Public Law (PL) 106-408, for Fiscal Years 2017 and 2018' dated March 31, 2020 for the U.S. Department of Interior.

If you have any questions or require additional information, please contact me by telephone at [REDACTED]-[REDACTED] or via email at [REDACTED]@[saintgeorgeconsulting.com](mailto:[REDACTED]@saintgeorgeconsulting.com).

Sincerely,

A handwritten signature in cursive script that reads 'David Bloom'. The signature is written in black ink on a light-colored background.

David Bloom, MBA, CPA, CGFM, CDFM-A, PMP  
President  
Saint George Consulting Inc.



**Performance Audit  
Of  
Expenditures and Obligations Used by the Secretary of the Interior in  
the Administration of the Wildlife and Sport Fish Restoration  
Programs Improvement Act of 2000, Public Law 106-408, for Fiscal  
Years 2017 and 2018**



Prepared for:  
U.S. Department of Interior  
Office of Inspector General

As of Date: March 31, 2020

Prepared by:  
Saint George Consulting Inc.  
2603 Amanda Ct  
Vienna, VA 22180

**Performance Audit of Expenditures and Obligations Used by the Secretary of the Interior in the Administration of the Wildlife and Sport Fish Restoration Programs Improvement Act of 2000, Public Law 106-408 for Fiscal Years 2017-2018.**

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## 1.0 EXECUTIVE SUMMARY

March 31, 2020

Mr. David L. Bernhardt, Secretary  
U.S. Department of the Interior  
1849 C Street, N.W.  
Washington, DC 20240

Mr. Mark Lee Greenblatt, Inspector General  
Office of Inspector General  
U.S. Department of the Interior  
1849 C Street, N.W.  
Washington, DC 20240

Dear Mr. Bernhardt and Mr. Greenblatt:

This report presents the results of our work to address the performance audit objective relative to expenditures and obligations used by the Secretary in administering the Wildlife and Sport Fish Restoration (“WSFR”) Programs Improvement Act of 2000 (hereinafter called the Act), Public Law 106-408, for fiscal years (FYs) 2017 and 2018. We performed our audit work from April 25, 2019 through January 28, 2020, and our results are as of February 7, 2020.

We conducted this performance audit in accordance with generally accepted government auditing (GAGAS) 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 conclusion based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusion based on our audit objective.

The objective of our work was to determine whether expenditures and obligations used by the Secretary as reported by the U.S. Fish and Wildlife Service (“FWS”) in administering the Act for FYs 2017 and 2018 were appropriate, adequately supported by appropriate documentation, and with the criteria set forth in the Act, and to report on FWS’s compliance with applicable laws and regulations and the internal control system for effectively accounting for expenditures and obligations under the Act.

1. FWS’s internal controls for effectively accounting for expenditures and obligations under the Act was effective to ensure all costs as reported under the “Report to Congress” for FY 2017 and FY 2018 were adequately supported by appropriate documentation. To continue FWS should ensure these internal controls are maintained and monitored on a monthly basis as a result of any change to FWS organizational structure that may affect the internal controls currently being implemented.
2. FWS’s policies and procedure in place aren’t fully effective to ensure full compliance with the Act Provisions. FWS is currently in violation with the Full-Time (FT), Part-Time (PT) and Relocation provisions of the Act and therefore not in compliance with the Act.

- FWS WSFR FT employees in most cases weren't charging FT to the Act.
- FWS allowed FWS employees that weren't FWS WSFR PT employees to charge time to the Act.
- FWS allowed FWS WSFR employees to relocate and not charge 100% of their time to the WSFR programs for one year after they relocated.

This performance audit didn't constitute an audit of financial statements in accordance with *Government Auditing Standards (GAS)*. Saint George Consulting Inc. wasn't engaged to and didn't render an opinion on the Department of the Interior's ("DOI") or FWS's internal controls over financial reporting or over financial management systems (for purposes of the Office of Management and Budget's (OMB) Circular No. A-127, Financial Management Systems, dated July 23, 1993, as revised). Saint George Consulting Inc. cautions that projecting the results of our evaluation to future periods is subject to the risks that controls may become inadequate because of changes in conditions or because compliance with controls may deteriorate.

*Saint George Consulting Inc.*

Vienna, VA

March 31, 2020

## 2.0 BACKGROUND

### Performance Audit of U.S. Fish & Wildlife Service Wildlife Restoration and Sport Fish Restoration Programs for Fiscal Years 2017 & 2018

Wildlife Restoration and Sport Fish Restoration (“WSFR”) programs are the responsibility of the Secretary of the Interior as per the Pittman-Robertson Wildlife Restoration Act (16 U.S.C. 669 et seq.) and the Dingell-Johnson Sport Fish Restoration Act (16 U.S.C. 777 et seq., except 777e-1 and g-1). The Secretary delegated administration of these two Acts to the Fish and Wildlife Service (“FWS”). The Wildlife and Sport Fish Restoration Programs Improvement Act of 2000 (hereinafter called the Act) established requirements and restrictions concerning the use of funds for expenses for administration and delineated that expenses be limited to 12 ‘Costs Distributed by Improvement Act Categories’ (CDIAC) as outlined below:

- (1): Personnel costs of employees who directly administer this chapter on a full-time (FT) basis;
- (2): Personnel costs of employees who directly administer this chapter on a part-time (PT) basis for at least 20 hours each week, not to exceed the portion of those costs incurred with respect to the work hours of the employee during which the employee directly administers this chapter, as those hours are certified by the supervisor of the employee;
- (3): Support costs directly associated with personnel costs authorized under paragraphs (1) and (2), excluding costs associated with staffing and operation of regional offices of the FWS and the DOI other than for the purposes of this chapter;
- (4): Costs of determining under section 669e (a) of this title whether State comprehensive plans and projects are substantial in character and design;
- (5): Overhead costs, including the costs of general administrative services, that are directly attributable to administration of this chapter and are based on: (A) Actual costs, as determined by a direct cost allocation methodology approved by the Director of the Office of Management and Budget for use by Federal agencies; and (B) in the case of costs that are not determinable under subparagraph (A), an amount per FT equivalent employee authorized under paragraphs (1) and (2) that does not exceed the amount charged or assessed for costs per FT equivalent employee for any other division or program of the FWS;
- (6): Costs incurred in auditing, every 5 years, the wildlife and sport fish activities of each State fish and game department and the use of funds under section 669e of this title by each State fish and game department;
- (7): Costs of audits under subsection (d) of this section (the Act);
- (8): Costs of necessary training of Federal and State FT personnel who administer this chapter to improve administration of this chapter;
- (9): Costs of travel to States, territories, and Canada by personnel who: (A) Administer this chapter on a FT basis for purposes directly related to administration of State programs or projects; or (B) Administer grants under sections 669e, 669h-1, or 669h-2 of this title;
- (10): Costs of travel outside the United States (except travel to Canada) by personnel who administer this chapter on a FT basis for purposes that directly relate to administration of this chapter and that are approved directly by the Assistant Secretary for Fish and Wildlife and Parks;

- (11): Relocation expenses for personnel who, after relocation, will administer this chapter on a FT basis for at least 1 year, as certified by the Director of the United States Fish and Wildlife Service at the time at which the relocation expenses are incurred; and
- (12): Costs to audit, evaluate, approve, disapprove, and advise concerning grants under sections 669e, 669h-1, and 669h-2 of this title.”

Amounts allowed by the Acts and actual expenses reported by FWS in its ‘Report to Congress-Administration Obligations for FY 2017 & FY 2018’ are detailed in the next two tables.

<b>Report to Congress - Administration Obligations for FY 2017</b>				
<i>as Required by Public Law 106-408, Section 133(b)</i>				
<i>Wildlife and Sport Fish Restoration Programs Improvement Act of 2000</i>				
<i>(in thousands of dollars)</i>				
<b><u>Costs Distributed by Improvement Act Category</u></b>		<b><u>WR</u></b>	<b><u>SFR</u></b>	<b><u>Total</u></b>
1.	Personnel working full time to administer the Act (salary plus benefits)	6,624	6,326	12,950
2.	Personnel working part time to administer the Act (salary plus benefits)	43	29	72
3.	Support costs for personnel	1,489	1,358	2,847
4.	Determining substantiality of character and design of State plans and projects	0	0	---
5. a.	Overhead - Based on Actual Costs	488	610	1,098
b.	Overhead - Based on FTE	1,062	1,228	2,290
6.	Audits of States	680	1,167	1,847
7.	Audits of administration expenditures	0	0	0
8.	Training of Federal and State full-time personnel	25	20	45
9.	Travel to the States, territories, Canada	344	402	746
10.	Travel outside the United States	0	0	0
11.	Relocation of personnel	140	91	231
12.	Audit, evaluate, approve, etc., grants	0	0	---
<b>2017 Cost to Administer the Restoration Acts under P.L. 106-408:</b>		<b>10,895</b>	<b>11,231</b>	<b>22,126</b>
<i>Note: Categories 4 and 12 are not tracked separately. Costs for these administrative activities are included primarily in categories 1 and 9.</i>				
<i>Summary:</i>		Amount allowed in the Acts: 10,931	12,172	23,103
		Less amount spent as of 9/30/2017 (see above): 10,895	11,231	22,126
		Funds not spent as of 9/30/2017: 36	941	977

Note: Categories 4 and 12 aren’t tracked separately. Costs for these administrative activities are included primarily in categories 1 and 9.

**Report to Congress - Administration Obligations for FY 2018**

*as Required by Public Law 106-408, Section 133(b)*

*Wildlife and Sport Fish Restoration Programs Improvement Act of 2000*

(in thousands of dollars)

<b><u>Costs Distributed by Improvement Act Category</u></b>		<b><u>WR</u></b>	<b><u>SFR</u></b>	<b><u>Total</u></b>
1.	Personnel working full time to administer the Act (salary plus benefits)	6,582	6,091	12,673
2.	Personnel working part time to administer the Act (salary plus benefits)	49	45	94
3.	Support costs for personnel	1,463	856	2,319
4.	Determining substantiality of character and design of State plans and projects	0	0	---
5. a.	Overhead - Based on Actual Costs	593	621	1,214
b.	Overhead - Based on FTE	1,105	1,203	2,308
6.	Audits of States	1,075	939	2,014
7.	Audits of administration expenditures	0	0	0
8.	Training of Federal and State full-time personnel	27	23	50
9.	Travel to the States, territories, Canada	283	319	602
10.	Travel outside the United States	0	0	0
11.	Relocation of personnel	-11	203	192
12.	Audit, evaluate, approve, etc., grants	0	0	---
<b>2018 Cost to Administer the Restoration Acts under P.L. 106-408:</b>		<b>11,166</b>	<b>10,300</b>	<b>21,466</b>

*Note: Categories 4 and 12 are not tracked separately. Costs for these administrative activities are included primarily in categories 1 and 9.*

<i>Summary:</i>	Amount allowed in the Acts:	11,177	12,366	23,543
	Less amount spent as of 9/30/2018 (see above):	11,166	10,300	21,466
	Funds not spent as of 9/30/2018:	11	2,066	2,077

Note: Categories 4 and 12 aren't tracked separately. Costs for these administrative activities are included primarily in categories 1 and 9.

### **3.0 OBJECTIVE, SCOPE, AND METHODOLOGY**

#### **3.1 Objective**

The objectives of the performance audit were to:

- To determine whether expenditures and obligations used by the Secretary of the Interior, as reported by the FWS, in the administration of the Act for fiscal years 2017 and 2018 were appropriate, adequately supported by appropriate documentation, and in accordance with the criteria set forth in the Act;
- Report on FWS's compliance with applicable laws and regulations; and
- Report on FWS's internal controls for effectively accounting for expenditures and obligations under the Act.

### 3.2 Scope

The scope of this performance audit included expenditures and obligations incurred by the Secretary of the Interior in administering the Act for FYs 2017 and 2018. The Secretary has delegated administration of the Act to FWS; accordingly, FWS reports all related expenditures and obligations incurred.

### 3.3 Methodology

In planning the engagement, we interviewed FWS Region 9 Headquarter personnel involved in administering the Act, including personnel at Region 3, Region 5, Region 6 and Region 8, to understand regional administration policies and procedures in place surrounding internal controls developed and operating at FWS in FYs 2017 and 2018.

For each fiscal year, FY 2017 and FY 2018 we performed the following procedures to select transactions subject to test work procedures. We obtained the electronic general ledger transaction detail of expenditures and obligations (transactional detail) reported by FWS and reconciled it without material exception to the FY 2017 and FY 2018 ‘Report to Congress’ for the Administration of the Act to ensure the completeness of the population. Our population size for FY 2017 consisted of 40,421 transactions. Our population size for FY 2018 consisted of 35,950 transactions. Using a confidence level of 95%, desired precision  $\pm$  5% and anticipated error rate of 10% we grouped our transactions into five separate groups where we pulled our transactions to test for both internal controls and for compliance with the Act. The below tables are our group breakouts on our sample item selections for each FY.

#### FY 2017

Number of Strata	10	Stratum	Cat 1&2 F	Cat 1&2 WL	Cat 3 F	Cat 3 WL	Cat 5&5e F	Cat 5&5e WL	Cat 9 F	Cat 9 WL	Other F	Other WL	SUM
Population Size	40,421	Size	11,287	9,482	2,089	4,281	411	432	4,480	7,562	158	239	40,421
Confidence Level	95 %	Sample size	40	34	7	15	1	2	16	27	1	1	144
Desired Precision $\pm$	5 %	Final size	40	34	7	15	5	5	16	27	5	5	159
Anticipated Error Rate	10 %												

#### FY 2018

Number of Strata	10	Stratum	Cat 1&2 F	Cat 1&2 WL	Cat 3 F	Cat 3 WL	Cat 5&5e F	Cat 5&5e WL	Cat 9 F	Cat 9 WL	Other F	Other WL	SUM
Population Size	35,950	Size	10,924	9,554	1,455	3,092	443	435	3,692	6,038	145	172	35,950
Confidence Level	95 %	Sample size	44	38	6	12	2	2	15	24	1	1	145
Desired Precision $\pm$	5 %	Final size	44	38	6	12	5	5	15	24	5	5	159
Anticipated Error Rate	10 %												

The below table is a ‘Summary of Sample Transactions by Region by FY by CDIAC for Testing.’ For CDIAC 1&2 sample transactions were further broken down into individual payroll records. Transactions for FY 2017 CDIAC 1&2 consisted of 295 payroll transactions and for FY 2018 CDIAC 1&2 consisted of 261 payroll transactions.

Summary of Sample Transactions By Region By Fiscal Year By 'Cost Distributed By Improvement Act Category' For Testing											
	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9	Total	Cost Distributed By Improvement Act Category
	Portland, Oregon	Albuquerque, New Mexico	Bloomington, Minnesota	Atlanta, Georgia	Hadley, Massachusetts	Lakewood, Colorado	Anchorage, Alaska	Sacramento, California	Falls Church, Virginia		
FY 2017	5	4	6	8 (5)	6	3	6	2	34 (5)	74 (42)	Category 1 & 2
FY 2018	5	11 (5)	5	5	7	5	3	7	34 (5)	82 (47)	Category 1 & 2
FY 2017		2	3	1	3	1			12	22	Category 3
FY 2018	3	2	1			3	1		8	18	Category 3
FY 2017									10	10	Category 5
FY 2018									10	10	Category 5
FY 2017	5				1	1	1		2	10	Category 6, 8 & 11
FY 2018	1	1			2	1	1		4	10	Category 6, 8 & 11
FY 2017	1	3	10	3	3	3	2	2	16	43	Category 9
FY 2018	4	3	6	3	4	4	1	1	13	39	Category 9
	<b>24</b>	<b>26 (20)</b>	<b>31</b>	<b>20 (17)</b>	<b>26</b>	<b>21</b>	<b>15</b>	<b>12</b>	<b>143</b>	<b>318 (251)</b>	
Note: For Region 2 (FY2018); Region 4 (FY2017); and Region 9 (FY2017 & FY2018) we performed 2nd Stage Sampling.											
Note: Green cells above are Regions where we performed on-site fieldwork visits.											

For all other FY 2017 & FY 2018 transactional groupings making up CDIAC 3, CDIAC 5, CDIAC 6, 8, 11 and CDIAC 9 we selected the following: (1) for CDIAC 3 a sample of 22 non-payroll transactions for FY 2017 and 18 non-payroll transactions for FY 2018; (2) for CDIAC 5 a sample of 10 Overhead-Based on Actual Costs transactions for both FY 2017 and FY 2018; (3) for CDIAC 6, 8, and a sample of 10 transactions for both FY 2017 and FY 2018; and (4) for CDIAC 9 a sample of 43 transactions for FY 2017 and 39 transactions for FY 2018 based on statistical methods.

Due to batch transaction data received for CDIAC 1 and the resulting size of regional batches we decided to conduct a second stage sampling of transactions for Region 2 (FY 2018), Region 4 (FY 2017) and Region 9 (FY 2017 & FY 2018).

### 3.3.1 Internal Controls

In order to test the operating effectiveness of relevant internal controls, we performed both 'Internal Controls over Payroll' and 'Internal Controls over Non-Payroll' testing.

#### 3.3.1.1 Internal Controls over Payroll

For payroll CDIAC 1 & 2 we tested the following payroll controls:

- Control #1: Timesheet is signed and approved by the approving official.
- Control #2: Timesheet is reviewed and signed (verified) by the employee for each pay cycle.
- Control #3: Timesheet is validated by the timekeeper for each pay cycle.
- Control #4: Timesheet is reviewed and approved (certified) by the employee's supervisor for each pay cycle.
- Control #5: Timekeeper is on the list of authorized timekeepers.
- Control #6: Timesheet is charged correctly to 5110 Wildlife Restoration Administration and/or 9410 Sport Fish Restoration Administration for each pay cycle.
- Control #7: Certifiers are on the authorized official list.

### **3.3.1.2 Internal Controls over Non-Payroll**

For non-payroll CDIAC 3, 5, 6, 8, 9 and 11 we tested the following non-payroll controls where applicable:

- Control #1: An obligating document is properly kept.
- Control #2: The program approver reviews the acquisition request and signs it either electronically or manually.
- Control #3: The funds certifier reviews the Budget Tracking System and/or the Financial and Business Management System to confirm that funds are available for purchases. To document that funds are available, the funds certifier signs the acquisition request either electronically or manually.
- Control #4: The contracting officer is on the authorization list.
- Control #5: A contracting officer may only approve an acquisition request up to his or her warrant authority limit.
- Control #6: Procurement documents must be signed by the contractor and contracting officer.
- Control #7: The invoice amount agrees with purchase order, acquisition request, or contract.
- Control #8: A receipt of goods or services receipt is certified or a receiving document is signed.
- Control #9: Journal vouchers are adequately supported.
- Control #10: The cardholder has signed and dated his or her monthly statement verifying that the reconciliation has been performed and submits the statement to an approving official for review within 10 days of receipt.
- Control #11: The approving official reviews the cardholder's statement for activity and the appropriateness of charges. If approved, the statement is signed and dated after review within 10 days of receipt.
- Control #12: The payment is properly recorded.
- Control #13: The transaction is supported by proper and appropriate documentation.
- Control #14: The transaction is recorded for the correct amount.
- Control #15: The transaction is recorded in the correct period.
- Control #16: The transaction is recorded in the correct cost category.
- Control #17: The transaction is in a cost category allowed by the Act.
- Control #18: The cost charged is reasonable and appropriate under the Act.

For each sample item selected, we first determined whether the identified relevant controls were operating effectively. We did this by reviewing supporting documentation, such as acquisition requests, charge card statements, invoices, personnel records, purchase orders and timesheets. Afterwards we tested to ensure the amounts were allowable and supported with proper documentation.

### **Region Site Visits and Non-Region Site Visits**

To obtain assurances of FWS compliance with the Act and waste, fraud and abuse we conducted fieldwork/visited and interviewed FWS WSFR personnel at the following locations:

- Region 9, HQ, U.S. FWS, Falls Church, Virginia
- Region 3, Bloomington, Minnesota
- Region 5, Hadley, Massachusetts
- Region 6, Lakewood, Colorado
- Region 8, Sacramento, California

To gain additional assurances of FWS’s compliance with the Act and waste, fraud and abuse we conducted telephone interviews with regional Fiscal Grant Officers from the following locations:

- Region 1, Portland, Oregon
- Region 2, Albuquerque, New Mexico
- Region 4, Atlanta, Georgia
- Region 7, Anchorage, Alaska

### **3.3.2 Compliance**

#### **3.3.2.1 Full-Time Provision**

To test compliance with the FT provision of the Act, we used extracted sampled payroll records of employees we pulled from the population of transactions from the electronic general ledger transaction detail of expenditures and obligations for FY 2017 and FY 2018. We then matched these sampled payroll records with FWS WSFR FT employee rosters for each region. Then, during our visit to each region, we interviewed a random sample of FT personnel that tied to the extracted sampled payroll records who were listed on the region roster and who charged FT to the Act to determine whether they were actually performing work FT in support of the WSFR programs for FYs 2017 and 2018. In addition, we reviewed the payroll records (i.e., employee statements) to see if selected FT employees were charging to other cost codes besides the WSFR programs.

#### **3.3.2.2 Part-Time Provision**

To test compliance with the PT provision of the Act, we analyzed PT budget object classes for all the regions for FY 2017 and FY 2018 to determine what FWS employees were charging to the Act on a PT basis and if they were charging more than 20 hours per week, but less than 40 hours per week. We requested explanations from the region for any PT employee that we found to be charging less than 20hrs a week in addition to those charging to the Act that weren’t listed on the region’s PT roster.

#### **3.3.2.3 Overhead and Common Program Services Allocation**

To test compliance with the Act’s overhead provisions (CDIAC 5b) we obtained reports from DOI finance and FWS HQs showing annual breakout of CDIAC 5b costs charged to the Act for FY 2017 and FY 2018. These costs included both ‘Enterprise Common Program Service (CPS)’ costs and ‘Regional Cost Share Allocated by FT employee (FTE)’. From each region we requested documentation showing their methodology for developing costs by FTE for both FY 2017 and FY 2018. In addition, we inquired about the methodology used by DOI finance and FWS in allocating costs to FTEs and breakouts not only at the WSFR program level but how

their share of costs compared with other FWS programs. Thereafter, we analyzed these costs both at the region level and FWS headquarter level to see if they tied and rolled up to the costs being reported at the FWS enterprise level as reported on the ‘Report to Congress’ for FY 2017 and FY 2018.

#### **3.3.2.4 Training**

To test compliance with the Act’s training expense provisions, we used the extracted sampled training transactions we pulled from the FY 2017 and FY 2018 general ledger of transactions. We then reviewed this training documentation to see if the training received tied to training required to administer the WSFR programs. In addition, for the regions we visited for those we interviewed we inquired about the training they underwent for FY 2017 and FY 2018, if any, and what the reasons were for the training to see if any training they underwent was not in compliance with Act’s training provision.

#### **3.3.2.5 Travel**

To test compliance with the Act’s travel expense provisions, we used the extracted sampled travel transactions we pulled from the FY 2017 and FY 2018 general ledger of transactions. We then reviewed this travel documentation to see if the travel was for appropriate reasons and required for the administration of the Act. In addition, for the regions we visited for those we interviewed we inquired about the travel they underwent for FY 2017 and FY 2018, if any, and what the reasons were for the travel to see if any travel they underwent was not in compliance with Act’s travel provision.

#### **3.3.2.6 Relocation**

To test compliance with the Act’s relocation cost provisions, we analyzed relocation budget object classes for all the regions for FY 2017 and FY 2018 to determine what FWS employees were charging against the Act for relocation costs for FY 2017 and FY 2018. For those we identified, we provided the WSFR employee names to the respective region to obtain documentation that they actually relocated to the region and that prior to their relocation signed documentation that committed them FT to the WSFR programs for one year after reporting to the new region location. We then requested employee statements near the beginning and near the end of their one-year period of commitment to see if they were charging FT to the Act or if they were charging less than FT and to other FWS programs.

### **3.4 Reporting Phase**

During the reporting phase, we:

- Reported on FWS’s internal controls for effectively accounting for expenditures and obligations under the Act;
- Determined whether expenditures and obligations used by the Secretary of the Interior as reported by FWS in administering the Act for FYs 2017 and 2018 were appropriate, adequately supported by appropriate documentation, and in accordance with criteria set forth in the Act;

- Reported on FWS’s compliance with applicable laws and regulations and the Act;
- Identified any recommended actions that may be needed; and
- Performed independent referencing between work papers and the report.

#### 4.0 RESULTS

##### **Internal Control Procedures Results Summary For Payroll and Non-Payroll Expenditures**

###### *Payroll Internal Control Exceptions for FYs 2017 and 2018*

Payroll internal controls were operating effectively with minor exceptions.

Our review of the 295 payroll transactions (CDIAC 1 & 2) tested for FY 2017 we found 58 internal control exceptions. Our review of 261 payroll transactions (CDIAC 1 & 2) tested for FY 2018 we found 66 internal control exceptions.

CDIAC 1 = Personnel working FT to administer the Act (salary plus benefits).

CDIAC 2 = Personnel working PT to administer the Act (salary plus benefits).

<b>Payroll Expenditures for FYs 2017 and 2018</b>						
<b>FY 2017</b>			<b>FY 2018</b>		<b>Total</b>	
<b>Control</b>	<b>No. of Internal Control Exceptions</b>	<b>Error Rate (% of 295 Payroll Records)</b>	<b>No. of Internal Control Exceptions</b>	<b>Error Rate (% of 261 Payroll Records)</b>	<b>Total Internal Control Exceptions of 556 Sampled Payroll Records</b>	<b>Error Rate (% of 556 Sampled Payroll Records)</b>
1	0	0	0	0	0	<b>0</b>
2	51	17.29%	63	24.14%	114	<b>20.50%</b>
3	7	2.37%	3	1.15%	10	<b>1.80%</b>
4	0	0	0	0	0	<b>0</b>
5	0	0	0	0	0	<b>0</b>
6	0	0	0	0	0	<b>0</b>
7	0	0	0	0	0	<b>0</b>
<b>Total</b>	<b>58</b>	<b>19.66%</b>	<b>66</b>	<b>25.29%</b>	<b>124</b>	<b>22.30%</b>

Each control in table above correlates to control #1-7 listed above under 3.3.1.1 Internal Controls Over Payroll.

###### *Payroll Expenditure Results*

One hundred and twenty-four of 556 samples, representing 22.30% percent of the sample of total sampled payroll records charged for payroll expenses in FY 2017 and FY 2018, had internal control exceptions as shown in the following table. See below table for more detail of exceptions found.

Fiscal Year	Number of Payroll Records Sampled	Number of Exceptions	Error Rate	Remarks
2017	295	51	17.29%	Timesheets were signed by the timekeeper instead of the employee.
		7	2.37%	Timesheets were validated by the employee (validator) instead of another timekeeper.
2018	261	63	24.14%	Timesheets were signed by the timekeeper instead of the employee.
		3	1.15%	Timesheets were validated by the employee (validator) instead of another timekeeper.
<b>Total</b>	<b>556</b>	<b>124</b>	<b>22.30%</b>	

***Non-Payroll Expenditures for FYs 2017 and 2018***

Our review of the 22 non-payroll transactions (CDIAC 3) tested for FY 2017 we found 0 exceptions. Our review of the 18 non-payroll transactions (CDIAC 3) tested for FY 2018 we found 0 exceptions.

CDIAC 3 = Support costs for personnel

Non-Payroll Expenditure Exceptions for FYs 2017 and 2018						
FY 2017			FY 2018		Total	
Control	No. of Internal Control Exceptions	Error Rate (% of 22 Sampled Support Costs Records)	No. of Internal Control Exceptions	Error Rate (% of 18 Sampled Support Costs Records)	Total Internal Control Exceptions of 40 Sampled Support Cost Records	Error Rate (% of 40 Sampled Support Cost Records)
1	0	0	0	0	0	0
2	0	0	0	0	0	0
3	0	0	0	0	0	0
4	0	0	0	0	0	0
5	0	0	0	0	0	0
6	0	0	0	0	0	0
7	0	0	0	0	0	0
8	0	0	0	0	0	0
9	0	0	0	0	0	0
10	0	0	0	0	0	0
11	0	0	0	0	0	0
12	0	0	0	0	0	0
13	0	0	0	0	0	0
14	0	0	0	0	0	0
15	0	0	0	0	0	0
16	0	0	0	0	0	0
17	0	0	0	0	0	0

18	0	0	0	0	0	0
Total	0	0	0	0	0	0

**Overhead Based on Actual Expenditures for FYs 2017 and 2018**

Our review of the 10 overhead transactions (CDIAC 5a) tested for FY 2017 we found 0 exceptions. Our review of the 10 overhead transactions (CDIAC 5a) tested for FY 2018 we found 0 exceptions

CDIAC 5 = Overhead – Based on Actual Costs

Overhead Expenditure Exceptions for FYs 2017 and 2018						
FY 2017			FY 2018		Total	
Control	No. of Internal Control Exceptions	Error Rate (% of 10 Sampled Overhead - Based on Actual Costs)	No. of Internal Control Exceptions	Error Rate (% of 10 Sampled Overhead - Based on Actual Costs)	Total Internal Control Exceptions of 20 Samples	Error Rate (% of 20 Sampled Overhead -Based on Actual Costs)
1	0	0	0	0	0	0
2	0	0	0	0	0	0
3	0	0	0	0	0	0
4	0	0	0	0	0	0
5	0	0	0	0	0	0
6	0	0	0	0	0	0
7	0	0	0	0	0	0
8	0	0	0	0	0	0
9	0	0	0	0	0	0
10	0	0	0	0	0	0
11	0	0	0	0	0	0
12	0	0	0	0	0	0
13	0	0	0	0	0	0
14	0	0	0	0	0	0
15	0	0	0	0	0	0
16	0	0	0	0	0	0
17	0	0	0	0	0	0
18	0	0	0	0	0	0
Total	0	0	0	0	0	0

In addition to sample testing 5a above we performed an analysis of 5b (Overhead – Based on FTE) to ensure the ‘Overhead-Based on FTE’ was developed per the methodology used by DOI and FWS. See below table of total overhead and common program service cost broken down by FY, type of program and type of CDIAC.

Region/Description	FY 2017		FY 2017		FY 2018		FY 2018	
	Wildlife Restoration	Wildlife Restoration	Sportfish Restoration	Sportfish Restoration	Wildlife Restoration	Wildlife Restoration	Sportfish Restoration	Sportfish Restoration
FWS Summary	5a. Overhead - Based On Actual Costs	5b. Overhead - Based on FTEs	5a. Overhead - Based On Actual Costs	5b. Overhead - Based on FTEs	5a. Overhead - Based On Actual Costs	5b. Overhead - Based on FTEs	5a. Overhead - Based On Actual Costs	5b. Overhead - Based on FTEs
CPS Costs Charged by Regions	-\$33,075.83		-\$46,417.50		\$8,944.29		\$8,374.80	
Regional Cost Share Allocation By FTE	\$373,681.59		\$655,996.58		\$378,844.03		\$381,659.30	
<b>Total CPS and Regional Cost Share Allocation by Regions</b>	<b>-\$33,075.83</b>	<b>\$373,681.59</b>	<b>-\$46,417.50</b>	<b>\$429,202.17</b>	<b>\$8,944.29</b>	<b>\$378,844.03</b>	<b>\$8,374.80</b>	<b>\$381,659.30</b>
Overhead Costs charged by HQ for Regional Office Support	\$521,355.61		\$655,996.58		\$583,962.29		\$612,904.73	
FWS Headquarters Cost Share Allocation Charged by FTE	\$418,892.86		\$504,202.28		\$443,399.17		\$518,833.22	
<b>Total Overhead Costs Charged HQ</b>	<b>\$488,279.78</b>	<b>\$792,574.45</b>	<b>\$609,579.08</b>	<b>\$933,404.45</b>	<b>\$592,906.58</b>	<b>\$822,243.20</b>	<b>\$621,279.53</b>	<b>\$900,492.52</b>
Enterprise-wide CPS Costs Charged by HQ to Wildlife	\$266,600.00				\$283,200.00			
Enterprise-wide CPS Costs Charged by HQ to Sportfish			\$295,500.00				\$302,700.00	
<b>Total Enterprise-wide Costs Charged by HQ</b>	<b>\$266,600.00</b>		<b>\$295,500.00</b>		<b>\$283,200.00</b>		<b>\$302,700.00</b>	
<b>Total Overhead &amp; CPS Costs</b>	<b>\$488,279.78</b>	<b>\$1,059,174.45</b>	<b>\$609,579.08</b>	<b>\$1,228,904.45</b>	<b>\$8,944.29</b>	<b>\$1,105,443.20</b>	<b>\$621,279.53</b>	<b>\$1,203,192.52</b>
CPS—Common Program Services			FY 2017				FY 2018	
Total for Fiscal Year			\$2,288,078.90				\$2,308,635.72	
Check Number	\$488,000.00	\$1,062,000.00	\$610,000.00	\$1,228,000.00	\$593,000.00	\$1,105,000.00	\$621,000.00	\$1,203,000.00
Difference	-\$2,825.55		\$904.45		\$443.20		\$192.52	

As noted above there are unsupportable costs of \$2,825.55 for the WR Program for FY 2017. In addition, there are differences of \$904.45 for the SFR Program for FY 2017, \$433.30 for the WR Program for FY 2018, and \$192.52 for the SFR Program for FY 2018.

Given the knowledge that 253 D (Bureau Wide Assessment) was not fully in place in FY 2017 resulting in different cost centers being used the first exception noted above of unsupportable costs of \$2,825.55 were considered acceptable. In addition, the additional exceptions i.e. the differences noted above may be the result of system changes FWS went through in FY 2017 and/ or considered rounding differences and were considered acceptable.

#### ***Audit of States, Training and Relocation Expenditures for FYs 2017 and 2018***

Our review of the 10 transactions (CDIAC 6, 8 & 11) tested for FY 2017 we found 0 exceptions. Our review of the 10 transactions (CDIAC 6, 8 & 11) tested for FY 2018 we found 0 exceptions.

CDIAC 6 = Audits of States.

CDIAC 8 = Training of Federal and State FT personnel.

CDIAC 11 = Relocation of personnel

<b>Audits of States, Training and Relocation Expenditure Exceptions for FYs 2017 and 2018</b>						
<b>FY 2017</b>			<b>FY 2018</b>		<b>Total</b>	
<b>Control</b>	<b>No. of Internal Control Exceptions</b>	<b>Error Rate (% of 10 Transactions)</b>	<b>No. of Internal Control Exceptions</b>	<b>Error Rate (% of 10 Transactions)</b>	<b>Total Internal Control Exceptions of 20 Transactions</b>	<b>Error Rate (% of 20 Transactions)</b>
1	0	0	0	0	0	0
2	0	0	0	0	0	0
3	0	0	0	0	0	0
4	0	0	0	0	0	0
5	0	0	0	0	0	0
6	0	0	0	0	0	0
7	0	0	0	0	0	0
8	0	0	0	0	0	0
9	0	0	0	0	0	0
10	0	0	0	0	0	0
11	0	0	0	0	0	0
12	0	0	0	0	0	0
13	0	0	0	0	0	0
14	0	0	0	0	0	0
15	0	0	0	0	0	0
16	0	0	0	0	0	0
17	0	0	0	0	0	0
18	0	0	0	0	0	0
Total	0	0	0	0	0	0

***Travel Expenditures for FYs 2017 and 2018***

Our review of the 43 travel transactions (CDIAC 9) tested for FY 2017, we found 0 exceptions.

Our review of the 39 travel transactions (CDIAC 9) tested for FY 2018, we found 0 exceptions.

CDIAC 9 = Travel to the States, territories, Canada

<b>Travel Expenditure Exceptions for FYs 2017 and 2018</b>						
<b>FY 2017</b>			<b>FY 2018</b>		<b>Total</b>	
<b>Control</b>	<b>No. of Internal Control Exceptions</b>	<b>Error Rate (% of 43 Sampled Travel Records)</b>	<b>No. of Internal Control Exceptions</b>	<b>Error Rate (% of 39 Sampled Travel Records)</b>	<b>Total Internal Control Exceptions of 82 Sampled Travel Records</b>	<b>Error Rate (% of 82 Sampled Travel Records)</b>
1	0	0	0	0	0	0
2	0	0	0	0	0	0
3	0	0	0	0	0	0

4	0	0	0	0	0	0
5	0	0	0	0	0	0
6	0	0	0	0	0	0
7	0	0	0	0	0	0
8	0	0	0	0	0	0
9	0	0	0	0	0	0
10	0	0	0	0	0	0
11	0	0	0	0	0	0
12	0	0	0	0	0	0
13	0	0	0	0	0	0
14	0	0	0	0	0	0
15	0	0	0	0	0	0
16	0	0	0	0	0	0
17	0	0	0	0	0	0
18	0	0	0	0	0	0
Total	0	0	0	0	0	0

Compliance Procedures Results Summary

This table summarizes unallowable and/or unsupportable costs we identified as a result of our testing of expenditures.

Category	Obligated Amounts			Unallowable/Questioned Costs		Total Unallowable/Questioned Costs
	FY 2017			FY 2017		
	WR	SFR	Total Obligations	WR	SFR	
Payroll	\$6,667,000	\$6,355,000	\$13,022,000	\$430.38	\$31.88	<b>\$462.26</b>
Support	\$1,489,000	\$1,358,000	\$2,847,000	0	0	0
Overhead	\$1,550,000	\$1,838,000	\$3,388,000	0	0	0
Audits of States	\$680,000	\$1,167,000	\$1,847,000	0	0	0
Training	\$25,000	\$20,000	\$45,000	0	0	0
Travel to States	\$344,000	\$402,000	\$746,000	0	0	0
Relocation	\$140,000	\$91,000	\$231,000	\$66,019.52	0	\$66,019.52
<b>Total</b>	<b>\$10,895,000</b>	<b>\$11,231,000</b>	<b>\$22,126,000</b>	\$66,449.90	\$31.88	\$66,481.78

Category	Obligated Amounts			Unallowable/Questioned Costs		Total Unallowable/Questioned Costs
	FY 2018			FY 2018		
	WR	SFR	Total Obligations	WR	SFR	
Payroll	\$6,631,000	\$6,136,000	\$12,767,000	0	0	0
Support	\$1,463,000	\$856,000	\$2,319,000	0	0	0
Overhead	\$1,698,000	\$1,824,000	\$3,522,000	0	0	0
Audits of States	\$1,075,000	\$939,000	\$2,014,000	0	0	0
Training	\$27,000	\$23,000	\$50,000	0	0	0
Travel to States	\$283,000	\$319,000	\$602,000	0	0	0
Relocation	(\$11,000)	\$203,000	\$192,000	\$6,514.03	\$43,601.06	\$50,115.09
<b>Total</b>	<b>\$11,166,000</b>	<b>\$10,300,000</b>	<b>\$21,466,000</b>	<b>\$6,514.03</b>	<b>\$43,601.06</b>	<b>\$50,115.09</b>

## 5.0 FINDINGS

### 5.0 Internal Controls-Compliance Minor Exceptions

#### 5.1.1 Condition:

Internal controls for payroll was effective to ensure all time recorded for WSFR programs were recorded as allocated. However, minor exceptions were annotated as follows: (1) timesheets were verified by the timekeeper instead of the employee; (2) timekeeper was able to verify own timesheets.

Fiscal Year	Number of Payroll Records Sampled	Number of Exceptions	Error Rate	Remarks
2017	295	51	17.29%	Timesheets were signed by the timekeeper instead of the employee.
		7	2.37%	Timesheets were validated by the employee (validator) instead of another timekeeper.
2018	261	63	24.14%	Timesheets were signed by the timekeeper instead of the employee.
		3	1.15%	Timesheets were validated by the employee (validator) instead of another timekeeper.
<b>Total</b>	<b>556</b>	<b>124</b>	<b>22.30%</b>	

#### 5.1.2 Criteria:

### **5.1.3 Cause:**

- (1) FWS uses DOI Quick Time as the official timekeeping system where employees are required to use the web-based software to record allocated hours charged to approved, FWS programs to include the WSFR programs. Hence, the Quick Time system is the system, employees use too record and code hours worked. Employees are required to input hours into Quick Time at least on a biweekly basis. However, it's an accepted practice in all Regions for the timekeeper to input hours worked for employees if the employee doesn't have computer access or not available for some reason during pay period end to enter his/her time.
- (2) The system allows for the timekeeper to not only verify his/her own time, but to validate his/her own time.

### **5.1.4 Effect:**

Timekeepers were able to prepare (record and code hours worked) their own time in QuickTime. Then, validate own time.

### **5.1.5 Recommendations:**

- 5.1.5.1 Ensure the internal controls in place for payroll and non-payroll are reviewed on a monthly basis to ensure they are being implemented to avoid any future violations of the Act.
- 5.1.5.2 Consult with the DOI Business Center to initiate additional controls in the Quick Time system so that timekeeper can't prepare (input own time in QuickTime) and then also validate own time.

## **5.1 Compliance – Personnel Costs Full-Time Employees (Repeat Condition)**

### **5.2.1 Condition:**

FWS's practice for charging personnel FT under CDIAC 1 above didn't fully comply with the Act's provision (repeat condition).

The Act limits personnel hours to personnel supporting the Act FT, CDIAC 1 and to personnel supporting the Act PT for a minimum of 20 hours per week CDIAC 2.

In implementing the Act, under CDIAC 1 FWS uses two categories of FT personnel:

1. Full-time FWS employee members who work 100 percent of the time in support of WSFR programs; and
2. Full-time FWS employee members who work 100 percent of the time in support of the WSFR programs and other wildlife restoration-related grant programs, but not 100 percent performing work chargeable to the Act.

FWS Regions have policies and procedures in place that require FWS WSFR employees to charge time to the Act when only managing the WSFR programs that are part of the Act and charge their other time to the other restoration-related grant programs they spend time on. Not limiting personnel who charge time to the Act to only FT personnel who spend 100 percent of their time managing the Act is a violation of the Act.

### **5.2.2 Criteria:**

U.S.C. Title 16 Chapter 5B: Section 669h, *Requirements and restrictions concerning use of amounts for expenses for administration*, states “The Secretary of the Interior may use available amounts under section 669c (a) (1) of this title only for expenses for administration that directly support the implementation of this chapter that consists of:

- (1): Personnel costs of employees who directly administer this chapter on a FT basis.

### **5.2.3 Cause:**

Subsequent to passage of the Act, additional wildlife restoration-related grant programs have been authorized by Congress for which administrative funds are provided. To achieve efficiency in managing these programs, FWS has chosen to use personnel who are FWS WSFR Program employees to also manage these new programs, which results in them not being employees who directly administer the Act on a FT basis. Procedures are established in all FWS Regions [(Region 1 (Portland, OR), Region 2 (Albuquerque, NM), Region 3 (Bloomington, MN), Region 4 (Atlanta, GA), Region 5 (Hadley, MA) Region 6 (Lakewood, CO), Region 7 (Anchorage, AK), Region 8 (Sacramento, CA) and Region 9 (Falls Church, VA)] to charge their hours to the program for which they work; however, **language in the Act is still waiting to be changed to allow for this arrangement.** The DOI prepared for the House Natural Committee on Natural Resources Subcommittee on Federal Lands Hearing on H.R.5875, To Amend the Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Federal Aid in Sport Fish Restoration Act dated May, 22 2018. The purpose of the amendment is to provide parity for United States territories and the District of Columbia, to make technical corrections to such Acts and related laws.

### **5.2.4 Effect:**

FWS continues to not be in compliance with the Act’s provision CDAIC 1 that allows for personnel costs only for FT employees who directly administer the Act on a FT basis.

### **5.2.5 Recommendations:**

- 5.2.5.1 Monitor and follow-up on a monthly basis with ‘Congressional and Legislative Affairs’ for proposed written language changes to be made to the Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Federal Aid in Sport Fish Restoration Act affecting FT employees.
- 5.2.5.2 Discontinue allowing FWS WSFR program FTEs the ability to charge to non-WSFR programs until language in the Act is revised that will allow FWS WSFR

program FTEs who are assigned to the WSFR programs on a FT basis the ability to charge time to other wildlife restoration-related grant programs.

## **5.2 Compliance – Personnel Costs Part-Time Employees**

### **5.3.1 Condition:**

FWS’s practice for charging personnel PT under CDIAC 2 above didn’t fully comply with the Act’s provision (repeat condition).

The Act limits personnel hours to personnel supporting the Act PT for a minimum of 20 hours per week CDIAC 2.

In implementing the Act, under CDIAC 2 FWS uses two categories of PT personnel:

1. Full-time FWS employee members who work 50 percent of the time in support of WSFR programs and 50 percent of the time in support of other wildlife restoration-related grant programs; and
2. Full-time FWS employee members who are assigned to other wildlife restoration-related grant programs and charge hours to the WSFR program on a less than part-time basis.

### **5.3.2 Criteria:**

U.S.C. Title 16 Chapter 5B: Section 669h, *Requirements and restrictions concerning use of amounts for expenses for administration*, states “The Secretary of the Interior may use available amounts under section 669c (a) (1) of this title only for expenses for administration that directly support the implementation of this chapter that consists of:

- (2): Personnel costs of employees who directly administer this chapter on a PT basis for at least 20 hours each week, not to exceed the portion of those costs incurred with respect to the work hours of the employee during which the employee directly administers this chapter, as those hours are certified by the supervisor of the employee.

### **5.3.3 Cause:**

Archaeological expertise is required to provide cultural resource compliance and comply with the National Historic Preservation Act of 1966 (NHPA), Public Law 89-665; 54 U.S.C. 300101 et seq.). The NHPA is legislation intended to preserve historical and archaeological sites in the United States of America.

In order to meet the NHPA cultural resource compliance and comply with the NHPA, Region 7 (Anchorage, AK) has a memorandum of understanding (MOU) with FWS Refuges to use the two archeologists that are FT and PT Refugee’ employees (and are not FT or PT WSFR Program employees) to provide this compliance service, as needed in executing the WSFR Programs.

### **5.3.4 Effect:**

FWS continues to not be in compliance with the Act's provision CDIAIC 2 Personnel costs of employees who directly administer this chapter on a PT basis for at least 20 hours each week, not to exceed the portion of those costs incurred with respect to the work hours of the employee during which the employee directly administers this chapter, as those hours are certified by the supervisor of the employee. In summary, FWS has total unallowable costs of \$462.26 against CDIAIC 2 for FY 2017 where costs were incurred by other FWS employees that aren't PT WSFR employees.

### **5.3.5 Recommendations:**

- 5.3.5.1 Monitor and follow-up on a monthly basis with 'Congressional and Legislative Affairs' for proposed written language changes made to be made to the Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Federal Aid in Sport Fish Restoration Act affecting PT employees.
- 5.3.5.2 Review the amount of work required by the archeologists on an annual basis. If there is enough work to meet the Act's PT provision for one archeologist then reassign an archeologist to the WSFR Program on a PT basis with an MOU in place with FWS Refugee to use this archeologist.
- 5.3.5.3 Discontinue using WSFR program funds for PT FWS employees that aren't PT WSFR employees that charge more than 20hrs a week, but less than 40hrs a week for purposes related to the administration of the Act, until language is changed in the Act allowing for non-PT WSFR employees to charge to the Act.

## **5.3 Compliance – Relocation Costs**

### **5.4.1 Condition:**

FWS's practice for charging relocation expenses for personnel, who after relocation will administer the Act on a FT basis for at least one year, was not in compliance with the provision of the Act for relocation costs i.e. CDAIC 11.

The Act limits relocation expenses to personnel supporting the Act FT who, after relocation, will administer the Act on a FT basis for at least one year, as certified by the Director of the United States Fish and Wildlife Service at the time at which the relocation expenses are incurred.

### **5.4.2 Criteria:**

U.S.C. Title 16 Chapter 5B: Section 669h, *Requirements and restrictions concerning use of amounts for expenses for administration*, states "The Secretary of the Interior may use available amounts under section 669c (a) (1) of this title only for expenses for administration that directly support the implementation of this chapter that consists of:

- (11): Relocation expenses for personnel who, after relocation, will administer this chapter on a FT basis for at least one year, as certified by the Director of the United States Fish and Wildlife Service at the time at which the relocation expenses are incurred.

### **5.4.3 Cause:**

Subsequent to passage of the Act, additional wildlife restoration-related grant programs have been authorized by Congress for which administrative funds are provided. To achieve efficiency in managing these programs, FWS has chosen to use personnel who are WSFR Program employees (Act) to also manage these new programs. Procedures are established in all FWS Regions to charge employee hours to the program for which they work; **however, language in the Act is still waiting to be changed to allow for this arrangement.** This FWS practice (a nexus) resulted in a secondary non-compliance issue where WSFR employees who relocated and incurred relocation expenses, charged within one year of relocation, time to other restoration-related programs, and as a result became non-compliant with the Act's provision CDAIC 11.

#### **5.4.4 Effect:**

FWS not being in compliance with the Act's provision CDAIC 11: Relocation expenses for personnel who, after relocation, will administer this chapter on a FT basis for at least one year, as certified by the Director of the United States Fish and Wildlife Service at the time at which the relocation expenses are incurred. In summary, FWS has total unallowable costs of \$106,134.61 against CDAIC11 for FY 2017 and FY 2018 where costs were incurred by WSFR employees that relocated and didn't charge FT for one year after relocating to only WSFR programs.

#### **5.4.5 Recommendations:**

- 5.4.5.1 Ensure that individuals that are paid relocation costs charge FT to only WSFR programs for one year after relocation and do not charge to other wildlife restoration-related grant programs until they have completed administering the Act on a FT basis for at least one year.
- 5.4.5.2 Ensure certification by the Director or Region WSFR that permanently change of station (PCS) employees administered the Act FT for at least 1 year once relocation expenses are incurred. And that the PCS'd employees don't charge to other wildlife restoration-related grant programs during this 1-year period.
- 5.4.5.3 For FT employees assigned to the WSFR programs that relocated (and WSFR paid the relocation costs) and subsequently didn't charge FT to the WSFR programs (in addition charged to other wildlife restoration-related grant programs) reimburse the WSFR programs the relocation cost (on an allocated program/non-program percentage of costs) per FY basis (if relocation costs crossed FYs).

**Note:** Above occurred at Region 1 (Portland, OR), Region 2 (Albuquerque, NM) & Region 5 (Hadley, MA).

## **6.0 CONCLUSIONS**

FWS management had the policies and procedures in place for the proper administration of internal controls over both payroll and non-payroll expenditures. However, at times FWS Regional management didn't follow the internal control policies and procedures in place in full for payroll leading to minor exceptions. In addition, Regional management involved in administering the Act didn't ensure that the policies and procedures in place to fully comply with the Act's provisions

were being followed leading to being in violation of the FT provision, PT Provision and Relocation Provision of the Act. As a result, not all of the expenditures and obligations that were incurred in administering the Act in FY 2017 and FY 2018 were appropriate and allowable.

## **7.0 RECOMMENDATIONS**

- 7.1 **5.1.5.1** Ensure the internal controls in place for payroll and non-payroll are reviewed on a monthly basis to ensure they are being implemented to avoid any future violations of the Act.
- 7.2 **5.1.5.2** Consult with the DOI Business Center to initiate additional controls in the Quick Time system so that timekeeper can't prepare (input own time in QuickTime) and then also validate own time.
- 7.3 **5.2.5.1** Monitor and follow-up on a monthly basis with 'Congressional and Legislative Affairs' for proposed written language changes to be made to the Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Federal Aid in Sport Fish Restoration Act affecting FT employees.
- 7.4 **5.2.5.2** Discontinue allowing FWS WSFR program FTEs the ability to charge to non-WSFR programs until language in the Act is revised that will allow FWS WSFR program FTEs who are assigned to the WSFR programs on a FT basis the ability to charge time to other wildlife restoration-related grant programs.
- 7.5 **5.3.5.1** Monitor and follow-up on a monthly basis with 'Congressional and Legislative Affairs' for proposed written language changes made to be made to the Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Federal Aid in Sport Fish Restoration Act affecting PT employees.
- 7.6 **5.3.5.2** Review the amount of work required by the archeologists on an annual basis. If there is enough work to meet the Act's PT provision for one archeologist then reassign an archeologist to the WSFR Program on a PT basis with an MOU in place with FWS Refugee to use this archeologist.
- 7.7 **5.3.5.3** Discontinue using WSFR program funds for PT FWS employees that aren't PT WSFR employees that charge more than 20hrs a week, but less than 40hrs a week for purposes related to the administration of the Act, until language is changed in the Act allowing for non-PT WSFR employees to charge to the Act
- 7.8 **5.4.5.1** Ensure that individuals that are paid relocation costs charge FT to only WSFR programs for one year after relocation and do not charge to other wildlife restoration-related grant programs until they have completed administering the Act on a FT basis for at least one year.
- 7.9 **5.4.5.2** Ensure certification by the Director or Region WSFR that permanently change of station (PCS) employees administered the Act FT for at least 1 year once relocation expenses are incurred. And that the PCS'd employees don't charge to other wildlife restoration-related grant programs during this 1-year period.
- 7.10 **5.4.5.3** For FT employees assigned to the WSFR programs that relocated (and WSFR paid the relocation costs) and subsequently didn't charge FT to the WSFR programs (in addition charged to other wildlife restoration-related grant programs) reimburse the WSFR programs the relocation cost (on an allocated program/non-program percentage of costs) per FY basis (if relocation costs crossed FYs).

**8.0 MANAGEMENT RESPONSE TO REPORT**



# United States Department of the Interior

FISH AND WILDLIFE SERVICE  
Washington D.C. 20240



In reply refer to:  
FWS/AMAD/PERMA/RM/DCN 072124

To: Director, Financial Audits

From: Assistant Director, Wildlife and Sport Fish Restoration

Subject: Response to Draft Audit Report: Performance Audit of Expenditures and Obligation Used by the Secretary of the Interior in the Administration of the Wildlife and Sport Fish Restoration Programs Improvement Act of 2000, Public Law 106-408, for Fiscal Years 2017-2018

PAUL  
RAUCH

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RAUCH  
Date: 2020.03.24  
13:27:24 -0400

Thank you for the opportunity to comment on and respond to the draft audit report *Performance Audit of Expenditures and Obligations Used by the Secretary of the Interior in the Administration of the Wildlife and Sport Fish Restoration Programs Improvement Act of 2000, Public Law 106-408, for Fiscal Years 2017-2018*. Resolving audit issues continues to be an agency priority, and the Service values the opportunity to improve the Wildlife and Sport Fish Restoration Program to better serve the States and the American people.

The Service's responses to the recommendations in the draft report and the Service's planned actions to address the recommendations are listed below. If you require additional information, please contact Mr. Paul Rauch, Assistant Director, [REDACTED]

#### Summary Response:

The Fish and Wildlife Service (Service) partially concurs with two of the four audit findings. The Wildlife and Sport Fish Restoration Program (WSFR) is committed to take all necessary actions to assure the integrity of the Wildlife and Sport Fish Restoration Acts (Act), and has, since its reorganization, taken action to enhance its internal controls.

The Service and WSFR partially agree with the findings related to personnel costs for full time employees and relocation costs. It will be emphasized that fiscal staff should continue to review all coding related to Permanent Change of Station (PCS) costs. The WSFR Program will work with the Interior Business Center (IBC) to potentially pay the other programs' shares of relocation costs.

In addition, the Service will continue to work with Congress to have language added related to number of hours for workers. In the meantime, it is inefficient to keep employees working only on specific programs. By leveraging expertise among the various grant programs, the Service reduces costs to the taxpayer. WSFR currently holds bi-weekly meetings with Congressional

and Legislative affairs on the progress of the language change requests and any other pertinent information or legal changes.

The Service does not concur with the internal control finding related to timekeepers validating their own timesheets. The control in place is the supervisory certification and is sufficient to prevent or detect and correct any potential error. The IBC has deemed this control to be the required control in the system, as certifiers cannot certify their own time. The Service would note this would be a Department of Interior (Department) control deficiency and has not been identified in any financial audits of the Department.

The Service also does not concur with the finding related to the part time employees charging time. In this instance, specific expertise was required (archaeology) and was provided by a Service employee in another program. Contracting out this function would have ineffectively consumed both time and resources.

As more requirements are added to grant compliance, such as archaeological review, the WSFR program may need assistance from other areas of the Service to meet these requirements. It is inefficient and costly to the programs to not leverage expertise that are already on staff within the Department.

Internal Controls – Payroll costs:

The Service disagrees with the control finding.

The control for timesheets is at the supervisory certification level, and not the timekeeper level. The Department and the Interior Business Center have not disallowed the validation function for timekeepers on their own timesheets in the Quicktime system. Both financial audits and OMB Circular A-123 reviews have deemed this to be sufficient controls for timesheets.

Compliance Finding – Personnel Costs Full Time Employees:

The Service partially agrees with the finding. We have requested a language change to ensure workers are exempt or the language is clarified. We will also continue to meet with Congressional and Legislative affairs every two weeks to discuss progress on the request. However, due to cost savings and efficiency, the Service will continue to leverage employees' skills to better manage the program.

Compliance Finding – Personnel Costs Part-Time Employees:

The Service disagrees with the finding. New compliance requirements have placed an extra need of various skills on the program. If the Service employs individuals with the necessary skills, we will leverage those skills in the least costly and most efficient manner. We will ensure no charges above that for any work performed for the program occur.

Compliance Finding – Relocation Costs:

The Service partially agrees with the finding. We are awaiting a language change to clarify the time worked requirement for employees. Costs should be allocated to other programs in which the employee will be working. WSFR will emphasize that in its annual fiscal meeting in May.

However, as with personnel costs, the Service is leveraging skills among the various grant programs in order to improve efficiency.

Recommendation 1: Ensure the internal controls in place for payroll and non-payroll are reviewed on a monthly basis to ensure they are being implemented to avoid any future violations of the Act.

Response: Do Not Concur. WSFR already meets with branch managers and regional managers every other week. Administrative and financial controls are often reinforced during those calls.

Recommendation 2: Consult with the DOI Business Center (IBC) to initiate additional controls in the Quicktime system so that timekeepers can't prepare (input own time in Quicktime) and then also validate their own time.

Response: Do Not Concur: The Department of Interior and Interior Business Center have already determined the timekeeper validation is not a key control and financial statement audits and A-123 reviews have not identified this as a failure.

Recommendation 3: Monitor and follow-up on a monthly basis with 'Congressional and Legislative Affairs' for proposed written language changes to be made to the Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson federal Aid in Sport Fish Restoration Act affecting full-time employees.

Response: Partially Concur: WSFR meets with Congressional and Legislative Affairs every other week to discuss proposed legislation. We will continue this schedule.

Recommendation 4: Discontinue allowing FWS WSFR program FTEs the ability to charge non-WSFR programs until the language in the Act is revised that will allow FWS WSFR program FTEs who are assigned to the WSFR programs on a full time basis the ability to charge time to other wildlife restoration-related grant activities.

Response: Do Not Concur: The program oversees more than just the Wildlife and Sport Fish Restoration Programs. In order to provide the most cost effective and efficient organization, we leverage skills of the employees across the programs. This results in an overall administrative cost reduction for taxpayers. We will continue to request a language change in the Act, but in order to remain efficient, we must continue the practice. WSFR monitors the amount of time charged to the programs and ensures they are commensurate with the amount of work performed by the employee.

Recommendation 5: Monitor and follow-up on a monthly basis with 'Congressional and Legislative Affairs' for proposed written language changes to be made to the Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Federal Aid in Sport Fish Restoration Act affecting full-time employees.

Response: This is a repeat of Recommendation 3. Partially Concur: WSFR meets with Congressional and Legislative Affairs every other week to discuss proposed legislation. We will continue this meeting schedule.

Recommendation 6: Review the amount of work required by the archaeologists on an annual basis. If there is enough work to meet the Act's part-time provision for one archaeologist, then hire or re-assign an archaeologist for the WSFR program on a part time basis with an MOU in place to utilize the archaeologist.

Response: Do Not Concur: An archaeological review requirement was added to grants in the past fifteen years, after the passage of the Act. The amount of work for an archaeologist would not equate to a full-time position. As such, we have leveraged the skillset from employees in Refuges with a memorandum of understanding. This is the most efficient and cost-effective way of performing the required due diligence for the grant programs. In addition, some archaeologists' knowledge is region specific and may not translate to various areas across the country.

Recommendation 7: Discontinue using WSFR program funds for PT FWS employees that aren't PT WSFR employees that charge more than 20 hours a week, but less than 40 hours a week for purposes related to the administration of the Act, until the language is changed in the Act allowing for non-PT WSFR employees to charge to the Act.

Response: Do Not Concur: The Service will not contract out the work or adjust our practices in order to keep the program and the organization streamlined. WSFR monitors the amount of time charged to the programs and ensures they are commensurate with the amount of work performed by the employee.

Recommendation 8: Ensure that individuals that are paid relocation costs charge FT to only WSFR programs for one year after relocation and do not charge to other wildlife restoration-related grant programs until they have completed administering the Act on a FT basis for at least one year.

Response: Partially Concur: The Service typically does this, unless the employee has a managerial or administrative type position. In those instances, we utilize the employee for multiple programs in order to reduce costs. We will continue to operate in the most effective and efficient way to ensure our obligations to taxpayers and partners are met.

Recommendation 9: Ensure certification by the Director or Region WSFR that permanent change of station (PCS) employees administered the Act FT for at least one year once relocation expenses are incurred. And that the PCS'ed employees don't charge to other wildlife restoration-related grant programs during this one-year period.

Response: Partially Concur: The Service does require the Regional Director to sign a certification that the employee will work for the program for a year. Again, to leverage skills and reduce overall costs, employees will work on multiple programs, and will continue to do so.

Recommendation 10: For FT employees assigned to the WSFR programs that relocated (and WSFR paid the relocation costs) and subsequently didn't charge FT to the WSFR programs (in addition charged the other wildlife restoration-related grant programs) reimburse the WSFR programs the relocation cost (on an allocated program/non-program percentage of costs) per FY basis (if relocation costs crossed FYs).

Response: Concur: The Service will consult with the Interior Business Center on the possibility of dividing out the costs among multiple programs.

## **9.0 AUDITOR EVALUATION OF MANAGEMENT RESPONSE**

The following are our comments to the Department of Interior's letter dated March 24, 2020 related to the findings for which the Service partially non-concurs or non concurs:

### **Internal Controls – Payroll Costs**

FWS Response:

The Service does not concur with the internal control finding related to timekeepers validating their own timesheets. The control in place for timesheets is at the supervisory certification, not at the timekeeper level and is sufficient to prevent or detect and correct any potential error. The Interior Business Center (IBC) has deemed this control to be the required control in the system, as certifiers cannot certify their own time. The Service would note this would be a Department of Interior (Department) control deficiency and has not been identified in any financial audits of the Department. The Department and the IBC have not disallowed the validation function for timekeepers on their own timesheets in the Quicktime system. Both financial audits and OMB Circular A-123 reviews have deemed this to be sufficient controls for timesheets.

Evaluation of FWS response:

SGC concurs that the Department and the IBC have not disallowed the validation function for timekeepers on their own timesheets in the Quicktime system. As a result timekeepers are able to verify and validate their own timesheets prior to submitting their timesheets to their supervisor, who are designated and authorized in the QuickTime system (a control in place) to certify timesheets.

SGC concurs the Service should continue to meet every other week versus monthly with Branch Managers and Regional Directors to ensure financial and administrative controls are reinforced.

SGC doesn't concur or non-concur if DOI and IBC have already determined the timekeepers validation is not a key control and that financial statement audits and OMB A-123 reviews have not identified this as a failure or to be sufficient controls for timesheets.

### **Compliance Finding – Personnel Costs Full-Time Employees:**

FWS Response:

The Service partially agrees with the finding. We have requested a language change to ensure workers are exempt or the language is clarified. We will also continue to meet with Congressional and Legislative affairs every two weeks to discuss progress on the request. However, due to cost savings and efficiency, the Services will continue to leverage employees' skills to better manage the program.

Evaluation of FWS response:

SGC concurs the Service requested a language change to ensure workers are exempt or the language is clarified.

SGC concurs that the Service should continue to meet with Congressional and Legislative affairs every two weeks versus monthly to discuss progress on the request.

SGC's observation is that due to cost savings and efficiency the Service is leveraging employees' skills to better manage the program. However, until language is changed in the Act allowing full-time employees the ability to charge to other programs not covered by the Act, the Service practice for allowing full time personnel to charge to other programs doesn't comply with the Act's full time provision.

### **Compliance Finding – Personnel Costs Part-Time Employees:**

FWS Response:

The Service disagrees with the finding. New compliance requirements have placed an extra need of various skills on the program. If the Service employs individuals with the necessary skills, we will leverage those skills in the least costly and most efficient manner. We will ensure no charges above that for any work performed for the program occur.

Evaluation of FWS response:

SGC concurs that the Service should continue to meet with Congressional and Legislative affairs every two weeks versus monthly to discuss progress on the request.

SGCs' observations are that new compliance requirements have placed an extra need of various skills on the program and that for these various skills no charges above the work performed are charged to the program. However, until language is changed in the Act allowing FWS employees that are not assigned to the FWS Program as a part-time employee, the ability to charge time to the FWS Program while not be a part-time employee doesn't comply with the Act's part time provision.

### **Compliance Finding – Relocation Costs:**

FWS Response:

The Service partially agrees with the finding. We are awaiting a language change to clarify the time worked requirement of employees. Costs should be allocated to other programs in which the employees will be working. WSFR will emphasize that in its annual fiscal meeting in May.

Evaluation of FWS response:

SGC concurs the Service is awaiting language change to ensure workers are exempt or the language is clarified. SGC concurs costs should be allocated to the programs in which the employee is

working. However, until language is changed in the Act allowing Service employees that relocate and not charge full time to the FWS Program for one year after relocation, the Service doesn't comply with the Act's relocation provision.

## 10.0 PRIOR YEAR NON-COMPLIANCE

Year	Number	Recommendation	Status
2013/2014	1	Request revising language in the Act to allow for personnel who work on other WR/SFR programs to charge time to the appropriate WR/SFR program and remove the limitation of allowable personnel costs to only those personnel who directly administer the Act on a full-time basis or part-time for no fewer than 20 hours per week (Repeat).	Open

## 11.0 ABBREVIATIONS

ACT	Programs Improvement Act of 2000
CAM	Cost Allocation Methodology
CAT	Category
CDIAC	Costs Distributed by Improvement Act Categories'
CPS	Common Program Services
DOI	Department of Interior
F	Sport Fish Restoration
FWS	U.S. Fish and Wildlife Service
FT	Full Time
FTE	Full-time Equivalent
FY	Fiscal Year
GAGAS	Generally Accepted Government Auditing Standards
GAO	Government Accountability Office
GAS	Government Auditing Standards
HQ	Headquarters
IBC	Interior Business Center
MOU	Memorandum of Understanding
NHPA	National Historic Preservation Act of 1966
OIG	Office of the Inspector General
OMB	Office of Management and Budget
PCS	Permanent Change of Station
PL	Public Law
PT	Part Time
SFR	Sport Fish Restoration
T&A	Time and Attendance
U.S.C.	United States Code
WL	Wildlife Restoration
WSFR	Wildlife and Sport Fish Restoration
WR	Wildlife Restoration