



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



**U.S. FISH AND WILDLIFE SERVICE WILDLIFE AND SPORT FISH
RESTORATION PROGRAM**

Grants Awarded to the State of Alabama, Department of Conservation and
Natural Resources, Marine Resources Division, From October 1, 2012,
Through September 30, 2014



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JAN 07 2016

Memorandum

To: Daniel M. Ashe
Director, U.S. Fish and Wildlife Service

From: Tim Horsma *Tim Horsma*
Acting Director, Grant Audits

Subject: Final Audit Report – U.S. Fish and Wildlife Service Sport Fish Restoration Program Grants Awarded to the State of Alabama, Department of Conservation and Natural Resources, Marine Resources Division, From October 1, 2012, Through September 30, 2014
Report No. 2015-EXT-042

This report presents the results of our audit of costs claimed by the State of Alabama, Department of Conservation and Natural Resources (Department), Marine Resources Division (Division) under grants awarded by the U.S. Fish and Wildlife Service (FWS). FWS provided the grants to the State under the Sport Fish Restoration Program. The audit included claims totaling \$4.1 million on 13 grants that were open during the State fiscal years that ended September 30, 2013, and September 30, 2014 (see Appendix 1). The audit also covered the Division's compliance with applicable laws, regulations, and FWS guidelines, including those related to the collection and use of fishing license revenues and the reporting of program income.

We found that the Division complied with applicable grant accounting and regulatory requirements. We did not identify any reportable conditions. We therefore do not require a response to this audit report.

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

If you have any questions regarding this report, please contact me at 916-978-5668.

cc: Regional Director, Region 4, U.S. Fish and Wildlife Service

Table of Contents

| | |
|---------------------------|---|
| Introduction..... | 1 |
| Background..... | 1 |
| Objectives | 1 |
| Scope | 1 |
| Methodology..... | 1 |
| Prior Audit Coverage..... | 2 |
| Results of Audit | 3 |
| Audit Summary | 3 |
| Appendix 1..... | 4 |
| Appendix 2..... | 5 |

Introduction

Background

The Dingell-Johnson Sport Fish Restoration Act (Act)¹ established the Sport Fish Restoration Program (Program). Under the Program, the U.S. Fish and Wildlife Service (FWS) provides grants to States to restore, conserve, manage, and enhance their sport fish resources. The Act and Federal regulations contain provisions and principles on eligible costs and allow FWS to reimburse States up to 75 percent of the eligible costs incurred under the grants. The Act also requires that fishing license revenues be used only for the administration of the States' fish and game agencies. Finally, Federal regulations and FWS guidance require States to account for any income they earn using grant funds.

Objectives

We conducted this audit to determine if the State of Alabama, Department of Conservation and Natural Resources, Marine Resources Division (Division):

- claimed the costs incurred under the Program grants in accordance with the Act and related regulations, FWS guidelines, and grant agreements;
- used State fishing license revenues solely for fish program activities; and
- reported and used program income in accordance with Federal regulations.

Scope

Audit work included claims totaling approximately \$4.1 million on the 13 grants open during the State Fiscal Years (SFYs) that ended September 30, 2013, and September 30, 2014 (see Appendix 1). We report only on those conditions that existed during this audit period. We performed our audit at Department offices in Montgomery, AL, and visited two Division field offices, five fishing and boating access sites, one artificial habitat, one mariculture center, and one pier (see Appendix 2). We performed this audit to supplement—not replace—the audits required by the Single Audit Act Amendments of 1996 and by Office of Management and Budget Circular A-133.

Methodology

We conducted this 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 objectives.

¹ 16 U.S.C. § 777, as amended.

Our tests and procedures included—

- examining the evidence that supports selected expenditures charged to the grants by the Division;
- reviewing transactions related to purchases, direct costs, drawdowns of reimbursements, in-kind contributions, and program income;
- interviewing Division employees to ensure that personnel costs charged to the grants were supportable;
- conducting site visits to inspect equipment and other property;
- determining whether the Division used fishing license revenues solely for the administration of fish program activities; and
- determining whether the State passed required legislation assenting to the provisions of the Act.

We also identified the internal controls over transactions recorded in the labor- and license-fee accounting systems and tested their operation and reliability. Based on the results of initial assessments, we assigned a level of risk to these systems and selected a judgmental sample of transactions for testing. We did not project the results of the tests to the total population of recorded transactions or evaluate the economy, efficiency, or effectiveness of the Division’s operations.

We relied on computer-generated data for other direct costs and personnel costs to the extent that we used these data to select Program costs for testing. Based on our test results, we either accepted the data or performed additional testing. For other direct costs, we took samples of costs and verified them against source documents such as purchase orders, invoices, receiving reports, and payment documentation. For personnel costs, we selected Division employees who charged time to Program grants and verified their hours against timesheets and other supporting data.

Prior Audit Coverage

On August 12, 2010, we issued “U.S. Fish and Wildlife Service Federal Assistance Program Grants Awarded to the State of Alabama, Department of Conservation and Natural Resources, Marine Resources Division from October 1, 2007, Through September 30, 2009” (R-GR-FWS-0010-2010). We followed up on all eight recommendations in the report and found that the U.S. Department of the Interior, Office of the Assistant Secretary for Policy, Management and Budget considered the recommendations resolved and implemented.

We reviewed single audit reports and comprehensive annual financial reports for SFY 2013. None of these reports contained any findings that would directly affect Program grants.

Results of Audit

Audit Summary

We found that the Division complied, in general, with applicable grant agreement provisions and requirements of the Act, regulations, and FWS guidance. This report contains no reportable findings or recommendations, and we require no further action.

Appendix I

State of Alabama
Department of Conservation and Natural Resources
Marine Resources Division
Grants Open during the Audit Period
October 1, 2012, Through September 30, 2014

| FWS Grant Number (FBMS* Number) | Grant Amount | Claimed Costs |
|--|-------------------------|----------------------|
| Fish | | |
| FI2AF00664 | \$900,000 | \$626,512 |
| FI2AF01260 | 140,000 | 129,987 |
| FI3AF00054 | 363,500 | 356,687 |
| FI2AF01355 | 803,500 | 814,035 |
| FI3AF00687 | 465,855 | 471,013 |
| FI3AF00890 | 37,000 | 34,033 |
| FI3AF01219 | 130,000 | 108,789 |
| FI3AF01271 | 200,000 | 86,783 |
| FI3AF01285 | 675,000 | 676,276 |
| FI3AF01261 | 300,000 | 300,000 |
| FI4AF00228 | 482,227 | 538,395 |
| FI4AF00232 | 530,000 | 0 |
| FI4AF01326 | 37,500 | 0 |
| Total | \$5,064,582 | \$4,142,510 |

*FBMS stands for Financial and Business Management System

Appendix 2

State of Alabama
Department of Conservation and Natural Resources
Marine Resources Division
Sites Visited

Headquarters

Montgomery

Field Offices

Dauphin Island

Gulf Shores

Fishing and Boating Access Sites

Billy Goat Hole, Alonzo Landing

Boggy Point

Fort Morgan

Little Billy Goat Hole

Weeks Bay

Other

Artificial Habitat Land Acquisition

Claude Peteet Mariculture Center

Gulf State Park Pier

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