



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 Commonwealth of Virginia, Virginia Marine Resources Commission, From July 1, 2012, Through June 30, 2014




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

SEP 29 2015

Memorandum

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

From: Charles Haman 
Central Regional Manager for Audits, Inspections, and Evaluations

Subject: Final Audit Report – U.S. Fish and Wildlife Service Wildlife and Sport Fish
Restoration Program Grants Awarded to the Commonwealth of Virginia, Virginia
Marine Resources Commission, From July 1, 2012, Through June 30, 2014
Report No. 2015-EXT-045

This report presents the results of our audit of costs claimed by the Commonwealth of Virginia (Commonwealth), Virginia Marine Resources Commission (Commission), under grants awarded by the U.S. Fish and Wildlife Service (FWS). FWS provided the grants to the Commonwealth under the Wildlife and Sport Fish Restoration Program (Program). The audit included claims totaling \$6.3 million on 24 grants that were open during the State fiscal years that ended June 30, 2013, and June 30, 2014 (see Appendix 1). The audit also covered the Commission'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 Commission complied, in general, 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 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 the program audit coordinator, Tim Horsma, at 916-978-5668, or me at 303-236-9243.

cc: Regional Director, Region 5, 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 and wildlife 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 Commonwealth of Virginia (Commonwealth), Virginia Marine Resources Commission (Commission):

- claimed the costs incurred under the Program grants in accordance with the Acts and related regulations, FWS guidelines, and grant agreements;
- used the Commission's 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 \$6.3 million on the 24 grants open during the State fiscal years (SFYs) that ended June 30, 2013, and June 30, 2014 (see Appendix 1). We report only on those conditions that existed during this audit period. We performed our audit at the Commission's offices in Newport News, VA, and visited the Virginia Institute of Marine Sciences in Gloucester Point, VA; Old Dominion University Research Foundation in Norfolk, VA; and four project sites (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. §§ 669 and 777, as amended, respectively.

Our tests and procedures included—

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

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 Commission'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 Commission employees who charged time to Program grants and verified their hours against timesheets and other supporting data.

Prior Audit Coverage

On June 7, 2010, we issued “Audit on U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the Commonwealth of Virginia, Virginia Marine Resources Commission, From July 1, 2007 through June 30, 2009” (No. R-GR-FWS-0008-2010). The report contained no findings. In addition, we reviewed the Commonwealth's Single Audit Reports and Comprehensive Annual Financial Reports for SFYs 2013 and 2014 and several other audits that covered other Commonwealth entities and the two universities that received pass-through funds. There were no findings relevant to any audit work performed at the Commission.

Results of Audit

Audit Summary

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

Appendix I

**Commonwealth of Virginia
Virginia Marine Resources Commission
Grants Open During the Audit Period
July 1, 2012, Through June 30, 2014**

FBMS Grant Number	Grant Amount	Claimed Costs
FI1AF00382	\$27,067	\$41,287
FI1AF00384	462,517	437,910
FI1AF00413	197,916	191,091
FI1AF00420	455,038	449,239
FI2AF00192	334,813	335,139
FI2AF00277	151,632	150,920
FI2AF00359	533,641	533,644
FI2AF00686	474,540	474,540
FI2AF01059	432,360	435,897
FI2AF01078	394,306	382,530
FI2AF01374	25,342	52,032
FI3AF00203	199,900	159,009
FI3AF00337	335,140	339,987
FI3AF00382	144,138	145,380
FI3AF00429	556,879	558,198
FI3AF00646	562,060	541,255
FI3AF01045	106,668	0
FI3AF01250	420,632	412,884
FI3AF01283	26,972	49,238
FI3AF01284	432,911	434,588
FI4AF00269	348,984	130,411
FI4AF00390	557,079	70,087
FI4AF00391	144,614	0
FI4AF00597	617,214	0
Total	\$7,942,364	\$6,325,266

Appendix 2

**Commonwealth of Virginia
Virginia Marine Resources Commission
Sites Visited**

Headquarters
Newport News

Universities
Old Dominion University Research Foundation (Norfolk)
Virginia Institute of Marine Science (Gloucester Point)

Project Sites
Bennett's Creek Park Fishing Pier (Suffolk)
Curtis Merritt Harbor and Launch Facility Improvement (Chincoteague)
Greenbackville Harbor Improvements (Greenbackville)
Historic Bridge Fishing Pier (Chincoteague)

Report Fraud, Waste, and Mismanagement



Fraud, waste, and mismanagement in Government concern everyone: Office of Inspector General staff, departmental employees, and the general public. We actively solicit allegations of any inefficient and wasteful practices, fraud, and mismanagement related to departmental or Insular Area programs and operations. You can report allegations to us in several ways.



By Internet: www.doi.gov/oig/index.cfm

By Phone: 24-Hour Toll Free: 800-424-5081
Washington Metro Area: 202-208-5300

By Fax: 703-487-5402

By Mail: U.S. Department of the Interior
Office of Inspector General
Mail Stop 4428 MIB
1849 C Street, NW.
Washington, DC 20240