



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 Wyoming, Game and Fish Department,
from July 1, 2010, Through June 30, 2012



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

OCT 29 2013

Memorandum

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

From: Hannibal M. Ware *H. Ware*
Eastern 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 State of Wyoming, Game and Fish
Department, From July 1, 2010, Through June 30, 2012
Report No. R-GR-FWS-0010-2013

This report presents the results of our audit of costs claimed by the State of Wyoming, Game and Fish Department (Department), under grants awarded by the U.S. Fish and Wildlife Service (FWS). FWS provided the grants to the Department under the Wildlife and Sport Fish Restoration Program. The audit included claims totaling \$36 million on four grants that were open during the Department's fiscal years that ended June 30, 2011, and June 30, 2012 (see Appendix 1). The audit also covered the Department's compliance with applicable laws, regulations, and FWS guidelines, including those related to the collection and use of hunting and fishing license revenues and the reporting of program income.

We found that the Department complied, in general, with applicable grant accounting and regulatory requirements but had not reconciled its land records with those of FWS.

We provided a draft report to FWS for a response. After each recommendation in this report, we summarize the responses of the Department and FWS Region 6, as well as our comments on the responses. We also list the status of the recommendations in Appendix 3.

Please provide us with a corrective action plan based on our recommendations by January 23, 2014. The plan should include information on actions taken or planned to address the recommendations, target dates and title(s) of the official(s) responsible for implementation, and verification that FWS headquarters officials reviewed and approved of the actions taken or planned by the Department.

Please address the plan to:

Hannibal M. Ware
Eastern Regional Manager
for Audits, Inspections, and Evaluations
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Office of Inspector General
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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 Audit Coordinator Chris Krasowski at 703-487-5375 or me at 703-487-8011.

cc: Regional Director, Region 6, U.S. Fish and Wildlife Service

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Introduction

Background

The Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Sport Fish Restoration Act (Acts)¹ established the Wildlife and 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 Acts 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 Acts also require that hunting and 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 earned using grant funds.

Objectives

We conducted this audit to determine if the State of Wyoming Game and Fish Department (Department)—

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

Scope

Audit work included claims totaling approximately \$36 million on the four grants open during the State fiscal years (SFYs) that ended June 30, 2011, and June 30, 2012 (see Appendix 1). We report only on those conditions that existed during this audit period. We performed our audit at the Department's office in Cheyenne, WY, and visited one regional office, two wildlife habitat management areas, two State fish hatcheries, three boat ramps, and a fish cleaning station (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 tested records and conducted auditing procedures as necessary under the circumstances. We believe

¹ 16 U.S.C. §§ 669 and 777, as amended, respectively.

that the evidence obtained from our tests and procedures provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our tests and procedures included—

- examining the evidence that supports selected expenditures charged to the grants by the Department;
- reviewing transactions related to purchases, direct costs, drawdowns of reimbursements, in-kind contributions, and program income;
- interviewing Department employees to ensure that personnel costs charged to the grants were supportable;
- conducting site visits to inspect equipment and other property;
- determining whether the Department used fishing license revenues solely for the administration of fish and wildlife 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 Department'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 Department employees who charged time to Program grants and verified their hours against timesheets and other supporting data.

Prior Audit Coverage

On September 26, 2008, we issued "Audit on U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Wyoming, Game and Fish Department, From July 1, 2005, Through June 30, 2007" (Report No. R-GR-FWS-0005-2008). We followed up on all 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 all of the recommendations resolved and implemented.

We also reviewed single audit reports and comprehensive annual financial reports for SFYs 2011 and 2012. None of these reports contained any findings that would directly affect the Program grants.

Results of Audit

Audit Summary

We found that the Department complied, in general, with applicable grant agreement provisions and requirements of the Acts, regulations, and FWS guidance. We identified, however, the following condition that resulted in our finding:

- A. Unreconciled Real Property Records.** The Department had not reconciled its Program-funded real property records with those of FWS.

Finding and Recommendation

A. Unreconciled Real Property Records

Since the prior audit (Report No. R-GR-FWS-0005-2008), the Department has upgraded its land records to include additional information necessary to ensure the data is complete and accurate, but it has not reconciled its land records with FWS' records. Department officials stated that FWS has been unable to commit resources to the reconciliation.

According to 50 C.F.R. § 80.90 (previously 50 C.F.R. § 80.18(c)), the Department is responsible for “the control of all assets acquired under the grant to ensure that they serve the purpose for which acquired throughout their useful life.”

In order to ensure that lands acquired under the Program are being used for their intended purpose, a comprehensive reconciliation with FWS' land records must be completed.

Recommendation

We recommend that FWS work with the Department to reconcile their respective records of lands purchased with Program funds.

Department Response

Department officials concurred with the finding and recommendation.

FWS Response

FWS regional officials concurred with the finding and recommendation and will work with the Department on a corrective action plan.

OIG Comments

We consider the recommendation resolved but not implemented.

Appendix I

State of Wyoming
Game and Fish Department
Financial Summary of Review Coverage
July 1, 2010, Through June 30, 2012

Grant Number	Grant Amount	Claimed Costs
FW-17-P-37	\$16,339,935	\$17,949,285
FW-17-P-35	15,935,007	17,287,337
FW-17-P-34	3,101,292	479,840
FW-17-P-36	1,068,335	758,939
Total	\$36,444,569	\$36,475,401

Appendix 2

**State of Wyoming
Game and Fish Department
Sites Visited**

Headquarters
Cheyenne, WY

Regional Office
Sheridan Regional Office and Visitor Center

Wildlife Habitat Management Areas
Amsden Creek
Kerns

State Fish Hatcheries
Dan Speas Rearing Station
Story Hatchery and Visitor Center

Boat Ramps
Boysen State Park Tough Creek
Glendo State Park Whiskey Gulch
Wedding of the Waters Public Access Area

Other
Boysen State Park Tough Creek Fish Cleaning Station

Appendix 3

**State of Wyoming
Game and Fish Department
Status of Audit Finding and Recommendation**

Recommendation	Status	Action Required
A	FWS management concurred with recommendation A, but additional information is needed.	<p>Based on FWS' response, the corrective action plan should include information on actions taken or planned to address the recommendation, target date and title(s) of the official(s) responsible for implementation, and verification that FWS headquarters officials reviewed and approved of the actions taken or planned by the Department.</p> <p>If the recommendation has not been resolved or implemented by January 23, 2014, we will refer it to the Assistant Secretary for Policy, Management and Budget for tracking implementation.</p>

Report Fraud, Waste, and Mismanagement



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