



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 Maine, Department of  
Marine Resources From July 1, 2013, Through June 30, 2015



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

Memorandum

JUL 18 2017

To: Gregory Sheehan  
Acting Director, U.S. Fish and Wildlife Service

From: Charles Haman   
Director, Grant Audits

Subject: Final Audit Report – U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Maine, Department of Marine Resources, From July 1, 2013, Through June 30, 2015  
Report No. 2016-EXT-044

This final report presents the results of our audit of costs claimed by the State of Maine, Department of Marine Resources (Department), under grants awarded by the U.S. Fish and Wildlife Service (FWS). FWS provided the grants to the State under the Wildlife and Sport Fish Restoration Program (Program). The audit included claims totaling \$3.2 million on 12 grants that were open during the State fiscal years (SFYs) that ended June 30, 2014, and June 30, 2015 (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 revenue and the reporting of program income.

We found that the Department 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 Tim Horsma, Program Audit Coordinator, at 916-978-5650; or me at 303-236-9243.

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# Introduction

## Background

The Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Sport Fish Restoration Act (Acts)<sup>1</sup> 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 revenue 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 Maine, Department of Marine Resources (Department)—

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

## Scope

Audit work included claims totaling approximately \$3.2 million on the 12 grants open during the State fiscal years (SFYs) that ended June 30, 2014, and June 30, 2015 (see Appendix 1). We report only on those conditions that existed during this audit period. We performed our audit at Department Headquarters in Augusta, ME. 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.

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<sup>1</sup> 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 Department;
- reviewing transactions related to purchases, direct costs, drawdowns of reimbursements, in-kind contributions, and program income;
- determining whether the Department used license revenue solely for eligible activities; and
- determining whether the State 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 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 December 22, 2011, we issued “Audit on the U.S. Fish and Wildlife Service Federal Assistance Program Grants Awarded to the State of Maine, Department of Marine Resources, From July 1, 2008, Through June 30, 2010” (No. R-GR-FWS-0010-2011). 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 them to be resolved and implemented.

We also reviewed the State’s Comprehensive Annual Financial Reports and Single Audit Reports for SFYs 2014 and 2015. Neither of these reports contained any findings that would directly affect the Program grants.

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# 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 informed responsible officials that this audit report contains no reportable findings or recommendations, and we require no further action.

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# Appendix 1

**State of Maine  
Department of Marine Resources  
Grants Open during the Audit Period  
July 1, 2013, Through June 30, 2015**

<b>Grant Number</b>	<b>Grant Amount</b>	<b>Claimed Costs</b>
<b>Fish</b>		
F13AF00241	\$ 190,303	\$ 160,436
F13AF00242	230,953	230,840
F13AF00243	145,949	133,918
F13AF00244	486,188	496,973
F14AF00132	213,718	203,513
F14AF00178	215,885	219,392
F14AF00179	143,613	109,694
F14AF00183	513,989	535,004
F15AF00134	227,269	225,705
F15AF00135	230,426	208,050
F15AF00136	578,373	493,464
F15AF00137	170,894	152,917
<b>Total</b>	<b>\$3,347,560</b>	<b>\$3,169,906</b>

