



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 Iowa, Department of Natural Resources From July 1, 2014,
Through June 30, 2016



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Memorandum

DEC 28 2017

To: James Kurth
Deputy Director for Operations, Exercising the Authority of the Director,
U.S. Fish and Wildlife Service

From: Amy R. Billings *Amy R Billings*
Regional Manager—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 Iowa, Department of Natural
Resources From July 1, 2014, Through June 30, 2016
Report No. 2017-CR-047

This report presents the results of our audit of costs claimed by the State of Iowa, Department of Natural Resources, 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. The audit included claims totaling \$42.3 million on 16 grants that were open during the State fiscal years that ended June 30, 2015, and June 30, 2016 (see Appendix 1). The audit also covered the Department's compliance with applicable laws, regulations, and FWS guidelines, including those related to collecting and using hunting and fishing license revenue and reporting 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 Stefani Levesque, Regional Supervisor, or me at 303-236-9243.

cc: Regional Director, Region 3, 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. 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 administering 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 Iowa, Department of Natural Resources—

- 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 revenue solely for fish and wildlife program activities
- Reported and used program income in accordance with Federal regulations

Scope

Audit work included claims totaling approximately \$42.3 million on the 16 grants open during the State fiscal years that ended June 30, 2015, and June 30, 2016 (see Appendix 1). We report only on those conditions that existed during this audit period. We performed our audit at Iowa Department of Natural Resources Division Headquarters in Des Moines, and visited three wildlife management district offices, two field offices, two State parks, seven wildlife management areas, and four fish hatcheries (see Appendix 2). We performed this audit to supplement—not replace—the audits required by the Single Audit Act Amendments of 1996.

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

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

evidence obtained 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 hunting and fishing license revenues solely for the administration of fish and wildlife program activities
- 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 November 28, 2012, we issued *U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Iowa, Department of Natural Resources From July 1, 2009 Through June 30, 2011* (R-GR-FWS-0011-2012).

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 the recommendations resolved and implemented.

We reviewed the single audit report for State fiscal year 2016, which did not contain 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 informed responsible officials that this report contains no reportable findings or recommendations, and we require no further action.

Appendix I

**State of Iowa
Department of Natural Resources
Grants Open During the Audit Period
July 1, 2014, Through June 30, 2016**

Grant Number	Grant Amount	Claimed Costs
F13AF00342	\$ 12,000,000	\$ 5,243,588
F14AF00375	663,669	590,179
F14AF00396	11,585,209	10,550,041
F14AF00397	3,478,376	3,627,644
F14AF00398	1,499,749	1,601,377
F14AF00399	721,364	746,469
F14AF00400	1,842,619	1,664,273
F15AF00226	476,014	-
F15AF00245	1,450,000	1,611,478
F15AF00272	12,501,265	10,225,109
F15AF00273	691,324	889,779
F15AF00291	3,463,779	3,572,964
F15AF00295	1,746,308	1,939,032
F15AF00701	474,609	1,332
F16AF00179	400,000	-
F16AF00469	12,000,000	-
Total	\$ 64,994,286	\$ 42,263,265

Appendix 2

**State of Iowa
Department of Natural Resources
Sites Visited**

Headquarters

Des Moines Office, Department of Natural Resources

Wildlife Management District Offices

Northwest District

Central District

Northeast District

Fish Hatcheries

Bellevue

Decorah

Manchester

Spirit Lake

Wildlife Management Areas

Cedar - Wapsi

Clear Lake

Great Lakes

Maquoketa

Prairie Lakes

Prairie Resource

Upper Iowa

Field Offices

Clear Lake Fish & Wildlife Station

Clear Lake, Lake Patrol

State Parks

Big Creek State Park

Gull Point State Park, Water Patrol

