

# **Office of Inspector General U.S. Department of the Interior**



## **AGREED-UPON PROCEDURES REPORT**

**COSTS CLAIMED BY THE  
STATE OF MAINE, DEPARTMENT  
OF MARINE RESOURCES, UNDER  
FEDERAL AID GRANTS FROM  
THE U. S. FISH AND WILDLIFE  
SERVICE FROM JULY 1, 1996 TO  
JUNE 30, 1998**

**May 2002**

**Report No. 2002-E-0004**



# United States Department of the Interior

## OFFICE OF INSPECTOR GENERAL

Washington, D.C. 20240

May 24, 2002

### AGREED-UPON PROCEDURES REPORT

#### Memorandum

To: Director, U. S. Fish and Wildlife Service

From: Roger La Rouché   
Assistant Inspector General for Audits

Subject: Final Agreed-Upon Procedures Report on Costs Claimed by the State of Maine Department of Marine Resources, Under Federal Aid Grants from the U. S. Fish and Wildlife Service From July 1, 1996 to June 30, 1998 (No. 2002-E-0004)

### Introduction

This report presents the results of our performance of agreed-upon procedures related to costs claimed by the State of Maine Department of Marine Resources (Department) under Federal Aid grants from the U.S. Fish and Wildlife Service (FWS) for the period July 1, 1996 to June 30, 1998.

### Background and Scope

The Federal Aid in Wildlife Restoration Act, as amended (16 USC 669) and the Federal Aid in Sport Fish Restoration Act, as amended (16 USC 777) authorize FWS to provide Federal assistance grants to the states to enhance their sport fish and wildlife programs. The acts provide for FWS to reimburse the states for up to 75 percent of all eligible costs incurred under the grants. Additionally, the acts specify that state hunting and fishing license revenues cannot be used for any purpose other than administration of the state's fish and game agencies.

In May 2000, another audit agency prepared a draft audit report entitled "Audit of Maine Department of Marine Resources Federal Aid Program Grants and Payments Awarded by the U.S. Fish and Wildlife Service, Division of Federal Aid, State Fiscal Years 1997 and 1998." The scope of the audit work, as stated in the audit agency's draft report, was to evaluate: (1) the

adequacy of the Department's accounting system and related internal controls to determine if the system can be relied upon to accurately accumulate and report the actual costs charged to the grants; (2) the accuracy and eligibility of the direct and indirect costs claimed by the Department under the Federal Aid grant agreements with FWS; (3) the adequacy and reliability of the Department's hunting and fishing license fees collection and disbursement process; and (4) the adequacy of the Department's purchasing system and related internal controls. The audit was also to include an analysis of other issues considered to be sensitive and/or significant to the FWS. The audit work at the Department covered \$2.3 million in FWS grants that were open during the Department's fiscal years ended June 30, 1997 and 1998 (see the Appendix). The audit agency's agreement with the FWS expired before issuance of its final report to the State of Maine.

From 1996 through September 2001, the audit agency conducted audits under a reimbursable agreement with FWS. The FWS did not renew or extend its agreement with the other audit agency. At the time of expiration, final audit reports on several uncompleted audits had not been and were in various stages of the audit and reporting processes. The other audit agency indicated in a September 26, 2001 memorandum that its supervisors had not reviewed the working papers to ensure that (1) sufficient, competent and relevant evidence was obtained, (2) evidential matter contained in the working papers adequately supported the audit findings, and (3) that the auditors used sound auditing techniques and judgment throughout the audit.

On September 20, 2001, FWS and the Department of the Interior (DOI) Office of Inspector General (OIG) entered into an Intra-Departmental Agreement under which FWS requested the OIG to (1) review the audit work performed by the other audit agency including its working papers, summaries and draft reports for these audits and (2) issue reports on the findings that were supported by the working papers. Accordingly, our review was limited to performing the agreed-upon procedures as set forth in the Intra-Departmental Agreement and our conclusions presented in the report are limited to the findings substantiated by the working papers. We did not perform any additional audit work of the Department's records and the limited work performed does not constitute an audit by the OIG in accordance with Generally Accepted Government Auditing Standards.

## **RESULTS OF REVIEW**

The audit agency's working papers indicated that the Department's accounting system and related internal controls in effect during fiscal years 1997 and 1998 were adequate for the accumulation and reporting of costs under Federal Aid grants. The working papers also indicated that the Department's other systems and related internal controls in effect during the audit period related to purchasing, distribution of labor cost, grant compliance, and billing of grant costs were adequate for Federal Aid participation. Furthermore, there were no questioned costs identified in the working papers we reviewed.

Since this report does not contain any findings or recommendations, a formal response is not required.

Section 5(a) of the Inspector General Act (Public Law 95-452, as amended) requires the Office of Inspector General to list this report in its semiannual report to Congress. If further information is needed regarding this report, please contact Gary Dail, Federal Assistance Audit Coordinator, at (703) 487-8011.

This Agreed-Upon Procedures Report is intended solely for the use of grant officials of the U.S. Fish and Wildlife Service, and is not intended for, and should not be used by anyone who is not cognizant of the procedures that were applied and agreed to the sufficiency of those procedures.

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

APPENDIX

**MAINE DEPARTMENT OF MARINE RESOURCES  
SCHEDULE OF GRANT COSTS CLAIMED  
FOR FISCAL YEARS 1997 AND 1998**

Grant No.	Title	Federal Share	State Share	Total
F-34-R	Ecology of Groundfish	\$454,160	\$229,483	\$683,643
F-40-T	Sportfish Restoration	\$133,335	\$133,334	\$266,669
F-29-E	Marine Aquatic Education	\$425,700	\$141,891	\$567,591
F-41-R	Striped Bass and Shad Restoration	\$339,843	\$339,853	\$679,696
F-42-R	Saltwater Recreational Fishing	\$113,347	\$37,783	\$151,130
		\$1,466,385	\$882,344	\$2,348,729



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