



**Department of the Interior
Office of Inspector General**

AUDIT REPORT

**U.S. Fish and Wildlife Service
Wildlife and Sport Fish Restoration
Program Grants Awarded to the
State of Montana, Department of Fish,
Wildlife and Parks, From July 1, 2005,
Through June 30, 2007**

Report No. R-GR-FWS-0004-2008

August 2008



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL

12030 Sunrise Valley Drive, Suite 230

Reston, VA 20191

August 4, 2008

AUDIT REPORT

Memorandum

To: Director
U.S. Fish and Wildlife Service

From: Christina M. Bruner *Christina M. Bruner*
Regional Manager, Eastern Region

Subject: Audit on U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Montana, Department of Fish, Wildlife and Parks, From July 1, 2005, Through June 30, 2007 (No. R-GR-FWS-0004-2008)

This report presents the results of our audit of costs incurred by the State of Montana (State), Department of Fish, Wildlife and Parks (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 (the Program). The audit included claims totaling approximately \$40.4 million on 40 grants that were open during State fiscal years (SFYs) ended June 30 of 2006 and 2007 (see Appendix 1). The audit also covered Department 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 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.

If you have any questions regarding this report, please contact the audit team leader, Mr. Bill Streifel, or me at 703-487-5345.

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

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, 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 State's fish and game agency. Finally, federal regulations and FWS guidance require States to account for any income they earn using grant funds.

Objectives

Our audit objectives were to determine if the Department:

- claimed the costs incurred under the Program grants in accordance with the Acts and related regulations, FWS guidelines, and the 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 \$40.4 million on the 40 grants that were open during SFYs 2006 and 2007 (see Appendix 1). We performed our audit at Department headquarters in Helena, MT, and visited 2 regional offices, 6 wildlife management areas, 4 fish hatcheries, and 15 motorboat access locations (see Appendix 2). We performed this audit to supplement, not replace, the audits required by the Single Audit Act Amendment of 1996 and by Office of Management and Budget Circular A-133.

Methodology

We performed our audit in accordance with the "Government Auditing Standards" issued by the Comptroller General of the United States. 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 that the evidence obtained from our tests and

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

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 hunting and fishing license revenues solely for administration of the Department; 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 recorded in these systems 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 Department operations.

Prior Audit Coverage

On November 21, 2005, we issued “Final Audit Report on the U.S. Fish and Wildlife Service Federal Assistance Grants Administered by the State of Montana, Department of Fish, Wildlife and Parks, from July 1, 2001, through June 30, 2003” (No. R-GR-FWS-0007-2004). We followed up on all recommendations in the report and found that although the U.S. Fish and Wildlife Service, Region 6 considered the recommendations to be resolved and implemented, the U. S. Department of Interior, Office of the Assistant Secretary for Policy, Management and Budget continued to monitor the recommendations as not resolved or implemented.

We reviewed the Single Audit Report of the State of Montana and the Consolidated Annual Financial Report for the two fiscal years ended June 30, 2007. Neither report contained findings requiring corrective actions by the Department.

We also review the financial compliance audit of the Department of SFYs 2006 and 2007. The Montana Legislative Audit Division, which completed the audit, made six recommendations. We considered these recommendations when we selected our samples for testing. The conditions identified in the financial compliance audit were either not relevant to our audit or were not found in our testing results.

Results of Audit

We found that the Department complied with applicable grant agreement provisions and requirements of the Acts, regulations, and FWS guidance. The report contains no reportable findings and no recommendations, and no further action is necessary.

MONTANA DEPARTMENT OF FISH, WILDLIFE AND PARKS
FINANCIAL SUMMARY OF REVIEW COVERAGE
JULY 1, 2005 THROUGH JUNE 30, 2007

Grant Number	Grant Amount	Claimed Costs
F-22-L-21	0	0
F-51-D-17	\$ 2,485,702	\$ 2,352,737
F-51-D-18	2,276,944	2,276,944
F-54-B-1	65,000	63,681
F-61-E-17	500,914	768,783
F-61-E-18	515,436	313,098
F-62-DB-4	183,273	171,384
F-63-B-6	450,537	446,925
F-63-B-7	274,200	298,051
F-68-B-8	175,000	10,776
F-89-R-12	9,209	9,209
F-89-R-13	9,051	9,051
F-94-B-3	2,350,000	911,088
F-95-B-10	317,481	641,042
F-95-B-11	312,022	630,347
F-103-D-2	285,000	350,000
F-106-B-3	152,550	154,701
F-109-D-2	1,623,370	1,333,302
F-113-R-6	4,822,799	4,908,872
F-113-R-7	4,926,972	4,926,972
F-114-B-4	881,528	666,486
F-115-B-2	212,950	214,939
F-116-B-2	29,500	24,525
F-118-B-1	636,409	638,365
F-119-B-1	116,995	105,221
F-120-B-1	101,413	122,778
F-121-B-1	29,500	29,500
F-121-B-2	29,518	23,607
F-122-LB-1	131,160	106,555
F-122-LB-2	263,115	263,422
F-123-B-1	48,000	45,668
F-124-B-1	249,488	252,320
F-125-B-1	100,000	69,091
F-126-B-1	49,978	67,363
FW-8-R-4F	340,074	599,191
FW-8-R-4W	580,964	1,074,833
W-133-E-36	617,036	617,036
W-133-E-37-H	557,493	716,634
W-154-R-6	7,500,694	7,375,239
W-154-R-7	7,111,444	6,781,126
Totals	\$41,322,719	\$40,370,862

**STATE OF MONTANA
DEPARTMENT OF FISH, WILDLIFE, AND PARKS
SITES VISITED**

Headquarters

Helena

Regions

Region I (Kalispell)

Region II (Missoula)

Wildlife Management Areas

Blackfoot-Clearwater

Garrity Mountain

Ninepipe

Pablo

Ray Kuhns

Threemile

Fish Hatcheries

Flathead Lake

Jocko

Murray Springs

Washoe

Motorboat Access Areas

Somers

Lake Mary

Ronan

Elmo

Walstad

Ducharme

Woods Bay

Big Fork

Echo Lake

Sportsman Bridge

Upsata

Russel Gates

Cleanwater Crossing

Harpers Lake

Salmon Lake

Placid Lake

Report Fraud, Waste, Abuse, **and Mismanagement**



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



By Mail:

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

By Phone

24-Hour Toll Free 800-424-5081
Washington Metro Area 703-487-5435

By Fax

703-487-5402

By Internet

www.doioig.gov/hotline