U.S. Fish and Wildlife Service Grants Awarded to the State of Oklahoma, Department of Wildlife Conservation, From July 1, 2017, Through June 30, 2019, Under the Wildlife and Sport Fish Restoration Program

This is a revised version of the report prepared for public release.
Memorandum

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

From: Bryan Brazil
Regional Manager, Western Region

Report No. 2020–WR–064

This report presents the results of our audit of costs claimed by the Oklahoma Department of Wildlife Conservation (Department) under grants awarded by the U.S. Fish and Wildlife Service (FWS) through the Wildlife and Sport Fish Restoration Program. We conducted this audit to determine whether the Department used grant funds and State hunting and fishing license revenue for allowable fish and wildlife activities and complied with applicable laws and regulations, FWS guidelines, and grant agreements. The audit period included claims totaling $118 million on 100 grants that were open during the State fiscal years that ended June 30, 2018, and June 30, 2019.

We provided a draft of this report to the FWS. The FWS concurred with our recommendations and will work with the Department to implement corrective actions. The full responses from the Department and the FWS are included in Appendix 4. In this report, we summarize the Department’s and FWS Region 6’s responses to our recommendations, as well as our comments on their responses. We list the status of the recommendations in Appendix 5.

Please provide us with a corrective action plan based on our recommendations by September 21, 2022. The plan should provide information on actions taken or planned to address each recommendation, as well as target dates and titles of the officials responsible for implementation. It should also clearly indicate the dollar value of questioned costs that you plan to either allow or disallow. If a recommendation has already been implemented, provide documentation confirming that the action is complete. Please send your response to aie_reports@doioig.gov.

We will notify Congress about our findings, and we will report semiannually, as required by law, on actions you have taken to implement the recommendations and on recommendations that have not been implemented. We will also post a public version of this report on our website.

If you have any questions regarding this report, please contact me at 916–978–6199.
Introduction

Objectives

In June 2016, we entered into an intra-agency agreement with the U.S. Fish and Wildlife Service (FWS) to conduct audits of State agencies receiving grant funds under the Wildlife and Sport Fish Restoration Program (WSFR). These audits assist the FWS in fulfilling its statutory responsibility to oversee State agencies’ use of these grant funds.

The objectives of this audit were to determine whether the Oklahoma Department of Wildlife Conservation (Department) used grant funds and State hunting and fishing license revenue for allowable fish and wildlife activities and complied with applicable laws and regulations, FWS guidelines, and grant agreements.

The audit period included claims totaling $118 million on 100 grants that were open during the State fiscal years (SFYs) that ended June 30, 2018, and June 30, 2019. See Appendix 1 for details about our scope and methodology. See Appendix 2 for sites we visited.

Background

The FWS provides grants to States\(^1\) through WSFR for the conservation, restoration, and management of wildlife and sport fish resources as well as educational and recreational activities. WSFR was established by the Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Sport Fish Restoration Act.\(^2\) The Acts and related Federal regulations allow the FWS to reimburse grantees a portion of eligible costs incurred under WSFR grants—up to 75 percent for States and up to 100 percent for the Commonwealths, territories, and the District of Columbia.\(^3\) The reimbursement amount is called the Federal share. The Acts require that hunting and fishing license revenue be used only for the administration of participating fish and wildlife agencies. In addition, Federal regulations require participants to account for any income earned from grant-funded activities and to spend this income before requesting grant reimbursements.

\(^1\) Federal regulations define the term “State” as the 50 States; the Commonwealths of Puerto Rico and the Northern Mariana Islands; the territories of Guam, the U.S. Virgin Islands, and American Samoa; and the District of Columbia (Dingell-Johnson Sport Fish Restoration Act only).


\(^3\) The District of Columbia does not receive funding under the Pittman-Robertson Wildlife Restoration Act.
Results of Audit

We determined that the State did not ensure that grant funds and State hunting and fishing license revenue were used for allowable fish and wildlife activities. We also found that the State did not comply with applicable laws and regulations, FWS guidelines, and grant agreements.

We found the following:

- **Questioned Costs.** We questioned $1,235,777 ($926,836 Federal share) as unallowable and $14,664 ($10,998 Federal share) as unsupported (see Figure 1). These questioned costs arose due to issues with retirement contributions, the National Bobwhite Conservation Initiative (NBCI), indirect costs, other direct costs, program income, and in-kind contributions.

- **Control Deficiencies.** We found opportunities to improve controls in subaward determinations, subaward contents, subrecipient performance monitoring, and leave accounting.

**Figure 1: Summary of Unallowable and Unsupported Costs (Federal Share)**

<table>
<thead>
<tr>
<th>Issue</th>
<th>Unallowable Costs ($)</th>
<th>Unsupported Costs ($)</th>
<th>Total ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement Contributions</td>
<td>731,559</td>
<td>–</td>
<td>731,559</td>
</tr>
<tr>
<td>NBCI</td>
<td>102,818</td>
<td>–</td>
<td>102,818</td>
</tr>
<tr>
<td>Indirect Costs</td>
<td>41,033</td>
<td>–</td>
<td>41,033</td>
</tr>
<tr>
<td>Other Direct Costs</td>
<td>30,647</td>
<td>9,659</td>
<td>40,306</td>
</tr>
<tr>
<td>Program Income</td>
<td>20,779</td>
<td>–</td>
<td>20,779</td>
</tr>
<tr>
<td>In-Kind</td>
<td>–</td>
<td>1,339</td>
<td>1,339</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$926,836</strong></td>
<td><strong>$10,998</strong></td>
<td><strong>$937,834</strong></td>
</tr>
</tbody>
</table>

See Appendix 3 for a statement of monetary impact.
Questioned Costs—$937,834 (Federal Share)

Improper Accounting of Employer Retirement Contributions—Questioned Costs of $731,559

The Department charged employer retirement contributions associated with defined contribution plan employees to grants in excess of the actual amounts incurred. As a result, we question $975,408 ($731,559 Federal share) in unallowable charges to grants. See Figure 2 below for a summary of the questioned costs.

Employees at the Department hired before July 1, 2010, are grouped under the Department’s defined benefit plan. The Department charges grants 26.21 percent of the related employee’s salary to grants; this is the amount the Department contributes toward the defined benefit retirement plan. Employees hired July 1, 2010, and after are grouped under the Department’s defined contribution retirement plan. Under this plan, the Department contributes an amount equal to between 6 percent and 12 percent of the employee’s salary. During our review of payroll fringe benefits, we determined that the Department had charged grants the 26.21-percent rate for both defined benefit and defined contribution plan employees. This resulted in excess expenditures to grants.

Federal regulations at 2 C.F.R. § 200.405(a) state that costs are allocable to a particular Federal award if they are chargeable to that award in accordance with relative benefits received. The costs must be incurred specifically for the Federal award.

Federal regulations at 2 C.F.R. § 200.431(c) state that the cost of fringe benefits in the form of employer contributions for pension plan costs and other similar benefits are allowable. These costs must be allocated to Federal awards in a manner consistent with the pattern of benefits attributable to the groups of employees, whose salaries and wages are chargeable to such Federal awards, in accordance with the non-Federal entity’s accounting practices.

The Department told us that a programming error in the State’s accounting system resulted in the grants being charged the 26.21 percent. The Department provided payroll supporting documentation, such as payroll distribution reports, that showed employer contributions assigned at the proper 6–12 percent rates; however, the reports used to compute grant reimbursements used expenditure data from the State’s accounting system that contained the 26.21-percent error. The Department did not notice this error because it does not have a step in its drawdown procedures that requires a comparison of the payroll fringe benefits in its payroll distribution reports to the data in expenditure summary reports that are used to compute grant reimbursements. The Department told us that it has already implemented a coding correction for its accounting system that took effect on July 1, 2021.

Because of a system programming error, grants were charged excessive amounts of employer retirement contribution expenses for employees under the State’s defined contribution plan. Using information provided by the Department, we calculated the amounts of employer retirement contributions that should have been charged to grants during the audit period from July 1, 2017, through June 30, 2019. As a result of this issue, we questioned $810,294 in
unallowable employer retirement contributions charged to grants. These excess expenditures also resulted in excess indirect costs totaling $165,114 charged to grants. The total Federal share of these unallowable charges is $731,559. We did not calculate questioned costs for pay periods before July 1, 2017, or after June 30, 2019, because costs incurred during these periods were outside the scope of our audit.

**Figure 2: Questioned Costs Related to Improper Accounting of Employer Retirement Contributions**

<table>
<thead>
<tr>
<th>Grant No.</th>
<th>Grant Title</th>
<th>Unallowable Questioned Costs ($) (Federal Share)</th>
</tr>
</thead>
<tbody>
<tr>
<td>F12AF01250</td>
<td>Boating Access</td>
<td>179</td>
</tr>
<tr>
<td>F13AF00103</td>
<td>Sport Fish Restoration Coordination</td>
<td>2,530</td>
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<tr>
<td>F13AF00147</td>
<td>SW Region Fisheries</td>
<td>4,860</td>
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<tr>
<td>F13AF00148</td>
<td>SE Region Fisheries</td>
<td>11,634</td>
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<tr>
<td>F13AF00149</td>
<td>Freshwater Pollution</td>
<td>121</td>
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<tr>
<td>F13AF00150</td>
<td>NW Region Fisheries</td>
<td>3,435</td>
</tr>
<tr>
<td>F13AF00151</td>
<td>North Central Region Fisheries</td>
<td>4,100</td>
</tr>
<tr>
<td>F13AF00152</td>
<td>South Central Region Fisheries</td>
<td>2,516</td>
</tr>
<tr>
<td>F13AF00153</td>
<td>NE Region Fisheries</td>
<td>3,174</td>
</tr>
<tr>
<td>F13AF00188</td>
<td>State Hatcheries Operation &amp; Maintenance</td>
<td>26,785</td>
</tr>
<tr>
<td>F13AF00189</td>
<td>Oklahoma City Region Fisheries</td>
<td>9,179</td>
</tr>
<tr>
<td>F13AF00191</td>
<td>Stream Fisheries Management</td>
<td>12,375</td>
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<tr>
<td>F13AF00217</td>
<td>East Central Region Fisheries</td>
<td>1,280</td>
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<tr>
<td>F15AF00552</td>
<td>Sunfish Fisheries</td>
<td>3,626</td>
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<td>F15AF00560</td>
<td>Early Life Stocked Fish</td>
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<tr>
<td>F15AF00562</td>
<td>Reservoir Index</td>
<td>1,179</td>
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<tr>
<td>F17AF00058</td>
<td>Estimating Alligator Gar</td>
<td>2,712</td>
</tr>
<tr>
<td>F17AF00096</td>
<td>Aquatic Education 2017</td>
<td>895</td>
</tr>
<tr>
<td>F17AF00180</td>
<td>Burtschi Lake</td>
<td>1,830</td>
</tr>
<tr>
<td>F17AF00199</td>
<td>Dahlgren Lake</td>
<td>534</td>
</tr>
<tr>
<td>F17AF00370</td>
<td>Evaluating Walleye</td>
<td>1,737</td>
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<tr>
<td>F17AF00445</td>
<td>Wildlife Restoration Program Coordination</td>
<td>9,239</td>
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<tr>
<td>F17AF00601</td>
<td>Game Harvest Survey</td>
<td>718</td>
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Figure 2: Questioned Costs Related to Improper Accounting of Employer Retirement Contributions (continued)

<table>
<thead>
<tr>
<th>Grant No.</th>
<th>Grant Title</th>
<th>Unallowable Questioned Costs ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>F17AF00681</td>
<td>Wildlife Tech Assistance</td>
<td>23,929</td>
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<tr>
<td>F17AF00685</td>
<td>Central Region Wildlife</td>
<td>101,653</td>
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<tr>
<td>F17AF00743</td>
<td>Three Rivers/Honobia</td>
<td>9,908</td>
</tr>
<tr>
<td>F17AF00744</td>
<td>Wetland Development</td>
<td>1,000</td>
</tr>
<tr>
<td>F17AF00745</td>
<td>Migratory Bird Studies</td>
<td>2,419</td>
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<tr>
<td>F17AF00747</td>
<td>Big Game Studies</td>
<td>24,320</td>
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<tr>
<td>F17AF00748</td>
<td>Archery Hunter Education</td>
<td>17,752</td>
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<tr>
<td>F17AF00776</td>
<td>Hunter Education</td>
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<td>F17AF00822</td>
<td>NE Region Wildlife</td>
<td>42,905</td>
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<td>F17AF00831</td>
<td>SE Region Wildlife</td>
<td>62,300</td>
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<td>F17AF00832</td>
<td>SW Region Wildlife</td>
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<tr>
<td>F17AF00833</td>
<td>NW Region Wildlife</td>
<td>24,686</td>
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<td>F17AF00841</td>
<td>Furbearer Population</td>
<td>718</td>
</tr>
<tr>
<td>F17AF00877</td>
<td>Upland Game Management</td>
<td>20,726</td>
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<tr>
<td>F18AF00109</td>
<td>Sport Fish Restoration Coordination</td>
<td>6,062</td>
</tr>
<tr>
<td>F18AF00111</td>
<td>Aquatic Education 2018</td>
<td>3,752</td>
</tr>
<tr>
<td>F18AF00139</td>
<td>NW Region Fisheries</td>
<td>9,669</td>
</tr>
<tr>
<td>F18AF00151</td>
<td>SW Region Fisheries</td>
<td>17,103</td>
</tr>
<tr>
<td>F18AF00153</td>
<td>South Central Region Fisheries</td>
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</tr>
<tr>
<td>F18AF00164</td>
<td>NE Region Fisheries</td>
<td>8,757</td>
</tr>
<tr>
<td>F18AF00169</td>
<td>Stream Fisheries Management</td>
<td>28,358</td>
</tr>
<tr>
<td>F18AF00173</td>
<td>Assessing Pollution</td>
<td>205</td>
</tr>
<tr>
<td>F18AF00174</td>
<td>SE Region Fisheries</td>
<td>34,597</td>
</tr>
<tr>
<td>F18AF00180</td>
<td>North Central Region Fisheries</td>
<td>8,729</td>
</tr>
<tr>
<td>F18AF00197</td>
<td>Oklahoma City Region Fisheries</td>
<td>27,695</td>
</tr>
<tr>
<td>F18AF00198</td>
<td>State Hatcheries</td>
<td>89,000</td>
</tr>
<tr>
<td>F19AF00103</td>
<td>Aquatic Education 2019</td>
<td>2,109</td>
</tr>
</tbody>
</table>

**Total**                                                                 $731,559
Recommendations

We recommend that the FWS work with the Department to:

1. Resolve the questioned costs of $975,408 ($731,559 Federal share) resulting from excessive employer retirement contribution expenses charged to grants from July 1, 2017, through June 30, 2019.

2. Implement policies and procedures that ensure employer retirement contributions charged to grants for defined contribution employees do not exceed the amounts of employer contributions associated with those employees.

3. Identify and resolve the Federal share of any other excess employer retirement contributions charged to grants before July 1, 2017, and after June 30, 2019. This amount should include the Federal share of any associated indirect costs.

Unallowable Payments to the National Bobwhite Conservation Initiative—Questioned Costs of $102,818

The Department entered into subaward agreements with the University of Tennessee National Bobwhite Conservation Initiative (NBCI), a rangewide habitat plan for recovering bobwhite quail species to target densities set by State wildlife agencies, under Grant Nos. F14AF00963 and F17AF01293. The Department paid $70,628 under Grant No. F14AF00963 and $66,463 under Grant No. F17AF01293 to the University of Tennessee for the NBCI subaward expenditures. The NBCI provides similar services detailed under the grant to other participating States.

The NBCI also receives funding from external partners, including nonprofits, nongovernmental organizations, and other Federal agencies, some of which provide funding to the NBCI using non-Federal funds. In a separate review,5 we determined that the NBCI did not properly split or allocate expenditures among all participating States and external partners. The NBCI did not have a policy or a sound and reasonable methodology to determine and allocate assignable expenditures among all participating States and external partners in proportion to the received benefits. Instead, NBCI officials described their funding as one “pot” of money from which to pay for expenses that benefited all participating States and external partners. This practice does not ensure expenditures are properly allocated to Federal grants.

4 Grant No. F14AF00963 was not included in our original audit scope because the performance period for that grant ended before our audit scope. However, during the course of audit fieldwork, we observed payments to the NBCI on Grant No. F14AF00963. Therefore, we expanded our audit scope for this issue to include costs under this grant.

In 2017, the NBCI implemented a new accounting methodology and procedures referred to as a recharge center to better allocate assignable grant expenditures. We separately evaluated whether grant costs claimed using the recharge center method can reasonably allocate costs in proportion to the benefit provided. We issued a management advisory to the FWS to address the issue of costs claimed using this method. In that management advisory, we determined that the recharge method does not comply with Federal regulations. Specifically, the agreements between the NBCI and States contributing Federal funding are fixed-amount subawards; costs charged to States are not related to the benefits received; recharge center rates cannot be measured or verified in the NBCI’s accounting system; and the recharge center rates differ for Federal and non-Federal activities.

Federal regulations at 2 C.F.R. § 200.403 state that costs must be allocable to the Federal award to be allowable. Under 2 C.F.R. § 200.405, a cost is allocable to a particular award if the goods and services involved are chargeable or assignable to that Federal award in accordance with the relative benefits received. Costs are also allocable if, when such costs benefit both the Federal award and other work of the non-Federal entity, they are distributed in proportions that may be approximated using reasonable methods. Part (d) of that section states that if a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects according to the proportional benefit.

During the audit period, the NBCI did not have adequate accounting methodologies that allowed for proper allocation of expenditures among participating States and external partner accounts. Because the NBCI did not properly allocate the expenditures among all participating States and external partners using a method that complies with Federal regulations, these costs are not eligible to be charged to WSFR grants. We questioned $70,628 ($52,971 Federal share) under Grant No. F14AF00963 and $66,463 ($49,847 Federal share) under Grant No. F17AF01293 that the Department paid to the University of Tennessee as unallowable expenditures. See Figure 3 below for a summary of the questioned costs.

**Figure 3: Questioned Costs Related to NBCI**

<table>
<thead>
<tr>
<th>Grant No.</th>
<th>Grant Title</th>
<th>Unallowable Questioned Costs ($) (Federal Share)</th>
</tr>
</thead>
<tbody>
<tr>
<td>F14AF00963</td>
<td>National Bobwhite Conservation Initiative</td>
<td>52,971</td>
</tr>
<tr>
<td>F17AF01293</td>
<td>National Bobwhite Conservation Initiative</td>
<td>49,847</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$102,818</strong></td>
<td></td>
</tr>
</tbody>
</table>

---

Recommendation

We recommend that the FWS work with the Department to:

4. Resolve the questioned costs related to the NBCI subaward agreements totaling $137,091 ($102,818 Federal share)

Unallowable Indirect Costs—Questioned Costs of $41,033

The Department applies indirect costs to certain grant expenditures using an indirect cost rate based on modified total direct costs. This rate applies an indirect cost rate against all grant expenditures, except capital expenditures and amounts in excess of the first $25,000 of subawards. After reviewing samples of costs charged to grants, we determined that the Department improperly charged $54,711 of indirect costs associated with five expenditures that were either capital expenditures or subawards:

- The Department charged $212,220 to Grant No. F12AF01250 for expenses related to a subaward. We question $25,368 in indirect costs associated with a portion of the subaward that exceeds $25,000. The Federal share of this amount is $19,026.

- The Department charged $745 to Grant No. F13AF00153 to purchase an axle, $19,660 to Grant No. F17AF00832 to purchase equipment, and $87,026 to Grant No. F17AF00744 to purchase aluminum control structures. These are capital expenditures because they have useful lives of more than 1 year and exceed the Department’s $500 capitalization level. We question $143, $4,435, and $19,633, respectively, in indirect costs associated with those expenditures. The Federal shares of these expenditures are $107, $3,326, and $14,725, respectively.

- The Department charged $22,750 to Grant No. F18AF00198 for expenses related to roof removal and replacements. The grant award letter described these expenses as capital improvements with useful lives of 10 years each. These are capital expenditures because they are improvements that significantly increase the useful lives of the buildings. We question $5,132 in indirect costs associated with these expenses. The Federal share of this amount is $3,849.

Multiple Federal regulations apply to this issue. Modified total direct cost is defined at 2 C.F.R. § 200.68 and includes the first $25,000 of each subaward. It excludes equipment, capital expenditures, and the portion of each subaward in excess of $25,000. Federal regulations define equipment at 2 C.F.R. § 200.33 to include tangible personal property having a useful life of more than 1 year and a cost that equals or exceeds the lesser of the capitalization level established by the non-Federal entity, or $5,000. Federal regulations define capital assets at 2 C.F.R. § 200.12 to include equipment, whether acquired by purchase or construction, as well as additions, improvements, and modifications to capital assets that materially increase their value or useful life.
The Department’s accounting system automatically assigns indirect costs against expenditures on the basis of the expenditure’s object code. The Department has programmed some object codes, such as equipment, as exceptions that do not receive automatic indirect cost assignments. The five expenditures we identified that should not have received indirect costs were not entered into the accounting system using a code that would have prevented indirect cost assignments.

Because the expenditures were improperly coded as expenses that should receive automatic indirect cost calculations, the Department’s accounting system automatically calculated indirect costs based on these expenditures. The grants were improperly charged a total of $54,711 ($41,033 Federal share) for indirect costs associated with expenditures that should not have associated indirect charges based on the Department’s indirect cost rate base of total modified direct costs. See Figure 4 below for a summary of the questioned costs.

### Figure 4: Questioned Costs Related to Indirect Costs

<table>
<thead>
<tr>
<th>Grant No.</th>
<th>Grant Title</th>
<th>Unallowable Questioned Costs ($) (Federal Share)</th>
</tr>
</thead>
<tbody>
<tr>
<td>F12AF01250</td>
<td>Boating Access</td>
<td>19,026</td>
</tr>
<tr>
<td>F13AF00153</td>
<td>NE Region Fisheries</td>
<td>107</td>
</tr>
<tr>
<td>F17AF00744</td>
<td>Wetland Development</td>
<td>14,725</td>
</tr>
<tr>
<td>F17AF00832</td>
<td>SW Region Wildlife</td>
<td>3,326</td>
</tr>
<tr>
<td>F18AF00198</td>
<td>State Hatcheries</td>
<td>3,849</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$41,033</strong></td>
</tr>
</tbody>
</table>

### Recommendations

We recommend that the FWS work with the Department to:

5. Resolve the questioned costs related to unallowable indirect costs totaling $54,711 ($41,033 Federal share)

6. Implement controls that ensure capital expenditures and subawards are properly coded

7. Review object code categories that may be associated with capital expenditures and implement controls that ensure indirect costs are not charged to capital expenditures
Unallowable and Unsupported Other Direct Costs—Questioned Costs of $40,306

We judgmentally selected a sample of non-payroll costs to test the reliability of the Department’s financial management system and determine whether the Department followed Federal and State requirements when procuring goods and services. The results of our testing caused us to question costs that were unallowable because they were not necessary in the performance of the grant or were unsupported because the Department could not provide evidence that it had obtained FWS approval before purchase. These issues resulted in unallowable costs of $40,862 ($30,647 Federal share) and unsupported costs of $12,879 ($9,659 Federal share). See Figure 5 below for a summary of the questioned costs.

Unallowable Costs

We question costs related to the following expenses as unallowable because they were not necessary in the performance of the grant:

- $1,571, including associated indirect costs, charged to Grant No. F12AF01250 related to conference attendance
- $5,962, including associated indirect costs, charged to Grant No. F13AF00189 related to stocking catfish
- $899 charged to Grant No. F17AF00041 related to the subrecipient’s purchase of a gun safe for its personal use
- $661, including associated indirect costs, charged to Grant No. F17AF00685 related to food purchased for visitors to a wildlife management area (WMA)
- $31,769, including associated indirect costs, charged to Grant No. F17AF00748 related to printing logos on archery nets

Federal regulations at 2 C.F.R. § 200.403(a) state that costs, in order to be allowable, must be necessary and reasonable for the performance of the award. Further regulations at 2 C.F.R. § 200.404(a) state that costs must be necessary for the proper and efficient performance of the award. We question the costs related to the conference attendance, gun safe, and food purchase under these regulations. Regulations at 2 C.F.R. § 200.405(a)(1) state that a cost is allocable to a particular award if incurred specifically for the Federal award. Using this criterion, we question the costs related to stocking catfish, because Grant No. F13AF00189 did not state activities related to stocking fish in the grant purpose or objectives. With regard to the logo printing, Federal regulations at 2 C.F.R. § 200.421(e)(4) state that unallowable costs include advertising and public relations costs designed solely to promote the non-Federal entity.

Department personnel told us that Department employees benefit from conference attendance; however, we question the conference attendance costs because the grant narrative did not list conference attendance or training as an objective or grant purpose. They also told us that the
catfish stocking expense was incorrectly coded and should have been charged to a different grant.

Visitors to the WMA would have had to drive 17 miles to the nearest town for lunch, requiring a lengthy lunch break and impairing the Department’s ability to perform the objectives of the grant. Department personnel told us that they believed the food purchase was necessary for this reason. We do not agree that the lunch break would have impaired the Department’s ability to perform the award; therefore, we deem the purchase unnecessary.

The gun safe was purchased by a university under a subaward from the Department. The university believed it had permission from the Department to purchase the gun safe but could not provide any evidence. The Department agreed that the safe should not have been funded through the grant.

Regarding the logo painting on archery nets, Department personnel told us that they believed it aided to recognize funding that the agency and other partner organizations provide to support the archery program. Because this expense is akin to unallowable advertising activity, we deem it unnecessary in performance of the grant.

Unsupported Costs
We question costs related to the following expenses as unsupported because the Department could not provide evidence that it had obtained FWS approval prior to purchase:

- $7,803 total charged to Grant Nos. F13AF00147, F13AF00152, and F17AF00831 related to equipment purchases
- $5,076 total charged, including associated indirect costs, to Grant Nos. F18AF00164 and F18AF00180 for capital improvements to boat motors

Regarding the equipment purchases, Federal regulations at 2 C.F.R. § 200.439(b)(1) state that capital expenditures for general purpose equipment are unallowable as direct costs, except with the prior written approval of the Federal awarding agency. The Department’s policy states that its capitalization threshold is $500 for capital asset reporting. Regarding the boat motor improvements, Federal regulations at 2 C.F.R. § 200.439(b)(3) state that capital expenditures for improvements to equipment that materially increase their value or useful life are unallowable as a direct cost, except with the prior written approval of the Federal awarding agency. Capital expenditures are defined at 2 C.F.R. § 200.1 as expenditures to acquire capital assets or expenditures to make improvements, modifications, or alterations to capital assets that materially increase their value or useful life.

Department personnel told us that they did not request prior approval for equipment purchases less than $5,000. Five thousand dollars is a common threshold used for capital asset reporting, but Department personnel confirmed that their capitalization threshold is $500. Therefore, the Department should have sought prior approval from the FWS for capital expenditures greater than $500, rather than only those greater than $5,000.
Department personnel also told us that they believed the boat motor repairs were routine maintenance and would not increase the asset’s value or useful life. After reviewing additional documentation, we determined that two motors had already exceeded their useful lives before the repairs. Therefore, these repairs were performed to extend the useful lives of those motors.

Cost savings could result from following proper procurement procedures, obtaining required approvals before purchase of special cost items, and avoiding unallowable costs. As a result of our testing, we question $53,741 ($40,306 Federal share) in other direct costs.

**Figure 5: Questioned Costs Related to Unallowable and Unsupported Other Direct Costs**

<table>
<thead>
<tr>
<th>Item</th>
<th>Grant No.</th>
<th>Grant Title</th>
<th>Questioned Costs ($) (Federal Share)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conference Attendance</td>
<td>F12AF01250</td>
<td>Boating Access</td>
<td>1,178</td>
</tr>
<tr>
<td>Catfish Stocking</td>
<td>F13AF00189</td>
<td>Oklahoma City Region Fisheries</td>
<td>4,472</td>
</tr>
<tr>
<td>Gun Safe</td>
<td>F17AF00041</td>
<td>Oklahoma Panhandle State University Shooting Complex</td>
<td>674</td>
</tr>
<tr>
<td>Food Purchase</td>
<td>F17AF00685</td>
<td>Central Region Wildlife</td>
<td>496</td>
</tr>
<tr>
<td>Logo Printing</td>
<td>F17AF00748</td>
<td>Archery Hunter Education</td>
<td>23,827</td>
</tr>
<tr>
<td>Equipment Purchase</td>
<td>F13AF00147</td>
<td>SW Region Fisheries</td>
<td>2,252</td>
</tr>
<tr>
<td>Equipment Purchase</td>
<td>F13AF00152</td>
<td>South Central Region Fisheries</td>
<td>975</td>
</tr>
<tr>
<td>Equipment Purchase</td>
<td>F17AF00831</td>
<td>SE Region Wildlife</td>
<td>2,625</td>
</tr>
<tr>
<td>Boat Motor Repairs</td>
<td>F18AF00164</td>
<td>NE Region Fisheries</td>
<td>1,704</td>
</tr>
<tr>
<td>Boat Motor Repairs</td>
<td>F18AF00180</td>
<td>North Central Region Fisheries</td>
<td>2,103</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td></td>
<td></td>
<td><strong>$30,647</strong></td>
</tr>
</tbody>
</table>
**Recommendations**

We recommend that the FWS work with the Department to:

8. Resolve the questioned costs related to unallowable and unsupported other direct costs totaling $53,741 ($40,306 Federal share)

9. Implement policies and procedures that ensure only necessary costs are charged to grants

10. Implement controls that ensure the Department requests FWS approval before incurring expenditures that require prior written approval from the Federal awarding agency

**Unreported Program Income—Questioned Costs of $20,779**

We determined that the Department did not properly report all sources of program income. During the audit period, the Department sold conservation passports, a license that allows individuals without a hunting or fishing license to access Department-owned areas. We determined that this revenue should be treated as program income and should be allocated to related grants. We identified six grants that contain the expenditures for operations and maintenance of Department-owned areas. Because the Department did not specify a program income method for the grants and did not fully expend the Federal funds under any of those grants, it must account for the program income using the deductive method, as required by Federal regulations at 50 C.F.R. § 80.123.

Federal regulations at 50 C.F.R. § 80.120(b)(2) state that program income includes any revenues obtained from the use or rental of real or personal property acquired, constructed, or managed with grant funds. Revenue from the conservation passports should be recognized as program income because it is earned from visitors using grant-funded real property. Federal regulations at 2 C.F.R. § 200.307(e)(1) state that program income must ordinarily be deducted from total allowable costs to determine the net allowable costs.

Department personnel expressed that they did not believe the conservation passport revenue should be recognized as program income because conservation passport sales are not directly related to hunting or fishing activities. Instead, they categorized these revenues as license sales.

Because conservation passport revenues were improperly allocated to license sales, $27,705 of program income was not properly allocated to the grants that provided maintenance work on the Department-owned areas. Because program income amounts must be deducted from total expenditures to determine net allowable costs, the Federal shares of expenditures on those grants have been overstated and the Department has received excess reimbursements. We question $27,705 ($20,779 Federal share) related to unreported program income. In this report, we do not
prescribe the proportional amounts of program income attributable to each of the six identified grants (See Appendix 3).

**Recommendations**

We recommend that the FWS work with the Department to:

11. Resolve the questioned costs of $27,705 ($20,779 Federal share) related to unreported program income

12. Develop and implement controls that ensure program income attributable to conservation passport sales is properly allocated to the associated grants

**Unsupported In-Kind Contributions—Questioned Costs of $1,339**

During the audit period, the Department valued volunteers at either a non-certified rate of $9.10 per hour or a higher, certified rate that varied during the years. We reviewed $93,996 of in-kind contributions the Department claimed on aquatic education grants during the audit period. We determined a total of $1,785 of these contributions is unsupported.

- The Department claimed $297 for certified instructor contributions from three volunteers on Grant No. F17AF00096, but the Department could not provide support showing that these volunteers were certified. Their time should have been valued using the noncertified rate. We question $219 as unsupported costs related to this issue.

- The Department claimed $2,021 for in-kind contributions on Grant No. F19AF00103 for a training in which 13 volunteers became certified instructors. Because the training is required for certification, these volunteers were not yet certified instructors and their time should have been valued at the non-certified rate of $9.10 per hour. We question $1,534 as unsupported costs related to this issue.

Federal regulations at 2 C.F.R. § 200.403(g) require costs to be adequately documented to be allowable under Federal awards. In addition, 2 C.F.R. § 200.306(b)(1) states that third-party in-kind contributions satisfy a cost-sharing or matching requirement if they are verifiable from the records of grantees, among other requirements. Further guidance at 2 C.F.R. § 200.306(j) states that the value of goods and services must be documented and, to the extent feasible, supported by the same methods used internally by the non-Federal entity.

Data provided by the Department showed that some volunteers were valued as certified and indicated such on their volunteer forms, but volunteer data provided by the Department had no record of them being certified. Department personnel did not ensure that these volunteers were certified before valuing their time as certified instructors. Department personnel told us they had always counted the training hours as certified hours and were not aware it was inappropriate.
Because the Department claimed unsupported in-kind amounts as matching funds on grants, those grants were overdrawn. As a result, we question costs totaling $1,785 ($251 on Grant No. F17AF00096 and $1,534 on Grant No. F19AF00103). The Federal shares of these costs are $188 and $1,151, respectively (see Figure 6).

**Figure 6: Questioned Costs Related to Unsupported In-Kind Contributions**

<table>
<thead>
<tr>
<th>Grant No.</th>
<th>Grant Title</th>
<th>Unsupported Questioned Costs ($) (Federal Share)</th>
</tr>
</thead>
<tbody>
<tr>
<td>F17AF00096</td>
<td>Aquatic Education 2017</td>
<td>188</td>
</tr>
<tr>
<td>F19AF00103</td>
<td>Aquatic Education 2019</td>
<td>1,151</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$1,339</strong></td>
</tr>
</tbody>
</table>

**Recommendations**

We recommend that the FWS work with the Department to:

13. Resolve the questioned costs related to unsupported in-kind contributions totaling $1,785 ($1,339 Federal share)

14. Implement policies and procedures that ensure hours valued at a certified instructor rate are volunteered by certified instructors

**Control Deficiencies**

**Improper Subaward Versus Contract Determinations**

During our review of direct costs charged to WSFR grants, we found instances where the Department classified some service agreements as contracts when they should have been classified as subawards. These agreements were not on a list the Department provided of subawards open during our audit period.

Figure 7, below, lists the grants that contained unreported subawards.
Working as a pass-through entity, the Department used these agreements to transfer funds to the subrecipients for wildlife-related research projects and initiatives. In each case, we observed the following attributes, which, according to Federal criteria at 2 C.F.R. § 200.331, are more indicative of subrecipient relationships:

- A subaward typically contains work that is highly specialized from nonprofit 501(c)(3) conservation organizations or public institutions of higher learning. A contract is more typical when the contractor operates in a competitive environment and provides goods or services similar to those of many different vendors and for the benefit of the pass-through entity.

- The subrecipient uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods and services for the benefit of the Department.

Therefore, we believe the specified agreements should be classified as subawards and, as such, be subject to the monitoring requirements outlined in 2 C.F.R. § 200.331 and the reporting requirements outlined in the Federal Funding Accountability and Transparency Act (FFATA).

A subrecipient is defined in Federal regulations (2 C.F.R. § 200.93) as a non-Federal entity that receives a subaward (as defined in § 200.92) from a pass-through entity to carry out part of a Federal program. According to 2 C.F.R. § 200.330, a non-Federal entity may concurrently receive Federal awards as a recipient, a subrecipient, and a contractor, depending on the substance of its agreements with Federal awarding agencies and pass-through entities. Therefore, the Department must make case-by-case determinations whether each agreement it makes for the disbursement of Federal funds casts the party receiving the funds in the role of subrecipient or contractor. Each designation entails different requirements for award decisions, performance monitoring, and reporting. Federal regulations (2 C.F.R. § 200.330(a)(5)) state that the characteristics that support the classification of a non-Federal entity as a subrecipient include when the non-Federal entity, in accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity. Furthermore, 2 C.F.R. § 200.330(b)(3) states that a contractor is an entity that normally operates in a competitive environment.

Federal regulations (2 C.F.R. § 200.331(b)) also require that the Department, as the pass-through entity, must “evaluate each subrecipient’s risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for the purposes of determining the
appropriate subrecipient monitoring.” This evaluation may consider factors such as (1) the subrecipient’s prior experience with the same or similar subawards, (2) the results of previous audits of the subrecipient, (3) whether the subrecipient has new personnel or new or substantially changed systems, and (4) the extent and results of the Federal awarding agency’s monitoring of the subrecipient.

Prime grant recipients who have been awarded a new Federal grant greater than or equal to $25,000 are subject to the FFATA subaward reporting requirements. The prime awardee is required to file an FFATA subaward report by the end of the month that follows the month in which the prime recipient awards any subgrant greater than or equal to $25,000.

During our audit, the Department provided us with its draft procedures for determining whether a third-party agreement is a subaward or contract. Because these procedures were being developed during our audit, we determined that the procedures had not resulted in the Department making the proper classification determination regarding the agreements we identified as being subawards. The Department told us it was holding meetings and reviewing guidance that we and the FWS provided as the Department updates its subaward procedures.

Because it did not properly evaluate the aspects of some of its service agreements, the Department improperly classified the agreements as contracts, as opposed to subawards. Improperly classifying these agreements as contracts prevented the agreements from being subjected to subaward rules and regulations, such as requirements for risk assessment, monitoring, and reporting.

**Recommendations**

<table>
<thead>
<tr>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>15. Develop and implement more specific guidance for determining whether WSFR funds passthrough as subawards or contracts</td>
</tr>
<tr>
<td>16. Develop and implement procedures to ensure compliance, where applicable, with 2 C.F.R. § 200.331 and FFATA requirements for the proper administration and reporting of subawards</td>
</tr>
</tbody>
</table>

**Inadequate Subaward Contents**

The Department issued WSFR subawards during our audit period. We reviewed a sample of subaward agreements and determined that the agreements did not contain all data elements required by Federal regulations. Specifically, our review of five subaward agreements revealed that some agreements were missing the following required data elements:

- One subaward lacked the Federal award date
- Five subawards lacked the research and development identifier
• Two subawards lacked the Federal award indirect cost rate

The requirements for pass-through entities are listed at 2 C.F.R. § 200.332. This section states that every subaward must include the required information, such as the Federal award date (2 C.F.R. § 200.332(a)(1)(iv)), identification of whether the award is research and development (2 C.F.R. § 200.332(a)(1)(xiii)), and the indirect cost rate for the Federal award (2 C.F.R. § 200.332(a)(1)(xiv)).

We discussed these issues with Department personnel, and they told us that a letter containing the Federal award date was inadvertently not attached to the subaward for Grant No. F18AF00878. Department personnel told us they were overhauling the Department’s cooperative agreements to become compliant with Federal regulations and inadvertently failed to include the research and development identifier. Department personnel also told us that indirect cost rates were not stated on subawards with no indirect costs. However, we interpret the Federal regulations to require a statement of the Federal award’s indirect cost rate, even when that rate is zero.

Because it did not include all required data elements in its subaward agreements, the Department is not in compliance with Federal regulatory requirements for pass-through entities.

<table>
<thead>
<tr>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>We recommend that the FWS work with the Department to:</td>
</tr>
<tr>
<td>17. Develop and implement a process to ensure all subaward agreements contain all data elements required by Federal regulations stated at 2 C.F.R. § 200.332</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Inadequate Subrecipient Performance Monitoring</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Department issued a subaward under Grant No. F17AF000041 to Oklahoma Panhandle State University to plan and construct a shooting sports complex. As part of our audit procedures, we conducted a virtual site visit to the University. The purpose of this site visit was to test expenditures charged to the subaward and assess the University’s compliance with subaward terms.</td>
</tr>
</tbody>
</table>

Our site visit included a virtual tour of the constructed shooting sports complex. During the tour, we observed two issues related to subaward compliance. First, the complex lacked Americans with Disabilities Act of 1990 (ADA) facilities, such as handicap accessible restrooms and paved parking. Second, signage at the complex noted the operating hours as Saturday and Sunday, 1:00 PM to dusk. These operating hours are less than the amount specified in a cooperative agreement between the Department and the University.

Regarding the lack of ADA facilities, the project statement (Exhibit B attached to a cooperative agreement between the Department and the University) states that the University will be
responsible for engineering plans for an ADA-accessible shooting range complex. A memorandum of agreement (MOA) attached to the cooperative agreement as Exhibit F states at article K.j. that the University will accommodate persons with disabilities in compliance with the ADA and the Architectural Barriers Act of 1968. Section 603 of the 2010 ADA Standards for Accessible Design describes the requirements for ADA-accessible restrooms that State and local government facilities must follow. Section 2.3 of the management plan for the complex states that all shooting facilities will include concrete pavement for ADA-accessible parking spaces.

Regarding operating hours, the MOA states at article K.b. that the complex shall remain open to the public for a minimum of 4 days per week, one of which must be a Saturday or Sunday, for a minimum of 6 hours per day during daylight hours.

When asked about the lack of ADA accessibility, University personnel told us that they had intended to have accessible restrooms in an education center that has not yet been built on site. Construction of the education center is the responsibility of the University, and it has experienced a lack of fundraising to construct the center.

When asked about the insufficient operating hours, University personnel told us that they were unable to be open the full 4 days per week because they lacked funding to pay for the required personnel costs.

The University did not fulfill all requirements stipulated in its MOA with the Department. The public access periods are less than stated, and the complex is not ADA compliant. Because of this, the public did not receive the full benefits it should have received as a result of the Federal funding provided by the grant.

### Recommendations

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>18.</strong></td>
<td>Ensure the complex is ADA compliant and has features as specified in the MOA</td>
</tr>
<tr>
<td><strong>19.</strong></td>
<td>Ensure the complex is open the minimum days and hours required by the MOA</td>
</tr>
<tr>
<td><strong>20.</strong></td>
<td>Develop and implement monitoring procedures to ensure subrecipient compliance with the terms of subaward agreements</td>
</tr>
</tbody>
</table>

**Improper Leave Accounting**

The Department may have improperly allocated employee leave, such as vacation and sick leave, to grants during the audit period. Leave taken by Department employees during a pay period is not associated with a grant or State accounting code. Rather, leave amounts reduce the total hours worked. The Department then allocates employees’ monthly salaries to work activities according to the hours spent on each activity as a proportion of the total hours worked for the
month. The value of hours spent in a leave status during a pay period is therefore allocated to the employee’s work activities during the pay period using those proportions.

Hours spent in a leave status are not associated with grant or non-grant accounting codes on employee timesheets, and the Department does not track leave earned on a per-grant basis. Therefore, the Department is unable to ensure leave amounts allocated to grants do not exceed leave amounts earned on those particular grants. For example, a Department employee charged a total of 64 hours to two grants (60 hours to Grant No. F17AF00831 and 4 hours to Grant No. F17AF00743) and took 104 hours of leave during that same month. Therefore, 93.75 percent (60 of the 64 hours) of the employee’s monthly salary was charged to Grant No. F17AF00831 and 6.25 percent (4 of the 64 hours) of the employee’s monthly salary was charged to Grant No. F17AF00743. The value of 104 hours of leave was effectively allocated to grants according to the 93.75 and 6.25 percentages (97.5 and 6.5 hours, respectively). The Department did not verify whether the employee had earned at least 97.5 hours of leave on Grant No. F17AF00831 and at least 6.5 hours of leave on Grant No. F17AF00743.

We will use a hypothetical example to further illustrate this issue: an ODWC employee could charge 8 hours to Grant X for the first day of a 160-hour month and then use leave for the remaining 152 hours. The entirety of that employee’s salary would be charged to Grant X, regardless of whether the employee earned all 152 hours of leave from work performed on Grant X.

Multiple Federal regulations apply to the allocation of leave on grants. Federal regulations at 2 C.F.R. § 200.405(a) state that costs are allocable to a particular Federal award if they are chargeable to that award in accordance with relative benefits received. The costs must be incurred specifically for the Federal award, and the costs that benefit both the award and other work of the non-Federal entity must be distributed in proportions that may be approximated using reasonable methods. Furthermore, Federal regulations at 2 C.F.R. § 200.431(b)(2) state that the cost of fringe benefits, such as annual leave, are allowable if the costs are equitably allocated to all related activities, including Federal awards.

The Department lacks leave accounting controls. The Department does not track leave amounts earned on a per-grant basis, and leave amounts used are not associated with accounting codes. Therefore, no control limits workers to taking only the amount of leave accumulated on a particular grant.

Because leave amounts taken are not associated with grant or non-grant accounting codes, we cannot determine how many hours of leave were intended to be associated with each grant. Furthermore, because the Department does not track leave amounts earned on a per-grant basis, the Department cannot ensure that costs associated with periods of leave are not charged to grants in excess of the benefits received.
Recommendation

We recommend that the FWS work with the Department to:

21. Implement policies and procedures that ensure leave allocated to a grant code does not exceed the value of leave earned on that grant
Recommendations Summary

We provided a draft of this report to the FWS for review. The FWS concurred with our recommendations and will work with the Department to implement corrective actions. We consider Recommendations 1–16 and 19–21 resolved but not implemented and Recommendations 17–18 resolved and implemented. We summarize the FWS’ and the Department’s responses to our recommendations, as well as our comments on their responses in this section. See Appendix 4 for the full text of the FWS’ and the Department’s responses; Appendix 5 lists the status of each recommendation.

In its response, the Department stated that “some of the statements in the report [are] misleading and, in some cases, not appropriate given the circumstances surrounding the findings,” and Department had “broad concerns,” which we address below. Additionally, the Department suggested five editorial changes to the draft report. We incorporated all five changes in our final report and deem them to be minor changes that did not affect the overall outcome of the audit.

**Department Statement:** “Overall, OIG questioned $1.2 million of $118M worth of grant expenditures, or 1%. The report fails to recognize that 99% of expenditures were not even questioned.”

**OIG Comment:** Because our audit used sampling techniques to analyze grant expenditures, we did not review 100 percent of all costs charged to grants. For example, we reviewed 2.13 percent of payroll costs and 10.8 percent of other direct costs claimed on grants. Therefore, we are unable to opine on the allowability of costs beyond those which we tested, and we do not project the results of our analyses to the population of grant expenditures.

**Department Statement:** “From [the Department’s] perspective, there were only ten areas of concern, not 21. Consolidating individual recommendations into one recommendation per topic area would reduce the number of recommendations in this report to 10.”

**OIG Comment:** Generally Accepted Government Auditing Standards (GAGAS) requires us to make recommendations that “are directed at resolving the cause of identified deficiencies and findings, and clearly state the actions recommended.” GAGAS further states that recommendations are effective “when the recommended actions are specific, feasible, cost-effective and measurable.” Therefore, grouping recommendations “per topic area” is not our standard practice, nor would it be in compliance with GAGAS.

**Department Statement:** The Department stated that our report questioned immaterial costs and that portions of the report addressed “minor concerns.”

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**OIG Comment:** GAGAS requires us to identify significant internal controls within the context of the audit objectives and test those controls.⁹ Accordingly, we performed this assessment and identified deficiencies with internal controls that we deemed significant to the audit objective, and we are required to report on these matters.¹⁰

**Department Statement:** The Department cites the potential damaging impact this report could have on its credibility or perceived accountability for a State “who was largely found to be in compliance.”

**OIG Comment:** The objectives of this audit were to determine whether the Department used grant funds and State hunting and fishing license revenue for allowable fish and wildlife activities and complied with applicable laws and regulations, FWS guidelines, and grant agreements. We found that the Department did not comply with multiple Federal regulations and identified instances in which State hunting and fishing license revenue was not used for allowable fish and wildlife activities.

We recommend that the FWS work with the Department to:

1. Resolve the questioned costs of $975,408 ($731,559 Federal share) resulting from excessive employer retirement contribution expenses charged to grants from July 1, 2017, through June 30, 2019

   **Department Response:** The Department concurred with our finding and recommendation and stated it will coordinate with the FWS to resolve them.

   **FWS Response:** The FWS concurred with our finding and recommendation.

   **OIG Comment:** Based on the FWS’ response, we consider Recommendation 1 resolved but not implemented.

2. Implement policies and procedures that ensure employer retirement contributions charged to grants for defined contribution employees do not exceed the amounts of employer contributions associated with those employees

   **Department Response:** The Department concurred with our finding and recommendation and stated it implemented a system programming change effective July 1, 2021.

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⁹ GAO, Government Auditing Standards, GAO-21-368G, 8.39. Additionally, section 8.15 states “The concept of significance assists auditors throughout a performance audit, including when deciding the type and extent of audit work to perform, when evaluating results of audit work, and when developing the report and related findings and conclusions. Significance is defined as the relative importance of a matter within the context in which it is being considered, including quantitative and qualitative factors. Such factors include the magnitude of the matter in relation to the subject matter of the audit, the nature and effect of the matter, the relevance of the matter, the needs and interests of an objective third party with knowledge of the relevant information, and the matter’s effect on the audited program or activity. In the performance audit requirements, the term significant is comparable to the term material as used in the context of financial statement engagements.”

**FWS Response:** The FWS concurred with our finding and recommendation.

**OIG Comment:** Based on the FWS’ response, we consider Recommendation 2 resolved but not implemented. When the Department provides documentation demonstrating that it has implemented policies and procedures that ensure employer retirement contributions charged to grants for defined contribution employees do not exceed the amounts of employer contributions associated with those employees, we will consider this recommendation implemented.

3. Identify and resolve the Federal share of any other excess employer retirement contributions charged to grants before July 1, 2017, and after June 30, 2019. This amount should include the Federal share of any associated indirect costs

**Department Response:** The Department did not concur with Recommendation 3 and stated it was “unaware of the problem and responded with expediency when it was identified.” The Department further stated that it should not incur additional questioned costs because the “situation resulted from a system error and was neither intentional nor malicious and because the fiscal impact could be significant.” Furthermore, the Department stated that “fiscal years 2013 and 2014 were audited by OIG during the prior five-year audit cycle and should not be re-audited.”

**FWS Response:** The FWS concurred with our finding and recommendation.

**OIG Comment:** Based on the FWS’ response, we consider Recommendation 3 resolved but not implemented. However, we disagree with the Department’s statement that additional costs should not be considered because of the system error and a lack of malicious intent. Because the Department’s systems contained an error, Federal grants outside of our audit scope were inappropriately overcharged, and the Department should take action to correct those overcharges, particularly if they are viewed to have a significant fiscal impact in favor of the Federal Government. We do not consider corrections to prior year grants to be a “re-audit” It is possible, during the course of our audit work, that we detect issues that were present in prior audit scopes but were not detected during that audit. That does not alleviate the auditee of responsibility for issues that existed during those fiscal years, nor does it preclude Federal entities from pursuing correction of those issues.

4. Resolve the questioned costs related to the NBCI subaward agreements totaling $137,091 ($102,818 Federal share)

**Department Response:** The Department did not concur with our finding and recommendation. It stated that the Director of the FWS had issued a memorandum regarding the NBCI audit findings stating that the FWS would not require repayment of prior awarded funds.

**FWS Response:** The FWS concurred with our finding and recommendation.
5. Resolve the questioned costs related to unallowable indirect costs totaling $54,711 ($41,033 Federal share)

**Department Response:** The Department partially concurred with Recommendation 5. Specifically, the Department concurred with questioned costs in the amount of $37,184 but did not concur with questioned costs of $3,849 related to indirect costs associated with roof replacements. The Department believes these were maintenance costs and should not be categorized as capital expenditures.

**FWS Response:** The FWS concurred with our finding and recommendation.

**OIG Comment:** Based on the FWS’ response, we consider Recommendation 5 resolved but not implemented. However, we note that replacing a roof improves the useful life of an asset and the roof replacement costs exceeded the Department’s capitalization threshold, which qualifies these expenditures as capital expenditures under Federal regulations. Furthermore, the grant agreement described the roof replacements as capital expenditures.

6. Implement controls that ensure capital expenditures and subawards are properly coded

**Department Response:** The Department concurred with the recommendation and stated that it had changed its negotiated indirect cost agreement base to salaries and wages only, which “eliminated any potential accidental accrual of indirect costs on capital expenditures or subawards.” This change became effective in July 2021.

**FWS Response:** The FWS concurred with our finding and recommendation.

**OIG Comment:** Based on the FWS’ response, we consider Recommendation 6 resolved but not implemented. The recommendation will be considered implemented when the Department provides documentation demonstrating that controls that ensure capital expenditures and subawards are properly coded have been implemented. Changing the negotiated indirect cost rate agreement’s base to salaries and wages may prevent indirect costs associated with capital expenditures and subawards from being charged to Federal awards. However, without associated internal controls, the issue could still occur in the future should the Department revert its indirect cost rate base to modified total direct costs.

7. Review object code categories that may be associated with capital expenditures and implement controls that ensure indirect costs are not charged to capital expenditures

**Department Response:** The Department concurred with the recommendation and stated that it had changed its negotiated indirect cost agreement base to salaries and wages only,
which “eliminated any potential accidental accrual of indirect costs on capital expenditures or subawards.” This change became effective in July 2021.

**FWS Response:** The FWS concurred with our finding and recommendation.

**OIG Comment:** Based on the FWS’ response, we consider Recommendation 7 resolved but not implemented. The recommendation will be considered implemented when the Department provides documentation demonstrating that controls that ensure capital expenditures and subawards are properly coded have been implemented. Changing the negotiated indirect cost rate agreement’s base to salaries and wages may prevent indirect costs associated with capital expenditures and subawards from being charged to Federal awards. However, without associated internal controls, the issue could still occur in the future should the Department revert its indirect cost rate base to modified total direct costs.

8. Resolve the questioned costs related to unallowable and unsupported other direct costs totaling $53,741 ($40,306 Federal share)

**Department Response:** The Department partially concurred with our finding and Recommendation 8. The Department concurred with questioned costs of $11,494 but did not concur with questioned costs totaling $28,812 (Federal share) related to conference attendance, logo printing, and boat motor repairs. Specifically, the Department stated that the:

- Conference attendance was reasonable and necessary under the grant,
- Purpose of logo printing was outreach and a way to ensure logos are in front of students as a reminder of the partnership nature of conservation, and
- Boat motor repairs were maintenance and not capital expenditures.

**FWS Response:** The FWS concurred with our finding and recommendation.

**OIG Comment:** Based on the FWS’ response, we consider Recommendation 8 resolved but not implemented. In regard to the Department’s response:

- The specific conference attendance and training costs we questioned were not listed as a budgeted cost item (or in the grant purpose) in Grant No. F12AF01250. We are unable to determine whether these costs were necessary to the grant and there is no evidence of FWS approval of this type of cost on this particular grant.
- We consider the printing of logos as advertisement for three logos that were not related to State or Federal entities, and we do not consider the logos as necessary.
- We question costs related to boat motor repairs that occurred after the useful lives of those assets had expired. The repairs extended those useful lives and exceeded
the Department’s capitalization threshold. Therefore, those repairs were capital expenditures.

9. Implement policies and procedures that ensure only necessary costs are charged to grants

**Department Response:** The Department did not state whether it concurred with Recommendation 9. In its response, the Department stated that the “recommendation is excessively vague” and that it “is unclear how it should respond to this recommendation, particularly given that it disagrees with three of the questioned costs.” The Department then described actions it has taken since spring 2021, including the implementation of new software, identification of training needs, adopting a new accounting policy, and training Federal Aid staff.

**FWS Response:** The FWS concurred with our finding and recommendation.

**OIG Comment:** Based on the FWS’ response, we consider Recommendation 9 resolved but not implemented. The recommendation will be considered implemented when the Department provides documentation demonstrating that policies have been implemented that ensure only necessary costs are charged to grants.

10. Implement controls that ensure the Department requests FWS approval before incurring expenditures that require prior written approval from the Federal awarding agency

**Department Response:** The Department partially concurred with Recommendation 10 and stated that it “does not agree with or fully understand the OIG’s interpretation of 2 C.F.R. § 200 regarding the line between repair and maintenance versus capital expenditures.” The Department stated it requires clarity or guidance from the FWS in order to implement the recommendation.

**FWS Response:** The FWS concurred with our finding and recommendation.

**OIG Comment:** Based on the FWS’ response, we consider Recommendation 10 resolved but not implemented.

11. Resolve the questioned costs of $27,705 ($20,779 Federal share) related to unreported program income

**Department Response:** The Department stated that it “agrees to treat Conservation Passport revenue as program income going forward...however, given the previous ambiguity, it does not concur with questioned costs for the time period covered.” The Department views conservation passport sales as license revenues and believes the passports are related to activities that are ancillary to the primary goals of wildlife area management, which it states are hunting and fishing. The Department also cited the low level of conservation passport revenue and acting in “good faith” after our prior audit as reasons why it does not believe the unreported program income should be questioned costs.
FWS Response: The FWS concurred with our finding and recommendation.

OIG Comment: Based on the FWS’ response, we consider Recommendation 11 resolved but not implemented. The recommendation will be considered implemented when the Department provides documentation demonstrating that the questioned costs have been resolved. It is important to note that in its response to Recommendation 12, the Department stated it has implemented changes to treat conservation passport revenues as program income. Because the Department failed to treat the same revenues as program income during the audit period, the Department received Federal reimbursements in excess of allowable amounts. Therefore, the costs should be questioned. We do not consider $27,705 in revenues to be immaterial and do not agree with the Department’s assertion that acting in good faith would warrant a dismissal of questioned costs.

12. Develop and implement controls that ensure program income attributable to conservation passport sales is properly allocated to the associated grants

Department Response: The Department concurred with the recommendation and stated it has already implemented changes effective July 1, 2021, to treat conservation passport revenues as program income.

FWS Response: The FWS concurred with our finding and recommendation.

OIG Comment: Based on the FWS’ and the Department’s responses, we consider Recommendation 12 as resolved but not implemented. The recommendation will be considered implemented when the Department provides documentation demonstrating that controls have been implemented that ensure program income attributable to conservation passport sales is properly allocated to the associated grants.

13. Resolve the questioned costs related to unsupported in-kind contributions totaling $1,785 ($1,339 Federal share)

Department Response: The Department concurred with the recommendation.

FWS Response: The FWS concurred with our finding and recommendation.

OIG Comment: Based on the FWS’ response, we consider Recommendation 13 resolved but not implemented.

14. Implement policies and procedures that ensure hours valued at a certified instructor rate are volunteered by certified instructors

Department Response: The Department stated it believes Recommendation 14 is no longer applicable because it has discontinued the use of aquatic education volunteer time as match. The Department stated it will revisit policies and procedures if it decides to use aquatic education volunteer time as match in the future.
FWS Response: The FWS concurred with our finding and recommendation.

OIG Comment: Based on the Department’s and the FWS’ responses, we consider Recommendation 14 resolved but not implemented. The recommendation will be considered implemented when the Department provides documentation demonstrating that it no longer uses aquatic education volunteer time as match.

15. Develop and implement more specific guidance for determining whether WSFR funds passthrough as subawards or contracts

Department Response: The Department concurred with Recommendation 15 and stated it has further refined its procedures to identify subawards. However, the Department also stated that it “believes the four agreements the OIG cited as misclassified were in the ‘gray area,’ having some characteristics of a subaward and some characteristics of a contract.”

FWS Response: The FWS concurred with our finding and recommendation.

OIG Comment: Based on the FWS’ response, we consider Recommendation 15 resolved but not implemented. We note that for agreements identified, we found that the services provided were not typical of contracts for services offered to the general public on a competitive basis and are therefore subawards. For example, the agreement with Ducks Unlimited covered the costs of a wetland coordinator consultant to work with the Department, performing deliverables listed in the grant narrative. In this situation, and in the other agreements we list in our finding, grant funds were being paid to a nonprofit organization to perform public purposes listed in the grants.

16. Develop and implement procedures to ensure compliance, where applicable, with 2 C.F.R. § 200.331 and FFATA requirements for the proper administration and reporting of subawards

Department Response: The Department concurred with Recommendation 16, and stated that it has “completed a review and update of procedures related to subawards.”

FWS Response: The FWS concurred with our finding and recommendation.

OIG Comment: Based on the FWS’ response, we consider Recommendation 16 resolved but not implemented. The Department provided a draft policy, but we could not verify whether it was formal or if it had been implemented. This recommendation will be considered implemented when the Department provides documentation demonstrating that it has implemented procedures to ensure compliance with requirements for the proper administration of subawards.

17. Ensure all subaward agreements contain all data elements required by Federal regulations stated at 2 C.F.R. § 200.332
**Department Response:** The Department concurred with Recommendation 17 and stated it implemented a new template in March 2021.

**FWS Response:** The FWS concurred with our finding and recommendation.

**OIG Comment:** Based on the Department’s and the FWS’ responses and documentation provided, we consider Recommendation 17 resolved and implemented.

18. Ensure the complex is ADA compliant and has features as specified in the MOA

**Department Response:** The Department concurred with Recommendation 18 and stated that the subrecipient provided ADA features as specified in the MOA.

**FWS Response:** The FWS concurred with our finding and recommendations.

**OIG Comment:** Based on the Department’s and the FWS’ responses and documentation provided, we consider Recommendation 18 resolved and implemented.

19. Ensure the complex is open the minimum days and hours required by the MOA

**Department Response:** The Department concurred with Recommendation 19 and stated that the subrecipient has updated hours of operation to comply with the MOA.

**FWS Response:** The FWS concurred with our finding and recommendation.

**OIG Comment:** Based on the FWS’ response, we consider Recommendation 19 resolved but not implemented. The Department provided documentation showing updated hours; however, we found that for certain days of the year, the listed hours of operation would not satisfy the MOA requirements. Therefore, the recommendation will be considered implemented when the Department provides documentation demonstrating that the complex is open the minimum days and hours required by the MOA.

20. Develop and implement monitoring procedures to ensure subrecipient compliance with the terms of subaward agreements

**Department Response:** The Department concurred with Recommendation 20 and stated that “subrecipient monitoring procedures have been updated and implemented.”

**FWS Response:** The FWS concurred with our finding and recommendation.

**OIG Comment:** Based on the FWS’ response, we consider Recommendation 20 resolved but not implemented. The Department provided an updated policy, but we could not determine whether it is a formal policy or if it had been implemented. The recommendation will be considered implemented when the Department provides documentation demonstrating that it has implemented monitoring procedures to ensure subrecipient compliance with subaward terms and conditions.
21. Implement policies and procedures that ensure leave allocated to a grant code does not exceed the value of leave earned on that grant

**Department Response:** The Department concurred with the recommendation and stated that it “is in the process of migrating to a new system which should address the issue.”

**FWS Response:** The FWS concurred with our finding and recommendation.

**OIG Comment:** Based on the FWS’ response, we consider Recommendation 21 resolved but not implemented.
Appendix 1: Scope and Methodology

Scope

We audited the Oklahoma Department of Wildlife Conservation’s (Department’s) use of grants awarded by the U.S. Fish and Wildlife Service (FWS) under the Wildlife and Sport Fish Restoration Program (WSFR). The audit period included claims totaling $118 million on 100 grants that were open during the State fiscal years (SFYs) that ended June 30, 2018, and June 30, 2019.

Because of the COVID-19 pandemic, we could not complete our audit on site. We gathered data remotely and communicated with Department personnel via email and telephone. We could not perform interviews or site visits in person; therefore, we relied upon video conferences and pictorial evidence provided by Department personnel when possible.

Methodology

We conducted this performance 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.

We assessed whether internal control was significant to the audit objectives. We determined that the State’s control activities and the following related principles were significant to the audit objectives.

- Management should design control activities to achieve objectives and respond to risks.
- Management should design the entity’s information system and related control activities to achieve objectives and respond to risks.
- Management should implement control activities through policies.

We tested the operation and reliability of internal control over activities related to 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
• Inspecting equipment and other property

• Determining whether the Department used hunting and fishing license revenue for the administration of fish and wildlife program activities

• Determining whether the State passed required legislation assenting to the provisions of the Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Sport Fish Restoration Act

• Evaluating State policies and procedures for assessing risk and monitoring subawards

• Reviewing sites throughout the State (see Appendix 2 for a list of sites reviewed)

We found deficiencies in internal control resulting in our findings of:

• Improper accounting of employer retirement contributions—$975,408 ($731,559 Federal share)

• Unallowable payments to the National Bobwhite Conservation Initiative—$137,091 ($102,818 Federal share)

• Unallowable indirect costs—$54,711 ($41,033 Federal share)

• Unallowable and unsupported other direct costs—$53,741 ($40,306 Federal share)

• Unreported program income—$27,705 ($20,779 Federal share)

• Unsupported in-kind contributions—$1,785 ($1,339 Federal share)

• Improper subaward-versus-contract determinations

• Inadequate subaward contents

• Inadequate subrecipient performance monitoring

• Improper leave accounting

Based on the results of our initial assessments, we assigned a level of risk and selected a judgmental sample of transactions for testing. We used auditor judgment and considered risk levels relative to other audit work performed to determine the degree of testing performed in each area. Our sample selections were not generated using statistical sampling, and therefore we did not project the results of our tests to the total population of transactions.

This audit supplements, but does not replace, the audits required by the Single Audit Act Amendments of 1996. Single audit reports address controls over Statewide financial reporting.
with emphasis on major programs. Our report focuses on the administration of the Oklahoma fish and wildlife agency, and that agency’s management of WSFR resources and license revenue.

Oklahoma provided computer-generated data from its official accounting system and from informal management information and reporting systems. We tested the data by sampling expenditures and verifying them against WSFR reports and source documents such as purchase orders, invoices, and payroll documentation. While we assessed the accuracy of the transactions tested, we did not assess the reliability of the accounting system as a whole.

**Prior Audit Coverage**

**OIG Audit Reports**

We reviewed our last two audits of costs claimed by the Department on WSFR grants.\textsuperscript{11} We followed up on two recommendations from these reports and found that the U.S. Department of the Interior’s Office of Policy, Management and Budget considered both recommendations resolved and implemented.

**State Audit Reports**

We reviewed the single audit reports for SFYs 2018 and 2019 to identify control deficiencies or other reportable conditions that affect WSFR. In those reports, the Schedule of Expenditures of Federal Awards indicated $38 million (combined) in Federal expenditures related to WSFR, but did not include any findings directly related to WSFR, which was deemed a major program for Statewide audit purposes. Both reports noted a significant deficiency in internal control related to major Federal programs; however, they did not note findings specific to the WSFR Catalog of Federal Domestic Assistance numbers. We did not consider this as a risk indicator when we prepared our audit procedures and tests, since the noted deficiencies were related to other, non-WSFR Federal programs.

We also reviewed a 2019 report from the State public auditor that found the agency was not in compliance with its internal purchasing policies, including non-compliance with records maintenance, bid solicitation, and proper documentation submission. We considered this report when making our audit risk determination.


Appendix 2: Sites Reviewed

Because of the COVID-19 pandemic, we were unable to visit audit sites in person. We performed interviews and remote site visits using video conferencing at the following locations.

<table>
<thead>
<tr>
<th>Category</th>
<th>Location(s)</th>
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<tbody>
<tr>
<td>Headquarters</td>
<td>Oklahoma City, OK</td>
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<tr>
<td>Fisheries Offices</td>
<td>NW Region Fisheries</td>
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<tr>
<td></td>
<td>SW Region Fisheries</td>
</tr>
<tr>
<td>Fish Hatcheries</td>
<td>Holdenville Hatchery</td>
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<td>J.A. Manning Hatchery</td>
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<tr>
<td>Boating Access Facilities</td>
<td>Lake Ellsworth Dock</td>
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<td>Cherokee WMA</td>
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<td>Keystone WMA</td>
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<td>Packsaddle WMA</td>
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<td>Pushmataha WMA</td>
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<tr>
<td>Subrecipients</td>
<td>Oklahoma Panhandle State University</td>
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<tr>
<td></td>
<td>Panhandle State Shooting Sports Complex</td>
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</table>
Appendix 3: Monetary Impact

The audit period included claims totaling $118 million on 100 grants that were open during the State fiscal years that ended June 30, 2018, and June 30, 2019. We questioned $1,235,777 ($926,836 Federal share) as unallowable and $14,664 ($10,998 Federal share) as unsupported.

Monetary Impact: Questioned Costs

<table>
<thead>
<tr>
<th>Grant No.</th>
<th>Grant Title</th>
<th>Cost Category</th>
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<th>Unsupported</th>
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## Monetary Impact: Questioned Costs (continued)

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<td>F14AF00963</td>
<td>National Bobwhite Conservation Initiative (NBCI)</td>
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<td>Indirect Costs</td>
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<td>Indirect Costs</td>
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<td>North Central Region Fisheries</td>
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**Monetary Impact: Questioned Costs (continued)**

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<tr>
<th>Grant No.</th>
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<th>Cost Category</th>
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<td>Program Income</td>
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<td>F19AF00103</td>
<td>Aquatic Education 2019</td>
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<td><strong>Total</strong></td>
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<td></td>
<td><strong>$926,836</strong></td>
<td><strong>$10,998</strong></td>
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*This issue affects multiple grants and will require the Department to determine how the questioned costs will be allocated across the affected grants. The Grant Nos. are: F13AF00281, F17AF00685, F17AF00822, F17AF00831, F17AF00832, and F17AF00833.*
Appendix 4: Responses to Draft Report

The U.S. Fish and Wildlife Service’s response to our draft report follows on page 41. The Oklahoma Department of Wildlife Conservation’s response to our draft report follows on page 42.
Memorandum

To: Bryan Brazil  
   Regional Manager, Western Region

From: Cliff Schleusner  
   Regional Manager, Wildlife and Sport Fish Restoration Program

Subject: Draft Audit Report Comments - U.S. Fish and Wildlife Service, Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Oklahoma, Oklahoma Department of Wildlife Conservation, from July 1, 2017, through June 30, 2019  
   Report No. 2020-WR-064

Attached are the Oklahoma Department of Wildlife Conservation’s (Department) comments and additional supporting documentation for the Office of Inspector General’s Draft Audit Report No. 2020-WR-064. The Service concurs with the auditor’s draft findings and recommendations and has reviewed the Department’s response.

We will work closely with the Department’s staff in developing and implementing a corrective action plan that will resolve the findings and recommendations.

If additional information is required, please contact Cheryl Rodriguez, Grants Fiscal Officer, at

Attachments
February 17, 2022

Cliff Schleusner, Regional Manager  
U.S. Fish and Wildlife Service  
P.O. Box 1306  
Albuquerque, New Mexico 87103

Dear Mr. Schleusner,

The Oklahoma Department of Wildlife Conservation (ODWC) appreciates your office and the staff at the Department of Interior Office of Inspector General (OIG) for their audit of the ODWC’s Wildlife and Sport Fish Restoration (WSFR) funds. Our agency is committed to transparency, accountability, and serving the state of Oklahoma and its citizens with efficient fish and wildlife management.

The auditors maintained a professional rapport over the course of the very comprehensive audit, and Covid challenges forced a virtual methodology that undoubtedly presented challenges for all involved. However, the ODWC has concerns about some of the statements in the report being misleading and, in some cases, not appropriate given the circumstances surrounding the findings. While the ODWC concurs with some findings, there are several concerning and misleading statements as outlined more specifically in the attached. Given the negative impact such a report could have on our credibility and accountability, as well as the partnership we have developed over many years of working collaboratively and transparently with WSFR staff, I would like to point out the following broad concerns:

- Overall, OIG questioned $1.2M of $118M worth of grant expenditures, or 1%. The report fails to recognize that 99% of expenditures were not even questioned. A 31-page report with 21 recommendations paints a picture of material and substantive deficiencies at ODWC, which is simply unsubstantiated.
- From ODWC’s perspective, there were only ten areas of concern, not 21. Consolidating individual recommendations into one recommendation per topic area would reduce the number of recommendations in this report to 10.
- Errors in retirement calculations were clearly the biggest issue, which ODWC does not contest. Beyond the retirement calculation concern, which spanned five pages and three recommendations, the remaining 26-pages and 18 recommendations add up to only $275,000 of questioned costs (0.2% of all expenditures). OIG questioned costs as immaterial as $107.

We manage and protect fish and wildlife, along with their habitats, while also growing our community of hunters and anglers, partnering with those who love the outdoors, and fostering stewardship with those who care for the land.
• There appears to be no regard for the impact such a report can have on State credibility, perceived accountability, or the partnership between ODWC and WSFR. This report is damaging, particularly for a State who was largely found to be in compliance. Many of the concerns raised would be better presented in another format, giving ODWC a chance to address issues without the stigma of audit findings.

In closing, I would encourage WSFR and OIG to consider providing a different forum to work together with states to address minor concerns that are easily rectified, which characterizes the bulk of what led to audit findings in this report. While we appreciate the opportunities for improvement that have been identified, the negative stigma of audit findings is unwarranted for the majority of the report. Regardless, we are committed to working with WSFR staff to collaboratively develop a Correction Action Plan.

Sincerely,

J.D. Strong
Director
Oklahoma Department of Wildlife Conservation Comments
on the Office of Inspector General Draft Audit Report

U.S. Fish and Wildlife Service Grants Awarded to the State of Oklahoma,
Department of Wildlife Conservation, From July 1, 2017, Through June 30, 2019,
Under the Wildlife and Sport Fish Restoration Program

Suggested Edits

- Page 3 – The fifth paragraph – second sentence – after the semicolon...for clarity, we suggest this should read “however, the reports...” (not “however, the expenditures...”).
- Page 10 – The first paragraph – second to last sentence – dollar amounts do not match the title of the section. This sentence should read “These issues resulted in unallowable costs of $40,862 ($30,647 Federal share)...” The discrepancy appears to be the cost of the gun safe, which was previously part NPFR 9, but was moved to this section during report writing.
- Page 13 – The bold title should show the federal share of the questioned costs ($20,779) for consistency with all other sections of the report.
- Page 13 - The first paragraph references both “six grants” and “five grants.” Elsewhere six grants are indicated.
- Page 13 – At the bottom of page, the last number on the left, there appears to be a typo. $27,205 should be $27,705.

Comments on Specific Findings and Recommendations

A. Questioned Costs

- Improper Accounting of Employer Retirement Contributions—Questioned Costs of $731,559

  **OIG Recommendation 1:** Resolve the questioned costs of $975,408 ($731,559 Federal share) resulting from excessive employer retirement contribution expenses charged to grants from July 1, 2017, through June 30, 2019

  **ODWC Response:** ODWC concurs and will coordinate with WSFR staff to resolve in the Corrective Action Plan.

  **Action Planned:** Work with WSFR to determine the best option for repayment. Options currently under consideration include reduction of drawdown on current open awards, or reduction of apportionment.

  **Target Date:** TBD – depends on best option for repayment.

  **Responsible Official:** J.D. Strong, Director, Oklahoma Department of Wildlife Conservation

  **OIG Recommendation 2:** Implement policies and procedures that ensure employer retirement contributions charged to grants for defined contribution employees do not exceed the amounts of employer contributions associated with those employees
ODWC Response: ODWC concurs and considers this recommendation resolved. We implemented system programming changes to correct retirement rates charged to grants, and procedures to periodically verify consistency between system reports.

Action Taken: System program changes were implemented effective July 1, 2021 to correct grant charges related to defined contribution retirement plan expenditures. In addition, new procedures were implemented to check for consistency in personnel expenditures between system reports. Twice per year (at the start of each fiscal and calendar year; July and January payroll), ODWC will select a sample of grants to cross-check expenditures represented on the labor distribution report with expenditures represented on other system reports. (See Attachment 1.)

Target Date: Completed.

Responsible Official: J.D. Strong, Director, Oklahoma Department of Wildlife Conservation

OIG Recommendation 3: Identify and resolve the Federal share of any other excess employer retirement contributions charged to grants before July 1, 2017, and after June 30, 2019. This amount should include the Federal share of any associated indirect costs

ODWC Response: ODWC does not concur with this recommendation. ODWC was unaware of the problem and responded with expediency when it was identified. The NPFR was issued June 7, 2021, and a programming correction was in effect with the new state fiscal year (July 1). Also, fiscal years 2013 and 2014 were audited by OIG during the prior five-year audit cycle and should not be re-audited. In addition, because this situation resulted from a system error and was neither intentional nor malicious, and because the fiscal impact could be significant, we do not agree there should be additional questioned costs.

Action Planned: Work with WSFR to resolve.

Target Date: N/A

Responsible Official: J.D. Strong, Director, Oklahoma Department of Wildlife Conservation

- Unallowable Payments to the National Bobwhite Conservation Initiative—Questioned Costs of $102,818

OIG Recommendation 4: Resolve the questioned costs related to the NBCI subaward agreements totaling $137,091 ($102,818 Federal share)

ODWC Response: ODWC does not concur with this recommendation. The Director of the U.S. Fish and Wildlife Service issued a Memorandum in response to the Department of the Interior Office of Inspector General (OIG) Management Advisory Report No. 2020-WR-019 on the topic of NBCI. The U.S. Fish and Wildlife Service indicated, "Because the
combined grant costs were necessary and reasonable relative to the overall benefit to the WSFR program, the Service will not require the repayment of prior awarded funds.” We do not believe it is appropriate for States to continue to receive this finding in OIG reports; the issue is being resolved at the Federal level.

In addition, the “grant universe” as defined at the onset of this audit was limited to those awards with an open period of performance at any point between July 1, 2017 – June 30, 2019. As OIG acknowledged with footnote 4, grant F14AF00963 was not initially part of the scope of this audit; the period of performance ended June 30, 2017. OIG observed the final payment to the University of Tennessee (processed in August of 2017) and added this grant to the grant universe despite the fact that the period of performance was outside the audit parameters. Doing so was inconsistent with other sampling methods and inflated questioned cost by $70,628 ($52,971 federal share).

Action Planned: N/A

Target Date: N/A

Responsible Official: J.D. Strong, Director, Oklahoma Department of Wildlife Conservation

- Unallowable Indirect Costs—Questioned Costs of $41,033

  OIG Recommendation 5: Resolve the questioned costs related to unallowable indirect costs totaling $54,711 ($41,033 Federal share)

  ODWC Response: ODWC partially concurs with this recommendation

  ODWC concurs with questioned costs in the amount of $37,184 (Federal Share).

  ODWC does not concur with one questioned cost in the amount of $3,849 (Federal Share). In the severe-weather-prone state of Oklahoma, roofs are frequently in need of repair or replacement. Periodic roof replacement does not materially increase the building’s value or useful life, but rather maintains the building in good working condition. As such, these expenses fall under 200.452 Maintenance and repair costs:

  Costs incurred for utilities, insurance, security, necessary maintenance, janitorial services, repair, or upkeep of buildings and equipment (including Federal property unless otherwise provided for) which neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition, are allowable.

  In the project statement, ODWC identified the replacement of multiple roofs at a hatchery as “larger maintenance activities.” As such, the expenditures were charged to an object code for maintenance, which incurred indirect costs. In addition, for the purpose of ODWC’s financial statements, the useful lives of the structures receiving new roofs were not extended, and the costs associated with the roof replacements were not
capitalized. These expenses were treated as routine maintenance or repairs (which are eligible to receive indirect costs).

We will work with WSFR for final resolution in the Corrective Action Plan.

**Action Planned:** Work with WSFR for final resolution of which costs are questioned, and to determine the best option for repayment. Options currently under consideration include reduction of drawdown on current open awards, or reduction of apportionment.

**Target Date:** TBD – depends on best option for repayment.

**Responsible Official:** J.D. Strong, Director, Oklahoma Department of Wildlife Conservation

**OIG Recommendation 6:** Implement controls that ensure capital expenditures and subawards are properly coded

**ODWC Response:** ODWC concurs and considers this recommendation resolved. ODWC proposed a change to our negotiated indirect cost rate agreement in December 2020, it was approved by the DOI Business Center in April 2021 and became effective July 2021. ODWC now accrues indirect cost on “salaries and wages only,” whereby only two object codes now incur indirect (full-time and part-time salaries). This change eliminated any potential accidental accrual of indirect costs on capital expenditures or subawards as a result of errors in assigning object codes. Given that this issue was resolved prior to the draft audit report, we question if it is necessary for this recommendation to appear in the report.

**Action Taken:** ODWC’s NICRA was changed to “salaries and wages only” effective state fiscal year 2022. (See Attachment 2.)

**Target Date:** Completed.

**Responsible Official:** J.D. Strong, Director, Oklahoma Department of Wildlife Conservation

**OIG Recommendation 7:** Review object code categories that may be associated with capital expenditures and implement controls that ensure indirect costs are not charged to capital expenditures

**ODWC Response:** Same as #6 above.

**Action Taken:** Same as #6 above.

**Target Date:** Completed.

**Responsible Official:** J.D. Strong, Director, Oklahoma Department of Wildlife Conservation
Unallowable and Unsupported Other Direct Costs—Questioned Costs of $40,306

**OIG Recommendation 8:** Resolve the questioned costs related to unallowable and unsupported other direct costs totaling $53,741 ($40,306 Federal share)

**ODWC Response:** ODWC partially concurs with this recommendation.

ODWC concurs with questioned costs in the amount of $11,494 (Federal Share).

ODWC does not concur with four questioned costs in the amount of $28,812 (Federal Share).

It was necessary and reasonable for ODWC’s Boating Access Coordinator to attend the State’s Organization for Boating Access (SOBA) conference under the Oklahoma Boating Access Facilities Grant. The employee 1) gave a presentation entitled “ODWC Dock-Only Boating Access Projects”, 2) attended workshops covering topics such as TRACS training, 3) attended presentations on topics related to boating and fishing access project administration, and 4) participated in the SOBA business meeting which included TRACS updates from WSFR staff. All listed conference activities fully supported the purposes and objectives of the grant. We acknowledge conference travel was not explicitly identified in the grant package (project statement or budget) and have now listed SOBA conference attendance in the new Boating Access Coordination grant.

OIG stated: Logos were not printed on the Archery in the Schools nets “solely to promote the non-federal entity.” In fact, two of the logos were federal: USFWS Wildlife and Sport Fish Restoration Program, and USFWS Partners for Fish and Wildlife. The purpose of printing logos was outreach regarding the “cycle of success” (i.e., North American Model of conservation funding). ODWC encourages schools to incorporate the conservation funding message in the curriculum. Printing on the nets is a great way to guarantee these logos are in front of the students and serve as a visual reminder of the partnership nature of conservation in the United States. There is a well-recognized need in the WSFR partnership to help spread the word regarding fish and wildlife conservation funding. 50 CFR 80.100(a)(1) does not require but encourages agencies to display the appropriate WSFR symbol on funded projects, including shooting ranges. An archery net in a school is part of the archery shooting range.

ODWC continues to consider the expenditures related to boat motors as repair/maintenance, which did not fit the definition of capital expenditures in 2 CFR 200.1:

_Capital expenditures means expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life._

OIG focused on the useful life of an equipment item, as initially estimated at the point of purchase, for classifying expenses as repair/maintenance (those occurring within the useful life) versus capital expenditure (those occurring after the useful life). However, the useful life assigned to a piece of equipment is an educated estimate, an average of
past experiences. The actual number of years an item remains useful can vary, depending on a range of factors: hours of use, manufacturer, local environmental conditions, skill of the operator, repair/maintenance history, etc. Using the pre-determined useful life as the point at which equipment repairs/maintenance become a capital expenditure would imply that something as minor as an oil change requires prior federal approval once the useful life has been reached. Such an interpretation would encourage States to replace equipment according to life expectancy rather than actual condition of the equipment, potentially leading to federally funded expenditures sooner than necessary and reasonable. Instead, ODWC evaluated the situation and made the fiscally responsible decision that the repairs were reasonable and justified to keep the motors in efficient operating condition.

We will work with WSFR for final resolution in the Corrective Action Plan.

**Action Planned:** Work with WSFR for final resolution of which costs are questioned, and to determine the best option for repayment. Options currently under consideration include reduction of drawdown on current open awards, or reduction of apportionment.

**Target Date:** TBD – depends on best option for repayment.

**Responsible Official:** J.D. Strong, Director, Oklahoma Department of Wildlife Conservation

**OIG Recommendation 9:** Implement policies and procedures that ensure only necessary costs are charged to grants

**ODWC Response:** This recommendation is excessively vague and ODWC requests specific recommendations to address expenditures which were considered unnecessary due to deficient policies and procedures, versus simple human error.

OIG judgmentally selected a sample of $7,037,974 non-payroll costs to test the reliability of the Department’s financial management systems and raised concerns with $53,741. The questioned costs constitute less than one percent of the sample (0.76%). The recommendation does not paint a fair picture of ODWC’s accounting practices.

It is unclear how ODWC should respond to this recommendation, particularly given that we disagree with three of the questioned costs (and therefore do not agree a policy or procedure change is needed), agree with one which resulted from the equipment capitalization threshold problem (now fixed - raised to $5,000), and agree with three which resulted from mistake / error.

**Action Taken:** ODWC already has many policies and procedures to ensure only necessary costs are charged to grants (multiple parties involved with development and review of grant project statements and budgets, multiple levels of review and approval via signature for all expenditures, guidance, training, etc.). No amount of policy or procedure will ever completely eliminate mistakes.
In the spring of 2021, ODWC adopted the Microsoft Office 365 platform, enabling Federal Aid staff to easily share grant documents with employees. All employees now have self-serve access to complete grant files, including project statements, budgets, NOA’s, compliance, etc.

In June 2021, Federal Aid staff polled ODWC employees to identify additional needs for training, guidance and resources. Grant-related intranet resources are continually updated for employees.

ODWC adopted a new Accounting Policy in July of 2021.

Three Federal Aid staff completed Basic Grants Management in the fall of 2021.

**Action Planned:** A series of mini-training sessions are planned for 2022. Additional guidance documents may be developed as indicated by need during employee training. Advanced Grants Management is planned for Federal Aid staff in May of 2022. Federal Aid staff may attend/present material at Division meetings throughout 2022, as time allows and need indicates. If additional, specific policies or procedures are recommended by OIG or WSFR, ODWC would be glad to review for implementation.

**Target Date:** December 31, 2022

**Responsible Official:** J.D. Strong, Director, Oklahoma Department of Wildlife Conservation

**OIG Recommendation 10:** Implement controls that ensure the Department requests FWS approval before incurring expenditures that require prior written approval from the Federal awarding agency

**ODWC Response:** ODWC partially concurs with this recommendation.

ODWC concurs with the need to request prior written approval for the purchase of new equipment. Controls were in place to ensure ODWC requested federal approval for new equipment valued at $5,000 or greater. However, ODWC capitalized equipment valued at $500 or greater. The capitalization threshold discrepancy was resolved as of July 1, 2020.

ODWC does not agree with or fully understand OIG’s interpretation of 2 CFR 200 regarding the line between repair / maintenance versus capital expenditures. ODWC cannot implement the recommendation without additional clarity or guidance from WSFR.

**Action Taken:** Effective State fiscal year 2021 (July 1, 2020), ODWC raised the threshold for equipment capitalization to $5,000, resolving the issue for new equipment.

**Action Planned:** ODWC will seek additional clarification from WSFR on this topic. Once ODWC has a clearer understanding, we will implement procedures accordingly.
**Target Date:** Controls for new equipment - Completed.

**Target Date:** Controls for other types of capital expenditures – December 31, 2022

**Responsible Official:** J.D. Strong, Director, Oklahoma Department of Wildlife Conservation

- **Unreported Program Income—Questioned Costs of $20,779**

  **OIG Recommendation 11:** Resolve the questioned costs of $27,705 ($20,779 Federal share) related to unreported program income

  **ODWC Response:** ODWC agrees to treat Conservation Passport revenue as program income going forward, and procedures have been implemented. However, given the previous ambiguity, we do not concur with questioned costs for the time period covered.

  ODWC has not historically considered Conservation Passport revenue to be a direct result of a grant-related activity. The types of recreational activities for which a Conservation Passport would be needed (non-consumptive uses) are ancillary to the primary goals of WMA management (hunting and fishing).

  In addition, ODWC views the Conservation Passport as a license, and protects the revenue as we protect hunting and fishing license revenue. Hunting and fishing licenses are not considered program income, and therefore the Conservation Passport has not historically been treated as program income either. All of this was discussed with OIG during the FY13-14 audit cycle. It was part of the information collection (see Attachment 3, Program Income section on page 2) and also discussed during an on-site meeting. No change was recommended by OIG then, therefore ODWC does not believe this report should present Recommendation 11 as a questioned cost.

  Very few Conservation Passports are sold each year, as evidenced by the relatively small amount of revenue earned in two years ($27,705) as compared to the expenditures on the six grants cited during the same two years ($14,343,245).

  In light of all these factors, we suggest a more appropriate approach would be to remove Recommendation 11 and keep something similar to Recommendation 12, directing ODWC to begin attributing this revenue as program income, allocated across associated grants, going forward. In fact, ODWC has already implemented this change, effective July 1, 2021. Prior Conservation Passport revenue should not result in a questioned cost, given that we were acting in good faith following the prior OIG audit.

  **Action Taken:** ODWC began capturing Conservation Passport sales as program income effective July 1, 2021, allocated across grants as appropriate (see Attachment 4).

  **Target Date:** TBD – depending on resolution with WSFR.
Responsible Official: J.D. Strong, Director, Oklahoma Department of Wildlife Conservation

OIG Recommendation 12: Develop and implement controls that ensure program income attributable to conservation passport sales is properly allocated to the associated grants

ODWC Response: ODWC concurs and began allocating Conservation Passport sales as program income effective July 1, 2021.

Action Taken: ODWC began capturing Conservation Passport sales as program income effective July 1, 2021, allocated across grants as appropriate (see Attachment 4).

Target Date: Completed.

Responsible Official: J.D. Strong, Director, Oklahoma Department of Wildlife Conservation

- Unsupported In-Kind Contributions—Questioned Costs of $1,339

OIG Recommendation 13: Resolve the questioned costs related to unsupported in-kind contributions totaling $1,785 ($1,339 Federal share)

ODWC Response: ODWC concurs with this recommendation and will work with WSFR to resolve. However, the amount of emphasis on this topic seems out of proportion to the amount in question, for a state which largely got it right.

Action Planned: Continue discussions with WSFR regarding these questioned costs.

Target Date: TBD - depending on resolution with WSFR.

Responsible Official: J.D. Strong, Director, Oklahoma Department of Wildlife Conservation

OIG Recommendation 14: Implement policies and procedures that ensure hours valued at a certified instructor rate are volunteered by certified instructors

ODWC Response: Completed/no longer applicable. ODWC has discontinued the valuation of aquatic education volunteer time as match. Should volunteer time become a source of match we opt to pursue in the future, we will revisit policies and procedures which ensure hours valued at a certified rate are volunteered by certified instructors.

Action Taken: ODWC discontinued use of volunteer time as in-kind match.

Target Date: Completed / Not Applicable.

Responsible Official: J.D. Strong, Director, Oklahoma Department of Wildlife Conservation
B. Control Deficiencies

• Improper Subaward Versus Contract Determinations

OIG Recommendation 15: Develop and implement more specific guidance for determining whether WSFR funds passthrough as subawards or contracts

ODWC Response: ODWC concurs with this recommendation and has further refined procedures to identify subawards, but requests further guidance from WSFR to fully understand the issue.

During the two fiscal years covered in the scope of this audit, ODWC correctly classified 79 subawards using WSFR funding, 33 of which were funded using Sport Fish or Wildlife Restoration program funding. (The remainder were funded through the State Wildlife Grants and Section 6 Cooperative Endangered Species programs, also administered by WSFR.) ODWC believes the four agreements OIG cited as misclassified were in the “gray area,” having some characteristics of a subaward and some characteristics of a contract. ODWC believed we were using judgement in accordance with 2 CFR 200.331(c) in classifying these agreements as contracts. ODWC was previously taught by WSFR trainers that as long as States could articulate the logic behind their determinations in gray-area cases, the determinations themselves would not result in an audit finding. OIG and ODWC discussed two of the questioned agreements in the NPRF on this topic, but there was no discussion on the other two.

ODWC is keenly aware of ongoing concerns regarding subawards and has been striving toward adjustments to our process as new guidance is provided. The OIG Management Advisory to WSFR was released September of 2019, WSFR’s response (guidance to States) was released May 2020, and the agreements questioned in this audit predate both of the above. To cite this as control deficiency, when ODWC properly identified 79 subawards during the audit period, is an overstatement for a State which largely got it right.

Action Taken: Procedures updated (see Attachment 5).

Action Planned: In light of OIG’s disagreement with our determination, we will re-examine these four agreements going forward. However, given that ODWC believed we correctly classified these agreements from the onset, we cannot fully implement the recommendation (i.e., develop more specific guidance for ODWC employees) without additional clarity or guidance from WSFR.

Target Date: December 31, 2022.

Responsible Official: J.D. Strong, Director, Oklahoma Department of Wildlife Conservation

OIG Recommendation 16: Develop and implement procedures to ensure compliance, where applicable, with 2 C.F.R. § 200.331 and FFATA requirements for the proper administration and reporting of subawards
ODWC Response: ODWC concurs and has completed a review and update of procedures related to subawards. Prior to the audit, ODWC was already identifying subawards, undertaking risk assessments, monitoring, and completing FFATA reporting.

Action Taken: We have completed a review and update of procedures related to subawards. Should recommendation 15 above result in needed edits, procedures will be updated accordingly. See Attachment 6.

Target Date: Completed.

Responsible Official: J.D. Strong, Director, Oklahoma Department of Wildlife Conservation

- Inadequate Subaward Contents

OIG Recommendation 17: Develop and implement a process to ensure all subaward agreements contain all data elements required by Federal regulations stated at 2 C.F.R. § 200.332

ODWC Response: ODWC concurs and considers this recommendation resolved. We followed guidance from OIG to develop a new template in March of 2021, which was then implemented with the new fiscal year (July 2021).

Action Taken: In March of 2021, ODWC developed a template for inclusion in subaward cooperative agreements, to easily address all fourteen required elements (see Attachment 7). The template was implemented for subawards effective July 1, 2021.

Target Date: Completed.

Responsible Official: J.D. Strong, Director, Oklahoma Department of Wildlife Conservation

- Inadequate Subrecipient Performance Monitoring

OIG Recommendation 18: Ensure the complex is ADA compliant and has features as specified in the MOA

ODWC Response: ODWC concurs and considers this recommendation resolved. The subrecipient has provided ADA features as specified in the MOA.

Action Taken: The subrecipient created ADA parking and restrooms (see Attachment 8).

Target Date: Completed.

Responsible Official: J.D. Strong, Director, Oklahoma Department of Wildlife Conservation
OIG Recommendation 19: Ensure the complex is open the minimum days and hours required by the MOA

ODWC Response: ODWC concurs and considers this recommendation resolved. The subrecipient has updated hours of operation to comply with the MOA.

Action Taken: After completion of the construction phase and close out of the grant, the subrecipient expanded hours of operation to become compliant with the MOA (see Attachment 9).

Target Date: Completed.

Responsible Official: J.D. Strong, Director, Oklahoma Department of Wildlife Conservation

OIG Recommendation 20: Develop and implement monitoring procedures to ensure subrecipient compliance with the terms of subaward agreements

ODWC Response: ODWC concurs and considers this recommendation resolved. Subrecipient monitoring procedures have been updated and implemented.

Action Taken: ODWC has updated and implemented long-term subrecipient monitoring procedures (see Attachment 10).

Target Date: Completed.

Responsible Official: J.D. Strong, Director, Oklahoma Department of Wildlife Conservation

• Improper Leave Accounting

OIG Recommendation 21: Implement policies and procedures that ensure leave allocated to a grant code does not exceed the value of leave earned on that grant

ODWC Response: ODWC concurs and is in the process of migrating to a new system which should address the issue. This solution is used across state Government in Oklahoma with other agencies that track valuations related to federal grant awards. ODWC is working with the state’s Office of Management Enterprise System to expedite implementation.

Action Planned: ODWC is in the process of transitioning to new systems which should address this issue.

Target Date: June 30, 2024

Responsible Official: J.D. Strong, Director, Oklahoma Department of Wildlife Conservation
## Appendix 5: Status of Recommendations

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Status</th>
<th>Action Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>17–18</td>
<td>Resolved and implemented.</td>
<td>No action is required.</td>
</tr>
<tr>
<td>1–16, 19–21</td>
<td>Resolved but not implemented:</td>
<td>Complete a corrective action plan that includes information on actions taken or planned to address the recommendations, target dates and titles of the officials responsible for implementation, and verification that FWS headquarters officials reviewed and approved the actions the State has taken or planned.</td>
</tr>
<tr>
<td></td>
<td>U.S. Fish and Wildlife Service (FWS) regional officials concurred with these recommendations and will work with staff from the Oklahoma Department of Wildlife Conservation to develop and implement a corrective action plan.</td>
<td></td>
</tr>
</tbody>
</table>


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