



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



# Audit

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

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

JAN 26 2026

Memorandum

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

From: Colleen Kotzmoyer   
Director, Contract and Grant Audit Division

Subject: Final Audit Report – *Wildlife and Sport Fish Restoration Grants Awarded to the State of South Dakota by the U.S. Fish and Wildlife Service*  
Report No. 2024-CGD-041

This report presents the results of our audit of costs claimed by the South Dakota Department of Game, Fish, and Parks (Department) under grants awarded by the U.S. Fish and Wildlife Service (FWS) through the Wildlife and Sport Fish Restoration Program.

We provided a draft of this report to FWS. FWS concurred with all four recommendations and will work with the Department to implement corrective actions. The full responses from FWS and the Department are included in Appendix 2. In this report, we summarize the FWS and Department responses to our recommendations, as well as our comments on their responses. We list the status of the recommendations in Appendix 3. We note that the process to finalize this report was delayed due to the Federal government shutdown.

We will track open recommendations for resolution and implementation. 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 [aie\\_reports@doioig.gov](mailto:aie_reports@doioig.gov).

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# Introduction

## Objectives

In March 2021, 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 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 South Dakota Department of Game, Fish, and Parks (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 scope of our audit was State fiscal years (SFYs) ending June 30, 2023, and June 30, 2024.

See Appendix 1 for details about our scope and methodology.

## Background

FWS provides grants to States<sup>1</sup> 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.<sup>2</sup> In general, the Acts and related Federal regulations allow 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. The reimbursement amount is called the Federal share and the portion the States must match is called the State share. To meet the State-share requirement, the Department used hunting and fishing license revenues, third-party matches, and in-kind contributions.<sup>3</sup> 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.

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<sup>1</sup> 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).

<sup>2</sup> Formally known, respectively, as the Federal Aid in Wildlife Restoration Act, 16 U.S.C. § 669, as amended, and the Federal Aid in Sport Fish Restoration Act, 16 U.S.C. § 777, as amended.

<sup>3</sup> License revenues are from the sale of hunting and fishing licenses or permits; third-party match are non-cash contributions, such as donated equipment or volunteer services; and in-kind contributions may be volunteer hours recorded in place of payroll expenses.

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# Results of Audit

We determined that the Department generally ensured that grant funds and State hunting and fishing license revenue were used for allowable fish and wildlife activities and complied with applicable laws and regulations, FWS guidelines, and grant agreements. However, we identified concerns regarding grant performance reporting and subaward management.

## Insufficient Performance Reporting

A non-Federal entity must monitor activities under Federal awards to ensure the activities comply with all requirements and achieve performance expectations.<sup>4</sup> Performance reports must contain reliable financial data and project accomplishments to the performance goals, objectives of the Federal award, and cost information to demonstrate cost-effective practices. They must also clearly indicate a standard against which the recipient's or subrecipient's performance can be measured. In addition, performance reports should contain information on a comparison of accomplishments to the objectives of the Federal award, explanations on why established goals or objectives were not met, and an explanation of cost overruns or higher-than-expected costs.<sup>5</sup> Additionally, the non-Federal entity must inform the Federal awarding agency as soon as problems, delays, or adverse conditions arise that will impact the recipient's ability to meet the Federal award's objective. When significant developments occur that negatively impact the Federal award, recipients must include information on their plan for corrective action and any assistance needed to resolve the issues.<sup>6</sup>

We found that the Department did not adequately explain in its performance reports why performance objectives were not met on one of the five grants we sampled.<sup>7</sup> Specifically, the Department did not meet two of the three objectives associated with Grant No. F23AF00601 and the performance report did not adequately justify why the deficiencies occurred. Grant No. F23AF00601 had three objectives: (1) conduct 12 training events for instructors; (2) have 5,700 students complete hunter education training; and (3) provide training to 350 trainers/mentors on hunter, archery, and trapper education. Despite drawing down the full Federal share of \$529,712 to meet these objectives, the Department did not accomplish two grant objectives.<sup>8</sup> According to the Department's performance report, only six training events (50 percent) took place and only 22 trainers/mentors (6.29 percent) received training. The performance report did not explain why the Department did not meet the two objectives, nor did it describe any cost overruns, higher-than-anticipated costs, or plans to reallocate funding from one objective to another.

The Assistant Federal Aid Coordinator told us that the Department maintains records explaining why projects were not completed but there is no requirement to add this information to the performance report. The Department explained in its justification for Grant No. F23AF00601 that one of the training courses had been pushed back to the following year and that the Department planned to provide new online instructor-led courses instead of localized in-person training workshops. We were also told that a lot of planning goes into setting up training events for instructors. Funds were used to coordinate and plan the training even though the event was not held that year; however, no funds were used to host or administer the training (such as paying for travel, the venue, instructors, etc.).

We noted that the Department does not have a policy or provide formal training to individuals who are responsible for preparing performance reports. Department personnel responsible for writing performance

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<sup>4</sup> 2 C.F.R. § 200.329(a).

<sup>5</sup> 2 C.F.R. § 200.329(b) & (c)(2)(i)(ii)(iii).

<sup>6</sup> 2 C.F.R. § 200.329(e).

<sup>7</sup> While the performance reports did not adequately explain why objectives were not met, the Department was, upon request, able to provide support for the amount drawn. Therefore, we are not questioning costs.

<sup>8</sup> The Department met and exceeded expectations on the second objective, having trained 8,811 students in hybrid and independent study virtual courses.

reports can attend the U.S. Fish and Wildlife Service Basic Grants Management Class, which includes a section on performance reporting and 2 C.F.R. § 200.329 compliance. However, in this instance, only the Federal Aid Coordinator attended the training, who then relayed the information on performance reporting to those responsible for writing the reports.

Because the Department did not properly report grant performance shortfalls, FWS was not aware of why performance objectives were incomplete.<sup>9</sup> Additionally, the Department did not communicate whether it planned to allocate the funds intended for those activities to other grants, resulting in a loss of accountability for grant funds and an increased risk of fraud and waste. As previously mentioned, the performance reports did not adequately explain why objectives were not met; however, the Department was able to provide support for the amount drawn. Therefore, we are not questioning costs.

## Recommendations

We recommend that FWS require the Department to:

1. Develop and implement policies and procedures to ensure performance reports developed by South Dakota Department of Game, Fish, and Parks personnel adhere to the requirements outlined in 2 C.F.R. § 200.329.
2. Develop or obtain training for South Dakota Department of Game, Fish, and Parks personnel who develop performance reports to ensure compliance with the requirements of 2 C.F.R. § 200.329.

## Inaccurate Subaward Determinations

A subrecipient is an entity that receives a subaward from a pass-through entity—in this case, the Department—to carry out part of a Federal program.<sup>10</sup> Conversely, a contractor normally operates in a competitive environment.<sup>11</sup> 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, a State fish and wildlife agency must determine whether the entity receiving Federal funds is a subrecipient or a contractor.<sup>12</sup> Each designation entails different requirements for award decisions, performance monitoring, and reporting.

A non-Federal agency can be classified as a subrecipient when it, in accordance with its agreement, uses 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.<sup>13</sup>

The pass-through entity must use judgment in classifying each agreement as a subaward or a procurement contract. In making this determination, the substance of the relationship is more important than the form of the agreement.<sup>12</sup>

We found that the Department did not always correctly identify agreements as subawards. We reviewed classifications associated with four contracts and identified that the Department had misclassified a memorandum of understanding (MOU) on Grant No. F23AF00123 as a contract, despite it having characteristics indicative of a subrecipient. For example, the goals of the MOU include enhancing wildlife

<sup>9</sup> We also note that FWS did not question the Department's performance reporting omissions we identified.

<sup>10</sup> 2 C.F.R. § 200.1 "subrecipient."

<sup>11</sup> 2 C.F.R. § 200.331(b).

<sup>12</sup> 2 C.F.R. § 200.331.

<sup>13</sup> 2 C.F.R. § 200.331(a).

habitat on Department land, assisting with various facets of the hunting access programs, and developing a mutually agreed-upon annual work plan. These activities align with WSFR goals and serve a public purpose.

While the Department's Finance Officer completed a determination checklist for this MOU—as required by Department policy—we found not all questions in the checklist were accurately answered. For example, the individual completing the checklist did not capture that the MOU used Federal funds to carry out a program for a public purpose or aligned the subrecipient's objectives with the mission of the State agency and objectives of the grant. As the Department only has one individual completing these checklists, there is no need to develop internal training on this topic. However, the FWS Office of Conservation Investment grants management training includes detailed information on subrecipient versus contractor determinations.

Not appropriately classifying agreements as a contract or a subaward prevents the Department from applying proper regulations and Department policies. Additionally, inadequate monitoring of subrecipients could result in inappropriate use of Federal funds. Further, in our 2019 management advisory issued to FWS,<sup>14</sup> we outlined the lack of transparency regarding the use of Federal funds and implications to contractor processes and controls as some of the key impacts of misclassifying subawards.

## Recommendations

We recommend that FWS require the Department to:

3. Review all open contracts associated with Wildlife and Sport Fish Restoration Program grants to determine if any contracts should have been classified as a subaward. If such contracts are found, amend the agreements and include all required elements, conduct risk assessments, develop monitoring plans, and report on SAM.gov as necessary.
4. Develop or obtain training on how to determine whether the party receiving Wildlife and Sport Fish Restoration Program funds is a subrecipient or a contractor per Federal regulations.

<sup>14</sup> *Issues Identified with State Practices in Subaward Administration for Wildlife and Sport Fish Restoration Program Grants* (Report No. 2018-CR-064), issued September 2019.



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# Recommendations Summary

We provided a draft of this report to FWS for review. FWS concurred with the four recommendations. We consider Recommendations 1 through 4 resolved. Below we summarize the FWS and Department responses to our recommendations, as well as our comments on their responses. See Appendix 2 for the full text of the FWS and Department responses; Appendix 3 lists the status of each recommendation.

We recommend that FWS require the Department to:

1. Develop and implement policies and procedures to ensure performance reports developed by South Dakota Department of Game, Fish, and Parks personnel adhere to the requirements outlined in 2 C.F.R. § 200.329.

**FWS Response:** FWS concurred with the recommendation, adding that it will conduct “thorough reviews of grantee performance reports to ensure compliance with 2 C.F.R. § 200.329.”

**Department Response:** The Department concurred with the recommendation and stated that it will review current performance report procedures and adjust procedures so that variances between projected and actual performance objective accomplishments are formally identified, explained, and justified within the performance report.

**OIG Response:** Based on FWS and Department responses, we consider this recommendation resolved. We will consider this recommendation implemented when FWS provides documentation to support the actions taken by the Department, to include developing and implementing policies and procedures that adhere to the requirements outlined in 2 C.F.R. § 200.329. The target implementation date is April 10, 2026.

2. Develop or obtain training for South Dakota Department of Game, Fish, and Parks personnel who develop performance reports to ensure compliance with the requirements of 2 C.F.R. § 200.329.

**FWS Response:** FWS concurred with the recommendation and stated it would encourage continuous participation in updated training resources that reinforce regulatory standards and enhance performance oversight.

**Department Response:** The Department concurred with the recommendation and stated it will identify relevant staff and update training to ensure projected versus actual performance objective accomplishments are identified, explained, and justified in performance reports.

**OIG Response:** Based on FWS and Department responses, we consider this recommendation resolved. We will consider this recommendation implemented when FWS provides documentation to support that the Department has ensured relevant personnel receive training on performance reporting requirements. The target implementation date is April 10, 2026.

3. Review all open contracts associated with Wildlife and Sport Fish Restoration Program grants to determine if any contracts should have been classified as a subaward. If such contracts are found, amend the agreements and include all required elements, conduct risk assessments, develop monitoring plans, and report on SAM.gov as necessary.

**FWS Response:** FWS concurred with the recommendation and stated it would provide oversight to ensure all open agreements related to WSFR have been accurately classified. If any agreement needs to be classified as a subaward, it will be amended to include all required elements and Department personnel will conduct risk assessments, develop monitoring plans, and report on SAM.gov, as necessary..



**Department Response:** The Department concurred with the recommendation and stated it will review all open contracts associated with WSFR grants to determine if any should have been classified as a subaward. If so, it will amend the agreements and include all required elements, conduct risk assessments, develop monitoring plans, and report on SAM.gov as necessary.

**OIG Response:** Based on FWS and Department responses, we consider this recommendation resolved. We will consider this recommendation implemented when FWS provides documentation to support the actions taken by the Department. The target implementation date is April 10, 2026.

4. Develop or obtain training on how to determine whether the party receiving Wildlife and Sport Fish Restoration Program funds is a subrecipient or a contractor per Federal regulations.

**FWS Response:** FWS concurred with the recommendation and stated that it would provide oversight to ensure the Department receives training on subrecipient and contractor determinations consistent with Federal regulations.

**Department Response:** The Department concurred with the recommendation and stated it would “assign the agency’s finance officer to participate in additional training development related to the completion of contractor vs subrecipient determination classifications.”

**OIG Response:** Based on FWS and Department responses, we consider this recommendation resolved. We will consider this recommendation implemented when FWS provides documentation to support that relevant Department personnel received training on how to determine whether the party receiving WSFR funds is a subrecipient or contractor per Federal regulations. The target implementation date is April 10, 2026.

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# Appendix 1: Scope and Methodology

## Scope

We audited the South Dakota Department of Game, Fish, and Parks' (Department's) use of grants awarded by the U.S. Fish and Wildlife Service (FWS) under the Wildlife and Sport Fish Restoration Program (WSFR). We reviewed 12 grants that were open during the State fiscal years (SFYs) ending June 30, 2023, and June 30, 2024. During the audit period, there were 49 grants that claimed \$68.4 million in expenditures. We reviewed 12 grants with \$16 million in Federal expenditures (approximately 32 percent of Federal expenditures made during the audit period). We also reviewed license revenue during the same period. In addition, we reviewed historical records for the acquisition, condition, management, and disposal of real property purchased with either license revenue or WSFR grant funds.

## 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 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.
- Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.

We tested the design, implementation, and operating effectiveness of internal controls over activities related to our audit objective. Our tests and procedures included:

- Examining the evidence that supports selected expenditures that the Department charged to the grants.
- Reviewing transactions related to purchases, direct costs, drawdowns of reimbursements, in-kind contributions, and program income.
- Interviewing Department leadership and employees.
- Determining whether the Department used hunting and fishing license revenue for the administration of allowable 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.

- Determining whether the Department charged the State's unfunded pension liabilities to WSFR grants. Department officials stated that the Department did not have unfunded pension liabilities, and our review of the general ledger confirmed that unfunded pension liabilities were not charged to WSFR grants.
- Reviewing the fringe benefits charged during the payroll process to understand the coding for payroll deductions and to determine whether the fringe benefit codes are allowable, allocable, and reasonable.

We found an internal control deficiency that we discussed in the "Results of Audit" section of our report and made recommendations to address the issue.

Based on the results of our initial assessments, we assigned a level of risk and selected a judgmental sample of 12 out of 49 grants with activity during our audit period. This included grants for Construction, Equipment/Building/Design, Land and Building Maintenance, Land Development and Maintenance, Land Leasing, and Training/Education.

Our review of these grants included assessments on the following:

- Budgeted and actual costs incurred.
- Grant claims and corresponding drawdowns.
- Application of the negotiated indirect cost rate agreement.
- Recognition and application of program income.
- Payroll allocations.
- Management of real property.
- Validation and application of in-kind contributions.
- Classification and administration of subawards.
- Progress of agreed-upon grant objectives.

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; 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 South Dakota fish and wildlife agency and that agency's management of WSFR resources and license revenue.

The Department 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 the Department claimed on WSFR grants.<sup>15</sup> We followed up on three recommendations from the 2018 report and three from the 2013 report. All recommendations have been implemented and are considered resolved. For implemented recommendations, we verified the Department has taken the appropriate corrective actions.

## State Audit Reports

We reviewed the single audit reports for SFYs 2023 and 2024 to identify control deficiencies or other reportable conditions that affect WSFR. In those reports, the Schedule of Expenditures of Federal Awards indicated \$43.1 million (combined) in Federal expenditures related to WSFR. Neither of these reports identified WSFR as a major Federal program or contained any findings that would directly affect the program grants.

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<sup>15</sup> U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of South Dakota, Department of Game, Fish and Parks, From July 1, 2015, Through June 30, 2017 (Report No. 2018-CR-001), issued March 2019.

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of South Dakota, Department of Game, Fish and Parks, From July 1, 2010, Through June 30, 2012 (Report No. R-GR-FWS-0003-2013), issued June 2013.

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## **Appendix 2: Responses to Draft Report**

The U.S. Fish and Wildlife Service's and South Dakota Department of Game, Fish, and Parks' response to our draft report follows on page 11.



# United States Department of the Interior

FISH AND WILDLIFE SERVICE  
Washington, D.C. 20240



In Reply Refer To:  
FWS/ADCI/083383

## MEMORANDUM

To: Regional Director, Region 6

From: Acting Assistant Director, Office of Conservation Investment **MATTHEW FILSINGER**

Subject: Draft Corrective Action Plan for Draft Audit Report No. 2024-CGD-041,  
"Wildlife and Sport Fish Restoration Grants Awarded to the State of South Dakota by the  
U.S. Fish and Wildlife Service," issued August 27, 2025

Digitally signed by MATTHEW  
FILSINGER  
Date: 2025.10.07 12:44:24 -04'00'

The Headquarters Office, Division of Financial Assistance Support and Oversight (FASO) has reviewed the draft Corrective Action Plan (CAP) for the above referenced report. Based on our review of the information provided by Region 6, we conclude that the proposed corrective actions adequately address and resolve each recommendation. In accordance with USFWS Service Manual Chapters, 417 FW 1, and our review, we concur with this CAP.

We have forwarded the CAP along with this signed memo to the Division of Policy, Economics, Risk Management and Analytics (PERMA), who will review and submit to the OIG by the October 14, 2025 due date.

If you have any questions concerning this matter or require further information, please contact Sherry Martin, FASO Compliance Branch Accountant, at 404-960-0927 or by email at [sherry\\_martin@fws.gov](mailto:sherry_martin@fws.gov).

Attachment



# United States Department of the Interior

## FISH AND WILDLIFE SERVICE Mountain-Prairie Region



IN REPLY REFER TO:  
FWS/R6/CI

MAILING ADDRESS:  
Post Office Box 25486  
Denver Federal Center  
Denver, Colorado 80225

STREET LOCATION:  
1 Denver Federal Center  
Building 53, Room FW-100  
Denver, Colorado 80225

### Memorandum

September 29, 2025

To: Headquarters Office, Division of Financial Services Support and Oversight  
Attn: Sherry Martin, Team Lead, Branch of Policy and Compliance

From: Regional Manager, Office of Conservation Investment, Region 6

Subject: Draft Corrective Action Plan for the U.S. Fish and Wildlife Service  
Wildlife and Sport Fish Restoration Program Grants Awarded to the State of  
South Dakota Department of Game, Fish, and Parks ("the agency") from  
July 1, 2022 and ending June 30, 2024: Report No. 2024-CGD-041

Attached for your approval is the Draft Corrective Action Plan (CAP) that was prepared collaboratively the U.S. Fish and Wildlife Service, Region 6 and South Dakota Department of Game, Fish, and Parks.

If you have any questions about the Corrective Action Plan, please contact Joanna Knight-Williams, Grant Fiscal Officer, at [joanna\\_knight-williams@fws.gov](mailto:joanna_knight-williams@fws.gov).

Attachment

Cc: Ryan Oster, Acting Division Manager, FASO



**Corrective Action Plan**  
**Audit Report No. 2024-CGD-041**  
**U.S. Fish and Wildlife Service Grants**  
**Awarded to South Dakota Department of Game, Fish, and Parks**  
**From July 1, 2022 through June 30, 2024**  
**Wildlife and Sport Fish Restoration Program**

**Corrective Actions and Resolution of Recommendations**

**Recommendation #1:** We recommend that FWS require the Department to develop and implement policies and procedures to ensure performance reports developed by South Dakota Department of Game, Fish, and Parks personnel adhere to the requirements outlined in 2 C.F.R. § 200.329.

**FWS Response:** FWS concurs with the recommendation.

We will require the Department to develop and implement policies and procedures to ensure performance reports developed by South Dakota Department of Game, Fish, and Parks personnel adhere to the requirements outlined in 2 C.F.R. § 200.329.

We will conduct thorough reviews of grantee performance reports to ensure compliance with 2 CFR §200.329. To support this responsibility, FWS will encourage continuous staff participation in up-to-date training resources, reinforcing regulatory standards and enhancing the quality of performance oversight.

**Agency Response:** The Department concurs with the recommendation.

We will develop and implement policies and procedures to ensure performance reports developed by South Dakota Department of Game, Fish, and Parks personnel adhere to the requirements outlined in 2 C.F.R. § 200.329

To address this recommendation, the Department will 1) identify agency staff that develop and submit or assist with the development and submission of performance reports for wildlife and sport fish restoration program grant awards, 2) review current performance report procedures and adjust procedures/training so that the variances between projected/anticipated performance objectives vs. actual/realized performance objectives accomplishments are formally identified, explained, described, and justified within the formal agency submitted performance reports.

**Status:** FWS considers this recommendation resolved but not yet implemented.

Once the Department submits the new or updated policies and procedures, along with evidence that those have been shared with appropriate staff for implementation, we will review and determine if the documentation is sufficient to support a closure request for the finding. If we have concerns with the documentation received, we will reach out to the Department for further discussion. If the documentation is acceptable, we will forward the closure request to the Department of Interior, Office of Inspector General (OIG).

**Additional Information:****Name and title of individual responsible for resolving this issue:**

██████████ Finance Officer, SD Department of Game, Fish & Parks

**Key Dates**

1. Date the Department will submit closure package to FWS Regional Office: December 31, 2025
2. Date FWS Regional Office will submit closure package to FWS HQ Compliance Branch: February 27, 2026
3. Date HQ will submit closure package to FWS Division of Policy, Economics, Risk Management, and Analytics (PERMA): March 27, 2026
4. Date PERMA will submit closure package to OIG: April 10, 2026

**Recommendation #2:** We recommend that FWS require the Department to develop or obtain training for South Dakota Department of Game, Fish, and Parks personnel who develop performance reports to ensure compliance with the requirements of 2 C.F.R. § 200.329.

**FWS Response:** FWS concurs with the recommendation.

We will require the Department to develop or obtain training for South Dakota Department of Game, Fish, and Parks personnel who develop performance reports to ensure compliance with the requirements of 2 C.F.R. § 200.329.

FWS will conduct thorough reviews of grantee performance reports to ensure compliance with 2 CFR §200.329. To support this responsibility, we will encourage continuous staff participation in up-to-date training resources, reinforcing regulatory standards and enhancing the quality of performance oversight.

**Agency Response:** The Department concurs with the recommendation.

We will develop or obtain training for South Dakota Department of Game, Fish, and Parks personnel who develop performance reports to ensure compliance with the requirements of 2 C.F.R. § 200.329.

To address this recommendation, the Department will 1) identify agency staff that develop and submit or assist with the development and submission of performance reports for wildlife and sport fish restoration program grant awards, 2) review current performance report procedures and adjust procedures/training so that the variances between projected/anticipated performance objectives vs. actual/realized performance objectives accomplishments are formally identified, explained, described, and justified within the formal agency submitted performance reports.

**Status:** FWS considers this recommendation resolved but not yet implemented.

Once the Department submits documentation demonstrating that staff who develop performance reports have received the recommended training (include sign in sheets, or screen captures of online attendance, as well as training materials used), we will review and determine whether it is sufficient evidence to support a closure request for the finding. If we have concerns with the documentation received, we will reach out to the Department for further discussion. If the documentation is acceptable, we will forward the closure request to the Department of Interior, Office of Inspector General (OIG).

**Additional Information:**

**Name and title of individual responsible for resolving this issue:**

 Finance Officer, SD Department of Game, Fish & Parks

**Key Dates**

1. Date the Department will submit closure package to FWS Regional Office: December 31, 2025
2. Date FWS Regional Office will submit closure package to FWS HQ Compliance Branch: February 27, 2026
3. Date HQ will submit closure package to FWS Division of Policy, Economics, Risk Management, and Analytics (PERMA): March 27, 2026
4. Date PERMA will submit closure package to OIG: April 10, 2026

**Recommendation #3:** We recommend that FWS require the Department to review all open contracts associated with Wildlife and Sport Fish Restoration Program grants to determine if any should have been classified as a subaward. If so, amend the agreements and include all required elements, conduct risk assessments, develop monitoring plans, and report on SAM.gov as necessary.

**FWS Response:** FWS concurs with the recommendation.

We will require the Department to review all open contracts associated with Wildlife and Sport Fish Restoration Program grants to determine if any should have been classified as a subaward. If so, that they amend the agreements and include all required elements, conduct risk assessments, develop monitoring plans, and report on SAM.gov as necessary.

FWS will provide oversight to ensure all open agreements with the Wildlife and Sport Fish Restoration Program have been accurately classified. We will provide oversight to ensure that all amended agreements include the required elements, risk assessments, developed monitoring plans and report on SAM.gov.

**Agency Response:** The Department concurs with the recommendation.

We will review all open contracts associated with Wildlife and Sport Fish Restoration Program grants to determine if any should have been classified as a subaward. If so, we will amend the agreements and include all required elements, conduct risk assessments, develop monitoring plans, and report on SAM.gov as necessary.

To address this recommendation, the agency will 1) review all open contracts with nongovernmental organizations, state and local public/governmental organizations, and research partners associated with wildlife and sportfish restoration program grant awards to ensure that the formally adopted statewide contractor vs. subrecipient determination forms have been completed properly, and 2) assign the agency's finance officer to participate in additional training development related to the completion of contractor vs. subrecipient determination classifications. Any existing determination forms identified to be improperly classified will be updated and agreements amended to include all required subrecipient elements including risk assessments, monitoring plans, and reporting through SAM.gov.

**Status:** FWS considers this recommendation resolved but not yet implemented.

Once the agency submits documentation demonstrating that the approved corrective actions were completed, we will review and determine whether it is sufficient evidence to support a closure request for the finding. If we have concerns with the documentation received, we will reach out to the agency for further discussion. If the documentation is acceptable, we will forward the closure request to the Department of Interior, Office of Inspector General (OIG).

**Additional Information:**

**Name and title of individual responsible for resolving this issue:**

 Finance Officer, SD Department of Game, Fish & Parks

**Key Dates**

1. Date the Department will submit closure package to FWS Regional Office: December 31, 2025
2. Date FWS Regional Office will submit closure package to FWS HQ Compliance Branch: February 27, 2026
3. Date HQ will submit closure package to FWS Division of Policy, Economics, Risk Management, and Analytics (PERMA): March 27, 2026
4. Date PERMA will submit closure package to OIG: April 10, 2026

**Recommendation #4:** We recommend that FWS require the Department to develop or obtain training on how to determine whether the party receiving Wildlife and Sport Fish Restoration Program funds is a subrecipient or a contractor per Federal regulation.

**FWS Response:** FWS concurs with the recommendation.

We will require the Department to develop or obtain training on how to determine whether the party receiving Wildlife and Sport Fish Restoration Program funds is a subrecipient or a contractor per Federal regulation.

We will provide oversight to ensure that the Department develops or obtains training on subrecipient and contractor determinations in accordance with 2 CFR 200.331.

**Agency Response:** The Department concurs with the recommendation.

We will develop or obtain training on how to determine whether the party receiving Wildlife and Sport Fish Restoration Program funds is a subrecipient or a contractor per Federal regulation.

To address this recommendation, the agency will 1) review all open contracts with nongovernmental organizations, state and local public/governmental organizations, and research partners associated with wildlife and sportfish restoration program grant awards to ensure that the formally adopted statewide contractor vs. subrecipient determination forms have been completed properly, and 2) assign the agency's finance officer to participate in additional training development related to the completion of contractor vs. subrecipient determination classifications. Any existing determination forms identified to be improperly classified will be updated and agreements amended to include all required subrecipient elements including risk assessments, monitoring plans, and reporting through SAM.gov.

**Status:** FWS considers this recommendation resolved but not yet implemented.

Once the Department submits documentation demonstrating that staff who develop performance reports have received the recommended training (include sign in sheets, or screen captures of online attendance, as well as training materials used), we will review and determine whether it is sufficient evidence to support a closure request for the finding. If we have concerns with the documentation received, we will reach out to the Department for further discussion. If the documentation is acceptable, we will forward the closure request to the Department of Interior, Office of Inspector General (OIG).

**Additional Information:**

**Name and title of individual responsible for resolving this issue:**

[REDACTED] Finance Officer, SD Department of Game, Fish & Parks

**Key Dates**

1. Date the Department will submit closure package to FWS Regional Office: December 31, 2025
2. Date FWS Regional Office will submit closure package to FWS HQ Compliance Branch: February 27, 2026
3. Date HQ will submit closure package to FWS Division of Policy, Economics, Risk Management, and Analytics (PERMA): March 27, 2026
4. Date PERMA will submit closure package to OIG: April 10, 2026

# Appendix 3: Status of Recommendations

Recommendation	Status	Action Required
<b>2024-CGD-041-01</b> We recommend that the U.S. Fish and Wildlife Service (FWS) require that the South Dakota Department of Game, Fish, and Parks (Department) develop and implement policies and procedures to ensure performance reports developed by South Dakota Department of Game, Fish, and Parks personnel adhere to the requirements outlined in 2 C.F.R. § 200.329.		
<b>2024-CGD-041-01-02</b> We recommend that FWS require that the Department develop or obtain training for South Dakota Department of Game, Fish, and Parks personnel who develop performance reports to ensure compliance with the requirements of 2 C.F.R. § 200.329.	<b>Resolved:</b> FWS regional officials concurred with the recommendations and will work with staff from the Department to implement corrective actions.	We will track implementation.
<b>2024-CGD-041-01-03</b> We recommend that FWS require the Department to review all open contracts associated with Wildlife and Sport Fish Restoration Program grants to determine if any contracts should have been classified as a subaward. If such contracts are found, amend the agreements and include all required elements, conduct risk assessments, develop monitoring plans, and report on SAM.gov as necessary.		
<b>2024-CGD-041-01-04</b> We recommend that FWS require the Department to develop or obtain training on how to determine whether the party receiving Wildlife and Sport Fish Restoration Program funds is a subrecipient or a contractor per Federal regulation.		





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U.S. DEPARTMENT OF THE INTERIOR

## **REPORT FRAUD, WASTE, ABUSE, AND MISMANAGEMENT**

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### **WHO CAN REPORT?**

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or call OIG's toll-free hotline number: **1-800-424-5081**