



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

**U.S. FISH AND WILDLIFE SERVICE WILDLIFE AND SPORT FISH
RESTORATION PROGRAM**

Grants Awarded to the State of Connecticut, Department of Energy and
Environmental Protection, Bureau of Natural Resources, From July 1, 2014,
Through June 30, 2016



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Memorandum

SEP 25 2017

To: Gregory Sheehan
Acting Director, U.S. Fish and Wildlife Service

From: Charles Haman 
Director, Grant Audits

Subject: Final Audit Report – U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Connecticut, Department of Energy and Environmental Protection, Bureau of Natural Resources From July 1, 2014, Through June 30, 2016
Report No. 2017-EXT-005

This final report presents the results of our audit of costs claimed by the State of Connecticut, Department of Energy and Environmental Protection, Bureau of Natural Resources under grants awarded by the U.S. Fish and Wildlife Service (FWS). The FWS provided the grants to the State under the Wildlife and Sport Fish Restoration Program. The audit included claims totaling \$22.8 million on 42 grants that were open during the State fiscal years that ended June 30, 2015, and June 30, 2016 (see Appendix 1). The audit also covered the Bureau's compliance with applicable laws, regulations, and FWS guidelines, including those related to collecting and using hunting and fishing license revenues and reporting program income.

We found that the Bureau complied, in general, with applicable grant accounting and regulatory requirements. We did, however, identify issues with equipment management.

We provided a draft report to FWS for a response. In this report, we summarize the Bureau's and FWS' Region 5 responses to our recommendations, as well as our comments on their responses. We list the status of the recommendations in Appendix 3.

Please provide us with a corrective action plan based on our recommendations by December 26, 2017. The response should provide information on actions taken or planned to address the recommendations, as well as target dates and title(s) of the official(s) responsible for implementation. Formal responses can be submitted electronically. Please address your response to me and submit a signed PDF copy to WSFR_Audits@doioig.gov. If you are unable to submit your response electronically, please send your response to me at:

U.S. Department of the Interior
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The legislation creating the Office of Inspector General requires that we report to Congress semiannually on all audit reports issued, actions taken to implement our recommendations, and recommendations that have not been implemented.

If you have any questions regarding this report, please contact Program Audit Coordinator Tim Horsma at 916-978-5650, or me at 303-236-9243.

cc: Regional Director, Region 5, U.S. Fish and Wildlife Service

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Introduction

Background

The Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Sport Fish Restoration Act¹ established the Wildlife and Sport Fish Restoration Program. Under the Program, the U.S. Fish and Wildlife Service (FWS) provides grants to States to restore, conserve, manage, and enhance their wildlife and sport fish resources. The Acts and Federal regulations contain provisions and principles on eligible costs and allows the FWS to reimburse States up to 75 percent of the eligible costs incurred under the grants. The Acts also require that hunting and fishing license revenues be used only for the administration of the States' fish and game agencies. Finally, Federal regulations and FWS guidance require States to account for any income they earn using grant funds.

Objectives

We conducted this audit to determine if the State of Connecticut, Department of Energy and Environmental Protection, Bureau of Natural Resources:

- Claimed the costs incurred under the Program grants in accordance with the Acts and related regulations, FWS guidelines, and grant agreements
- Used State hunting and fishing license revenues solely for fish and wildlife program activities
- Reported and used program income in accordance with Federal regulations

Scope

Audit work included claims totaling approximately \$22.8 million on the 42 grants open during the State fiscal years (SFYs) that ended June 30, 2015, and June 30, 2016 (see Appendix 1). We report only on those conditions that existed during this audit period. We performed our audit at the Bureau Headquarters in Hartford, CT, and visited five field offices, two wildlife management areas, two shooting ranges, and three boat launches (see Appendix 2).

We performed this audit to supplement—not replace—the audits required by the Single Audit Act Amendments of 1996.

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

Methodology

We conducted this audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our tests and procedures included:

- Examining the evidence that supports selected expenditures charged to the grants by the Bureau
- Reviewing transactions related to purchases, direct costs, drawdowns of reimbursements, in-kind contributions, and program income
- Interviewing Bureau employees to ensure that personnel costs charged to the grants were supportable
- Conducting site visits to inspect equipment and other property
- Determining whether the Bureau used hunting and fishing license revenues solely for the administration of fish and wildlife program activities
- Determining whether the State passed required legislation assenting to the provisions of the Acts

We also identified the internal controls over transactions recorded in the labor- and license-fee accounting systems and tested their operation and reliability. Based on the results of initial assessments, we assigned a level of risk to these systems and selected a judgmental sample of transactions for testing. We did not project the results of the tests to the total population of recorded transactions or evaluate the economy, efficiency, or effectiveness of the Bureau's operations.

We relied on computer-generated data for other direct costs and personnel costs to the extent that we used these data to select Program costs for testing. Based on our test results, we either accepted the data or performed additional testing. For other direct costs, we took samples of costs and verified them against source documents such as purchase orders, invoices, receiving reports, and payment documentation. For personnel costs, we selected Department employees who charged time to Program grants and verified their hours against timesheets and other supporting data.

Prior Audit Coverage

On October 25, 2012, we issued “U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Connecticut, Department of Energy and Environmental Protection, Bureau of Natural Resources, From July 1, 2009, Through June 30, 2011 (Report No. R-GR-FWS-0009-2012). We followed up on all recommendations in the report and found that the U.S. Department of the Interior, Office of the Assistant Secretary for Policy, Management and Budget, considered the recommendations resolved and implemented.

We reviewed single audit reports for SFYs 2015 and 2016. Neither of these reports contained any findings that would directly affect the Program grants.

Results of Audit

Audit Summary

We found that the Bureau complied, in general, with applicable grant agreement provisions and requirements of the Acts, regulations, and FWS guidance. We identified, however, the following condition related to equipment management.

Finding and Recommendations

A. Inadequate Equipment Management

The Bureau could not provide a detailed equipment list that included costs for acquisitions. In addition, of the 79 equipment items we reviewed during site visits, 10 (13 percent) could not be located.

Federal regulation 43 C.F.R. § 12.72 (d)(1) requires property records to include the acquisition cost of the property. Federal regulation 2 C.F.R. § 200.313 (b) also requires States to use, manage, and dispose equipment acquired under a Federal award by the State to be in accordance with State laws and procedures. The State's "Property Control Manual, Chapter 5," revised March 2016, requires the property control record for equipment owned by the State to contain, among other things, the actual cost and location of the equipment.

According to Bureau officials, the property system has no mechanism to provide a report that would include acquisition cost, even though the information is captured in the property system and can be extracted manually. In addition, the Bureau has not been able to commit sufficient resources to equipment management to ensure records are accurate and complete, and that equipment is listed in the correct location.

Without accurate and complete property records, the Bureau cannot ensure accountability and control of equipment purchased with license revenues or Program funds.

Recommendations

We recommend that FWS work with the Bureau to:

1. Ensure that equipment cost is readily accessible to Bureau management for decision making purposes.
2. Ensure current equipment location is updated to reflect changes within a reasonable time frame.

Bureau Response

The Bureau acknowledges the finding and is taking steps to improve asset control and tracking. Since the conclusion of the audit, the Bureau has made progress in reporting cost data along with asset locations and continues to work towards timely and accurate reporting of assets and equipment.

FWS Response

FWS concurs with OIG's finding and recommendations and has reviewed and accepted the Bureau's response. FWS will work closely with Bureau staff in developing and implementing a corrective action plan that will resolve the finding and recommendations.

OIG Comments

Based on the Bureau's and FWS' responses, we consider these recommendations resolved but not implemented (see Appendix 3).

Appendix 1

**State of Connecticut,
Department of Energy and Environmental Protection
Bureau of Natural Resources
Grants Open during the Audit Period
July 1, 2014, Through June 30, 2016**

FBMS Grant Number	Grant Amount	Claimed Costs
F12AF00241	\$4,262,992	\$1,499,200
F14AF00080	5,000	5,000
F14AF00148	549,449	565,128
F14AF00149	448,320	585,032
F14AF00161	432,759	450,992
F14AF00162	1,559,583	923,017
F14AF00163	459,026	398,197
F14AF00169	923,815	866,146
F14AF00170	1,936,945	1,516,448
F14AF00296	1,282,761	1,052,673
F14AF00305	338,861	334,919
F14AF00393	1,567,287	1,811,220
F14AF00394	426,600	474,546
F14AF01051	436,128	625,413
F14AF01184	5,000	5,000
F15AF00016	519,660	92,934
F15AF00127	1,641,369	1,340,099
F15AF00128	1,662,283	1,007,487
F15AF00129	504,924	458,056
F15AF00130	1,828,459	1,776,963
F15AF00131	420,117	437,945
F15AF00132	475,825	546,424
F15AF00133	577,740	499,507
F15AF00221	345,162	335,665
F15AF00222	800,158	845,512
F15AF00254	1,587,591	1,702,455
F15AF00255	469,320	514,529
F15AF00778	452,444	560,996
F15AF01194	255,200	0
F15AF01217	5,000	0
F16AF00116	1,043,667	0
F16AF00146	1,729,784	226,267

FBMS Grant Number	Grant Amount	Claimed Costs
F16AF00147	597,310	66,667
F16AF00152	425,698	169,825
F16AF00155	2,333,309	612,000
F16AF00156	1,646,752	524,667
F16AF00157	585,258	0
F16AF00159	497,766	0
F16AF00268	1,169,942	0
F16AF00269	362,217	0
F16AF00353	494,100	0
F16AF00354	1,638,609	0
Totals	\$38,704,190	\$22,830,929

Appendix 2

**State of Connecticut
Department of Energy and Environmental Protection
Bureau of Natural Resources
Sites Visited**

Headquarters

Hartford

Field Offices

Connecticut Aquatic Resources Education Center

Eastern District Headquarters

Litchfield Headquarters

Marine Fisheries Division Headquarters

Western District Headquarters

Wildlife Management Areas

Franklin Swamp

Sessions Woods

Shooting Ranges

Glastonbury

Wooster Mountain

Boat Launches

Babcock Pond

Bantam Lake

Hammonasset Beach State Park

Appendix 3

**State of Connecticut
Department of Energy and Environmental Protection
Bureau of Natural Resources
Status of Audit Recommendations**

Recommendations	Status	Action Required
1 and 2	<p>We consider both recommendations resolved but not Implemented.</p> <p>U.S. Fish and Wildlife Service (FWS) regional officials concurred with these recommendations and will work with the Department of Energy and Environmental Protection (Department) to implement the recommendations.</p>	<p>Complete a corrective action plan that includes information on actions taken or planned to address the recommendations, target dates and title(s) of the official(s) responsible for implementation, and verification that FWS Headquarters officials reviewed and approved of the actions taken or planned by the Department.</p> <p>We will refer the recommendations not implemented at the end of 90 days (after December 26, 2017) to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.</p>

