



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 Nebraska, Game and Parks Commission
From July 1, 2014 Through June 30, 2016



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INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

Memorandum

MAY 08 2018

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

From: Amy R. Billings *Amy R Billings*
Regional Manager, Central Region

Subject: Final Audit Report – U.S. Fish and Wildlife Service Wildlife and Sport Fish
Restoration Program Grants Awarded to the State of Nebraska, Game and Parks
Commission From July 1, 2014 Through June 30, 2016
Report No. 2017-EXT-059

This report presents the results of our audit of costs claimed by the State of Nebraska (State), Game and Parks Commission (Commission) under grants awarded by the U.S. Fish and Wildlife Service (FWS). FWS provided the grants to the State under the Wildlife and Sport Fish Restoration Program (Program). The audit included claims totaling \$46.9 million on 115 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 Commission's compliance with applicable laws, regulations, and FWS guidelines, including those related to the collection and use of hunting and fishing license revenues and the reporting of program income.

We found that the Commission complied with applicable grant accounting and regulatory requirements. We observed that the Commission classified its Wildlife and Sportfish Restoration Program service and cooperative agreements as contracts when they should have been classified as subawards. We did not identify any reportable conditions. We therefore do not require a response to this audit report.

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 Regional Supervisor Stefani Levesque or me at 303-236-9243, or you can email AIE_Reports@doioig.gov.

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Introduction

Background

The Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Sport Fish Restoration Act (Acts)¹ established the Wildlife and Sport Fish Restoration Program (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 allow FWS to reimburse States up to 75 percent of the eligible costs incurred under the grants. The Acts also require that hunting and fishing license revenues be used only for the administration of the 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 Nebraska (State), Game and Parks Commission (Commission) —

- 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 \$46.9 million on the 115 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 Commission headquarters and visited a district office, two fish hatcheries, six wildlife management areas, three boat access sites, and a shooting facility (see Appendix 2).

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

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

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

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 Commission
- Reviewing transactions related to purchases, direct costs, drawdowns of reimbursements, in-kind contributions, and program income
- Interviewing Commission employees to ensure that personnel costs charged to the grants were supportable
- Conducting site visits to inspect equipment and other property
- Determining whether the Commission 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 Commission'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 Commission employees who charged time to Program grants and verified their hours against timesheets and other supporting data.

Prior Audit Coverage

On November 30, 2012, we issued “Audit – U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Nebraska, Game and Parks Commission, From July 1, 2009, Through June 30, 2011” (Report No. R-GR-FWS-0010-2012).

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 three resolved and two recommendations, related to real property reconciliation, resolved but not implemented.

We reviewed single audit reports for SFYs 2015 and 2016. None of these reports contained any findings that would directly affect the Program grants.

Results of Audit

Audit Summary

We found that the State of Nebraska, Game and Parks Commission (Commission) complied with applicable grant agreement provisions and requirements of the Acts, regulations, and FWS guidance. We observed, however, that the Commission classified its Wildlife and Sportfish Restoration Program service and cooperative agreements as contracts when they should have been classified as subawards.

During the course of our audit, Commission officials reported they did not have subawards. Upon request, they provided documentation for five agreements that they classified as contracts. In reviewing the agreements we determined the Commission was operating as a pass-through entity and used these agreements to transfer funds to universities and other partner organizations. Furthermore, all five agreements we reviewed concerned activities serving the public purpose of the Program, and were not solely for the benefit of the Commission. Also, the work described within the agreements, much of it research related, indicated high levels of involvement between Commission staff and the staff of the non-Federal entities. Therefore, we believe the recipients of these agreements should have been classified as subrecipients.

A Commission official told us that the Commission made case-by-case determinations as to whether its partners were identified as contractors or subrecipients. To make these determinations, the Commission used a checklist developed by the Association of Government Accountants (AGA) and determined that all of its agreements were contracts. The Commission official told us that, with contracts, the Commission has more control over how the work is done. The official also indicated that the requirements for monitoring and reporting on subawards are burdensome and the regulations vague.

Based on our audits of other states and, following discussions with Commission and FWS staff, we believe additional Program guidance is needed concerning the determination of subawards and contracts. As such, we determined that a finding specific to the Commission would be inappropriate at this time. Therefore, we did not issue a formal recommendation in this final audit report. We will address the issue directly to FWS in a separate report.

Appendix I

State of Nebraska,
Game and Parks Commission
Grants Open during the Audit Period
July 1, 2014 Through June 30, 2016

Grant Number	Grant Amount	Claimed Costs
F10AF00641	\$56,000	\$56,824
F10AF00727	2,117,000	2,055,493
F11AF01101	288,382	280,482
F11AF01245	2,875,014	2,837,287
F11AF01249	666,667	666,667
F11AF01304	552,843	536,433
F12AF00085	956,649	936,264
F12AF00999	1,100,000	1,000,000
F12AF01107	79,549	82,808
F13AF00289	196,465	156,082
F13AF00807	1,000,000	1,115,669
F13AF01190	459,361	158,107
F13AF01210	798,519	529,918
F13AF01256	149,334	149,739
F13AF01280	415,000	301,594
F14AF00001	253,305	81,783
F14AF00024	150,000	120,215
F14AF00033	800,000	222,728
F14AF00034	533,010	529,794
F14AF00070	247,120	72,345
F14AF00082	96,556	120,789
F14AF00083	80,000	74,580
F14AF00084	335,755	237,077
F14AF00085	66,667	18,058
F14AF00086	151,066	91,900
F14AF00090	416,667	402,874
F14AF00091	527,696	483,697
F14AF00092	1,200,000	1,152,195

Grant Number	Grant Amount	Claimed Costs
FI4AF00129	\$93,333	\$101,273
FI4AF00150	566,550	40,534
FI4AF00199	87,216	98,504
FI4AF00200	551,103	733,013
FI4AF00202	200,885	182,243
FI4AF00214	480,000	552,246
FI4AF00249	466,666	335,759
FI4AF00250	909,100	956,752
FI4AF00274	280,000	410,809
FI4AF00308	1,654,133	1,623,578
FI4AF00309	531,800	585,356
FI4AF00345	570,700	657,922
FI4AF00395	429,303	519,363
FI4AF00504	1,643,227	1,573,246
FI4AF00554	106,338	0
FI4AF00604	60,719	78,853
FI4AF00684	201,000	170,078
FI4AF00685	190,525	167,336
FI4AF00711	87,519	82,447
FI4AF00751	75,000	70,764
FI4AF00875	400,000	194,684
FI4AF00876	4,694,763	3,888,813
FI4AF00942	2,652,696	303,246
FI4AF01055	122,667	122,671
FI4AF01115	580,000	574,612
FI4AF01119	466,667	165,703
FI4AF01124	1,189,833	757,628
FI4AF01239	666,666	153,837
FI4AF01240	1,500,001	533,753
FI5AF00033	124,733	135,390
FI5AF00034	1,280,000	149,713
FI5AF00056	359,251	175,271
FI5AF00057	76,667	88,377
FI5AF00058	551,227	475,510

Grant Number	Grant Amount	Claimed Costs
F15AF00059	\$1,000,000	\$500,647
F15AF00060	1,328,750	1,236,774
F15AF00061	340,000	45,159
F15AF00062	415,000	676,115
F15AF00074	896,927	909,296
F15AF00092	688,333	751,056
F15AF00160	1,045,749	466,692
F15AF00164	93,333	92,968
F15AF00170	303,500	405,671
F15AF00182	1,305,233	1,393,053
F15AF00186	618,932	618,932
F15AF00230	560,000	579,657
F15AF00249	346,667	458,087
F15AF00628	75,000	82,273
F15AF00629	201,000	180,033
F15AF00678	4,034,434	3,850,263
F15AF00740	1,200,000	594,472
F15AF00741	175,000	65,399
F15AF01113	120,000	28,223
F15AF01150	56,000	0
F15AF01151	124,600	119,571
F15AF01168	252,075	252,075
F15AF01224	1,533,333	0
F15AF01225	32,000	0
F15AF01229	30,000	0
F16AF00012	342,673	0
F16AF00013	805,000	332,884
F16AF00014	560,000	118,810
F16AF00025	200,000	0
F16AF00033	384,495	0
F16AF00035	577,515	0
F16AF00055	89,333	88,555
F16AF00059	78,000	25,841
F16AF00060	132,533	0

Grant Number	Grant Amount	Claimed Costs
FI6AF00063	\$415,000	\$0
FI6AF00064	93,333	34,468
FI6AF00074	574,707	157,013
FI6AF00075	485,760	86,095
FI6AF00076	200,000	99,077
FI6AF00084	330,000	16,492
FI6AF00110	16,000	0
FI6AF00111	1,297,200	395,488
FI6AF00121	949,491	113,112
FI6AF00167	58,467	58,467
FI6AF00203	957,200	662,000
FI6AF00205	582,500	0
FI6AF00224	96,500	0
FI6AF00229	283,948	72,571
FI6AF00292	540,000	48,151
FI6AF00333	615,100	0
FI6AF00387	110,013	110,013
FI6AF00407	559,400	0
FI6AF00427	160,533	0
Totals	\$68,689,480	\$46,856,137

Appendix 2

**State of Nebraska
Game and Parks Commission
Sites Visited**

Headquarters
Lincoln

District Office
North Platte Southwest

Wildlife Management Areas

Calamus Reservoir
Cedar Valley
Clear Creek
Dogwood
Fremont Slough
North River

Fish Hatcheries
Calamus
North Platte

Boat Accesses
Conestoga
Duck Creek #12
Papio Dam Site 15A

Shooting Facility
Nebraska Game and Parks Outdoor Education Center

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