



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 Illinois, Department of Natural Resources,
From July 1, 2010, Through June 30, 2012

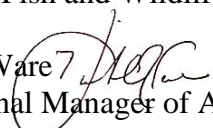


**OFFICE OF
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U.S. DEPARTMENT OF THE INTERIOR

March 29, 2013

Memorandum

To: Daniel M. Ashe
Director, U.S. Fish and Wildlife Service

From: Hannibal M. Ware 
Eastern Regional Manager of Audits, Inspections, and Evaluations

Subject: Final Audit Report – U.S. Fish and Wildlife Service Wildlife and Sport Fish
Restoration Program Grants Awarded to the State of Illinois, Department of
Natural Resources, From July 1, 2010, Through June 30, 2012
Report No. R-GR-FWS-0004-2013

This report presents the results of our audit of costs claimed by the State of Illinois, Department of Natural Resources (Department), under grants awarded by the U.S. Fish and Wildlife Service (FWS). FWS provided the grants to the State under the Wildlife and Sport Fish Restoration Program. The audit included claims totaling approximately \$43.5 million on 74 grants that were open during the State fiscal years that ended June 30, 2011, and June 30, 2012 (see Appendix 1). The audit also covered the Department'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 Department complied, in general, with applicable grant accounting and regulatory requirements. We did not identify any reportable conditions; therefore, we 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 the audit team leader, Bill Streifel, at 916-978-5625, or me at 703-487-8058.

cc: Regional Director, Region 3, 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 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 sport fish and wildlife resources. The Acts and Federal regulations contain provisions and principles on eligible costs and allow FWS to reimburse States up to 75 percent of the eligible costs incurred under the grants. The Acts also require that hunting and fishing license revenues be used only for the administration of the States' fish and game agency. 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 Illinois (State), Department of Natural Resources (Department)—

- 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; and
- reported and used program income in accordance with Federal regulations.

Scope

Audit work included claims totaling approximately \$43.5 million on the 74 grants open during the State fiscal years (SFYs) that ended June 30, 2011, and June 30, 2012 (see Appendix 1). We report only on those conditions that existed during this audit period. We performed our audit at the Department's headquarters in Springfield, IL, and visited two regional offices, one fish hatchery, five fish and wildlife management areas, and two boat launches (see Appendix 2). We performed this audit to supplement—not replace—the audits required by the Single Audit Act Amendments of 1996 and by Office of Management and Budget Circular A-133.

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 tested records and conducted auditing procedures as necessary under the circumstances. We believe

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

that the evidence obtained from our tests and procedures provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our tests and procedures included—

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

We also identified the internal controls over transactions recorded in the labor- and license-fee accounting systems and tested their operation and reliability. Based on the results of initial assessments, we assigned a level of risk to these systems and selected a judgmental sample of transactions 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 Department's operations.

Prior Audit Coverage

On July 9, 2010, we issued "Audit on U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Illinois, Department of Natural Resources, From July 1, 2007, Through June 30, 2009" (No. R-GR-FWS-0003-2010). 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 and comprehensive annual financial reports for Illinois SFY 2011. None of these reports contained any findings that would directly affect the Program grants.

Results of Audit

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

Appendix I

State of Illinois
Department of Natural Resources
Financial Summary of Review Coverage
July 1, 2010, Through June 30, 2012

Grant Number	Federal Project Number	Grant Amount	Claimed Costs
F-29-D-33	F10AF00153	\$1,411,391	\$1,228,596
F-29-D-34	F11AF00088	1,094,974	1,579,186
F-52-R-25		194,424	194,888
F-52-R-26	F11AF00104	194,424	195,143
F-65-R-25	F10AF00154	328,936	278,352
F-65-R-26	F11AF00126	342,663	310,489
F-67-R-25	F10AF00152	921,789	926,552
F-67-R-26	F11AF00138	946,693	1,460,376
F-69-R-24	F10AF00188	800,000	792,320
F-69-R-25	F11AF00090	993,139	974,279
F-101-R-22	F10AF00155	785,777	779,808
F-101-R-23	F11AF00102	759,191	759,504
F-121-D-20		3,329,315	3,124,585
F-121-D-21	F11AF00087	3,136,686	3,231,632
F-123-R-17		266,667	268,686
F-123-R-18	F11AF00103	266,667	268,335
F-135-R-13		525,189	525,972
F-135-R-14	F11AF00097	540,950	542,222
F-138-R-14	F10AF00151	145,107	151,264
F-138-R-15	F11AF00086	145,107	151,049
F-151-R-09		122,116	123,335
F-151-R-10	F11AF00101	125,780	126,999
F-173-D-2	F11AF00034	266,667	11,914
F-177-B-1	F10AF00141	465,000	396,166
F-178-D-1	F10AF00227	120,000	492
F-179-B-1	F11AF00091	480,000	24,567
F-180-B	F12AF00271	420,000	0
F-181-B-1	F12AF00083	55,000	0
F-182-B-1	F12AF00372	450,000	0
F-183-B-1	F12AF00377	250,000	0
F-184-B-1	F12AF00373	345,000	0

Grant Number	Federal Project Number	Grant Amount	Claimed Costs
FW-5-C-53	F10AF00189	\$819,744	\$691,508
FW-5-C-54	F11AF00607	844,337	762,075
FW-16-D-1	F11AF00099	266,667	168,312
W-43-R-58	F10AF00150	284,410	271,576
W-43-R-59	F11AF00139	313,705	315,003
W-76-D-45		4,849,380	5,519,038
W-76-D-46	F11AF00642	4,922,121	5,405,148
W-82-S-39	F10AF00190	1,468,439	1,437,348
W-82-S-40	F11AF00137	1,409,211	1,522,705
W-87-R-33		240,000	244,334
W-87-R-34	F11AF00127	240,000	191,365
W-99-R-23		943,085	1,337,000
W-99-R-24	F11AF00125	955,230	1,582,640
W-106-R-21		240,000	249,116
W-106-R-22	F11AF00162	240,000	240,716
W-112-R-20	F10AF00262	393,408	406,586
W-112-R-21	F11AF00632	519,239	0
W-135-R-12	F10AF00191	206,677	211,162
W-135-R-13	F11AF00128	245,333	245,478
W-146-R-6	F10AF00186	396,667	398,579
W-146-R-7	F11AF00159	422,667	452,631
W-147-T-5	F11AF00197	133,333	120,697
W-154-R-3	F11AF00164	246,667	244,990
W-155-R-2	F11AF00089	300,000	300,776
W-155-R-3	F12AF00273	300,000	0
W-156-R-1	F10AF00192	100,000	103,013
W-156-R-2	F12AF00290	100,000	0
W-157-R-1	F10AF00193	132,952	100,058
W-157-R-2	F11AF00161	128,729	129,701
W-158-R-1		133,332	135,290
W-158-R-2	F11AF00140	133,332	135,849
W-159-L-1	F10AF00194	877,500	878,081
W-160-L-1	F10AF00195	501,700	503,048
W-161-R-1		40,000	40,474
W-161-R-2	F11AF00136	40,000	0
W-162-R01	F10AF00250	106,667	65,838
W-162-R02	F11AF00633	202,379	0
W-163-R01	F11AF00033	46,667	47,488

Grant Number	Federal Project Number	Grant Amount	Claimed Costs
W-163-R-2	F03AP00005	\$46,666	\$0
W-164-R-I	F11AF00163	46,666	46,666
W-165-R-I	F11AF00160	34,897	35,552
W-166-O-I	F11AF00100	333,333	485,602
W-167-R-I	F11AF00631	93,333	19,596
Total		\$44,527,125	\$43,471,750

Appendix 2

**State of Illinois
Department of Natural Resources
Sites Visited**

Headquarters
Springfield

Regional Offices
Region I Office - Northwestern Illinois
Region II Office - Northeastern Illinois

Fish Hatchery
LaSalle

Fish and Wildlife Management Areas
Hennepin Canal State Trail
Marseilles
Redwing Slough
Silver Springs
Snakeden Hollow

Boat Launch
Rock Cut
Sangchris Lake

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By Phone: 24-Hour Toll Free: 800-424-5081
Washington Metro Area: 202-208-5300

By Fax: 703-487-5402

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