



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

U.S. Fish and Wildlife Service
Sport Fish Restoration
Program Grants Awarded to the
Commonwealth of Virginia,
Virginia Marine Resources Commission,
From July 1, 2007, Through June 30, 2009



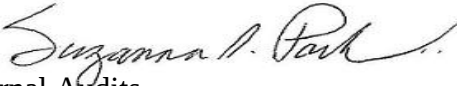
OFFICE OF
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June 7, 2010

AUDIT REPORT

Memorandum

To: Director
U.S. Fish and Wildlife Service

From: Suzanna I. Park 
Director of External Audits

Subject: Audit on U.S. Fish and Wildlife Service Sport Fish Restoration Program Grants
Awarded to the Commonwealth of Virginia, Virginia Marine Resources Commission,
From July 1, 2007, Through June 30, 2009 (No. R-GR-FWS-0008-2010)

This report presents the results of our audit of costs claimed by the Commonwealth of Virginia (the Commonwealth), Virginia Marine Resources Commission (the Commission), under grants awarded by the U.S. Fish and Wildlife Service (FWS). FWS provided the grants to the State under the Sport Fish Restoration Program (the Program). The audit included claims totaling approximately \$6 million on 21 grants that were open during Commonwealth fiscal years (CFYs) ended June 30 of 2008 and 2009 (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 fishing license revenues and the reporting of program income.

We found that the Commission complied, in general, with applicable grant accounting and regulatory requirements. We did not identify any reportable conditions. We therefore do not require a response to this audit report.

If you have any questions regarding this report, please contact the audit team leader, Chris Krasowski, or me at 703-487-5345.

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

Introduction

Background

The Dingell-Johnson Sport Fish Restoration Act (Act)¹ established the Sport Fish Restoration Program. Under the Program, FWS provides grants to States to restore, conserve, manage, and enhance their sport fish resources. The Act 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 Act also requires that fishing license revenues be used for the administration of the State's fish agency. Finally, Federal regulations and FWS guidance require States to account for any income they earn using grant funds.

Objectives

Our audit objectives were to determine if the Commission:

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

Scope

Audit work included claims totaling approximately \$6 million on the 21 grants that were open during CFYs ended June 30, 2008 and 2009 (see Appendix 1). We report only on those conditions that existed during this audit period. We performed our audit at Commission's offices in Newport News, VA, and visited at the main campus of the Virginia Institute of Marine Sciences in Gloucester Point, VA; Old Dominion University Research Foundation in Norfolk, VA; and two piers (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 performed our audit in accordance with the "Government Auditing Standards" issued by the Comptroller General of the United States. 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 that the evidence obtained from our tests and procedures provides a reasonable basis for our findings and conclusions based on our audit objectives.

¹ 16 U.S.C. § 777, as amended.

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 fishing license revenues solely for administration of the Commission.
- 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 recorded in these systems 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.

Prior Audit Coverage

On April 28 2006, we issued "Final Audit Report on the U.S. Fish and Wildlife Service Federal Assistance Grants Administered by the Commonwealth of Virginia, Virginia Marine Resources Commission from July 1, 2003 through June 30, 2005" (No.R-GR-FWS-0022-2005). The report contained one recommendation, which we determined had been resolved and implemented. In addition, we reviewed the Commonwealth's Single Audit Reports and Comprehensive Annual Financial Reports for CFYs 2008 and 2009. We determined that there were no specific findings related to the Sportfish Restoration Program.

Results of Audit

Audit Summary

We found that the Commission complied, in general, 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 1

VIRGINIA MARINE RESOURCES COMMISSION FINANCIAL SUMMARY OF REVIEW COVERAGE JULY 1, 2007, THROUGH JUNE 30, 2009

Grant Number	Grant Amount	Claimed Cost
F-87-R-21	\$146,864	\$0
F-87-R-20	161,361	161,032
F-87-R-19	152,723	154,485
F-77-R-21	447,099	457,085
F-77-R-20	408,085	406,938
F-77-R-22	462,449	476,111
F-130-R-5	549,485	39,580
F-130-R-4	565,701	562,617
F-130-R-3	427,507	427,128
F-126-R-6	449,753	403,365
F-126-R-5	421,338	384,324
F-126-R-4	313,743	293,229
F-116-R-12	394,300	268,107
F-116-R-11	377,557	376,259
F-116-R-10	407,883	407,883
F-114-C-15	26,103	34,960
F-114-C-14	24,418	22,927
F-114-C-13	25,149	32,323
F-104-R-14	604,329	0
F-104-R-13	606,421	605,629
F-104-R-12	416,640	495,963
Total	\$7,388,908	\$6,009,945

Appendix 2

VIRGINIA MARINE RESOURCES COMMISSION SITES VISITED

Headquarters

Newport News

Universities

Old Dominion University Research Foundation
Virginia Institute of Marine Science, The College of William and Mary

Fishing Piers

Bill Harbert Ocean View
King-Lincoln Park Wavescreen

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