



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 Indiana, Department of Natural Resources,
Division of Fish and Wildlife, From July 1, 2010, Through June 30, 2012



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

August 6, 2013

Memorandum

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

From: Hannibal M. Ware *H. Ware*
Eastern Regional Manager for 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 Indiana, Department of
Natural Resources, Division of Fish and Wildlife, From July 1, 2010, Through
June 30, 2012
Report No. R-GR-FWS-0009-2013

This report presents the results of our audit of costs claimed by the State of Indiana, Department of Natural Resources (Department), Division of Fish and Wildlife (Division) 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 \$32.6 million on 44 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 Division'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 Division 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 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, Lori Howard, at 703-357-7707 or me at 703-487-5345.

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 Indiana, Department of Natural Resources (Department), Division of Fish and Wildlife (Division)—

- 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 \$32.6 million on the 44 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 Division headquarters in Indianapolis, IN, and visited five field offices, eight fish and wildlife areas, five fish hatcheries, and four shooting ranges (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 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. §§ 669 and 777, as amended, respectively.

Our tests and procedures included—

- examining the evidence that supports selected expenditures charged to the grants by the Division;
- reviewing transactions related to purchases, direct costs, drawdowns of reimbursements, in-kind contributions, and program income;
- interviewing Division employees to ensure that personnel costs charged to the grants were supportable;
- conducting site visits to inspect equipment and other property;
- determining whether the Division 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 Division'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 July 29, 2008, we issued "Audit on the U.S. Fish and Wildlife Service Wildlife and Sport Fish Grants Awarded to the State of Indiana, Department of Natural Resources, Division of Fish and Wildlife, From July 1, 2004, Through June 30, 2006" (Report No. R-GR-FWS-0018-2007). 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 the single audit report for SFY 2011 and comprehensive annual financial reports for SFYs 2011 and 2012. None of these reports contained any findings that would directly affect the Program grants.

Results of Audit

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

Appendix I

State of Indiana
Department of Natural Resources
Division of Fish and Wildlife
Financial Summary of Review Coverage
July 1, 2010, Through June 30, 2012

Grant Number	Federal Project Number	Grant Amount	Claimed Costs
F-10-D-43		\$1,600,000	\$1,621,939
F-10-D-44	FI1AF00046	1,600,000	1,578,183
F-10-D-45	FI2AF00294	1,625,000	311,041
F-21-D-20		1,955,000	1,933,537
F-21-D-21	FI1AF00035	2,001,643	1,956,811
F-21-D-22	FI2AF00453	1,965,000	932,949
F-24-E-14		329,400	342,742
F-24-E-15	FI1AF00134	634,200	236,036
F-27-R-2	F09AF00046	563,923	552,678
F-27-R-3	FI2AF00293	198,725	207,449
FW-14-C-57	FI0AF00183	338,311	354,529
FW-21-D-43	F09AF00054	2,430,000	1,727,012
FW-21-D-44	FI0AF00040	646,775	638,881
FW-21-D-45	FI2AF00450	2,706,667	375,961
FW-22-D-43		4,334,525	3,648,579
FW-22-D-44	FI1AF00043	4,557,280	5,359,374
FW-22-D-45	FI2AF00455	4,780,000	2,043,507
FW-26-T-20	FI0AF00185	842,000	889,739
FW-29-L-1	FI1AF00201	3,005,500	9,033
FW-29-L-2	FI2AF00351	485,333	0
FW-30-L-1	FI1AF01052	227,354	232,216
FW-30-L-2	FI1AF01053	1,512,500	1,277,741
W-32-S-17	FI1AF00333	89,590	19,272
W-32-S-18	FI1AF01054	151,250	7,781
W-32-S-19	FI2AF00280	715,728	0
W-33-E-1	F08AF00018	768,197	635,261
W-33-E-2	FI1AF00135	1,741,992	305,283
W-34-T-2		640,000	848,672
W-34-T-3	FI1AF00092	1,580,000	879,165
W-35-R-2		37,500	45,659
W-36-R-1	FI0AF00061	686,600	552,515

Grant Number	Federal Project Number	Grant Amount	Claimed Costs
W-36-R-2	F12AF00199	\$686,600	\$174,526
W-37-D-1	F10AF00068	202,414	207,278
W-38-R-1	F10AF00100	251,861	249,751
W-38-R-2	F12AF00282	301,500	17,328
W-39-HM-1	F10AF00105	316,641	316,641
W-40-E-1	F10AF00246	400,000	370,849
W-41-C-1	F11AF00084	53,333	0
W-42-L-1	F11AF00084	570,881	571,243
W-42-L-2	F12AF00460	665,736	664,514
W-42-L-3	F11AF00085	180,675	180,766
W-42-L-5	F12AF00348	559,333	139,834
W-42-L-6	F12AF00352	670,800	167,700
W-43-D-1	F11AF01055	40,925	11,965
Total		\$49,650,692	\$32,595,940

Appendix 2

**State of Indiana
Department of Natural Resources
Division of Fish and Wildlife
Sites Visited**

Headquarters
Indianapolis

Field Offices
Bloomington Fish and Wildlife Office (Bloomington)
Mitchell Wildlife Office (Mitchell)
Northeast Regional Office (Columbia City)
Public Access North (Syracuse)
Public Access South (Montgomery)

Fish and Wildlife Areas
Atterbury (Edinburgh)
Blue Grass (Winslow)
J. Edward Roush Lake (Huntington)
Jasper-Pulaski (Medaryville)
Kankakee (North Judson)
Kingsbury (LaPorte)
Sugar Ridge (Winslow)
Willow Slough (Morrocco)

Fish Hatcheries
Avoca (Avoca)
Cikana (Martinsville)
Driftwood (Vallonia)
East Fork (Montgomery)
Fawn River (Orland)

Shooting Ranges
J. Edward Roush Lake (Huntington)
Jasper-Pulaski (Medaryville)
Kingsbury (LaPorte)
Sugar Ridge (Winslow)

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