



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 Commonwealth of Pennsylvania, Fish and Boat  
Commission From July 1, 2011, Through June 30, 2013



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

July 24, 2015

Memorandum

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

From: Charles Haman   
Central 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 Commonwealth of Pennsylvania,  
Fish and Boat Commission, From July 1, 2011, Through June 30, 2013  
Report No. R-GR-FWS-0005-2014

This report presents the results of our audit of costs claimed by the Commonwealth of Pennsylvania, Fish and Boat Commission (Commission), under grants awarded by the U.S. Fish and Wildlife Service (FWS). FWS provided the grants to the Commonwealth under the Wildlife and Sport Fish Restoration Program. The audit included claims totaling \$30.6 million on 20 grants that were open during the State fiscal years that ended June 30, 2012, and June 30, 2013 (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. The Commission, however, did not properly report the correct number of license holders on the last two license certifications.

We provided a draft report to FWS for a response. In this report, we summarize the Commission's and FWS Region 5's response to our recommendation, as well as our comment on their response. The Commission has taken the necessary corrective action and no further action is needed. We list the status of the recommendation in Appendix 3.

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 program audit coordinator, Tim Horsma, at 916-978-5668, 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 Act (Acts)<sup>1</sup> 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 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 Commonwealth of Pennsylvania, Fish and Boat 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 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 \$30.6 million on 20 grants open during the State fiscal years (SFYs) that ended June 30, 2012, and June 30, 2013 (see Appendix 1). We report only on those conditions that existed during this audit period. We performed our audit at the Commission's headquarters and visited two regional offices, two fish hatcheries, two fisheries management offices, one law enforcement office, and two boat access areas (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

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<sup>1</sup> 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 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 the administration of fish and wildlife program activities; and
- determining whether the Commonwealth 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 March 3, 2009, we issued “U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the Commonwealth of Pennsylvania, Fish and Boat Commission, From July 1, 2006, Through June 30, 2008” (Report No. R-GR-FWS-0003-2009). We followed up on the two recommendations in the report and found that both were resolved and implemented prior to the issuance of the final report.

We reviewed single audit reports for SFYs 2011 and 2012, and the comprehensive annual financial reports for SFYs 2012 and 2013. The single audit report for SFY 2013 was not available for our review at the time of our audit.

None of these reports contained any findings that would directly affect the Program grants.

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# 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. We identified, however, the following conditions that resulted in our finding:

- A. License Certification—Duplicate License Holders Reported.** The Commission did not correctly report the number of unique license holders on the last two license certifications. In its analysis, the Commission initially eliminated duplicate license holders, but it then erroneously reported the total number of unique license holders within each license category rather than deducting the duplicates between categories.

## Finding and Recommendation

### A. License Certification—Duplicate License Holders Reported

Federal regulations (50 C.F.R., Subpart D, § 80.31(a)(2) and (b)(3)) require State fish and wildlife agencies to certify the number of people who have paid licenses to fish and require elimination of multiple counting of the same individuals from the certified count. Essentially, the State may count each individual license holder only once for a sport fishing license in the annual certification. It must therefore adjust its numbers for license holders who may have purchased more than one license in a license year. For example, an individual may have bought three 1-day licenses and then bought an annual license, but the State should count the individual only once in its report.

All States provide a certified count of paid fishing license holders to FWS each year. FWS uses the license certifications to determine the amount of Program funds to be apportioned to each State. Based on our review, the Commission did not report the correct number of unique license holders on the last two license certifications. Specifically, although the Commission, in its initial analysis, identified and eliminated duplicate license holders between license types (categories), it then erroneously reported the total number of unique license holders within each license category without deducting those identified duplicates. This overstated the count of paid license holders. Commission staff acknowledged the error when we brought it to their attention.

The Commission overstated the number of license holders by 901 for 2010 and 868 for 2011. These are the two most recent reporting periods for which certified counts were available, given the Commonwealth's license year, which runs from January 1 to December 31.

### **Recommendation**

We recommend that FWS work with the Commission to ensure that it reports the total number of unique license holders, regardless of license type, on the annual license certifications.

### **Commission Response**

The Commission concurred with the finding and took action in September 2014 to correct how license holders are reported.

### **FWS Response**

FWS regional officials concurred with the finding and recommendation and confirmed that the Commission educated the responsible staff person on how to properly report fishing license holders and that the next license certification submission was accurate.

### **OIG Comments**

Based on the actions taken by the Commission and FWS, we consider this recommendation resolved and implemented. No further action is required.

# Appendix I

Commonwealth of Pennsylvania  
Fish and Boat Commission  
Grants Open During the Audit Period  
July 1, 2011, Through June 30, 2013

<b>FWS FAIMS*</b>	<b>FBMS**</b>		
<b>Grant Number</b>	<b>Grant Number</b>	<b>Grant Amount</b>	<b>Claimed Costs</b>
F-30-D-48	FI1AF00904	\$2,620,000	\$2,639,909
F-30-D-49	FI2AF00340	2,703,450	2,623,463
F-30-D-50	FI3AF00276	2,705,000	2,240,246
F-57-R-34	FI1AF00935	6,152,640	5,623,251
F-57-R-35	FI2AF00397	6,275,693	5,099,666
F-57-R-36	FI3AF00268	6,526,721	4,791,366
F-61-T-31	FI1AF00897	1,585,000	1,422,651
F-61-T-32	FI2AF00275	1,600,850	1,577,281
F-61-T-33	FI3AF00266	1,632,867	1,474,421
F-69-E-23	FI1AF00895	528,298	644,979
F-69-E-24	FI2AF00338	533,333	636,720
F-69-E-25	FI3AF00267	550,000	545,674
F-71-R-22	FI1AF00986	287,640	177,442
F-71-R-23	FI2AF00401	240,000	276,728
F-74-D-21	FI1AF00437	655,000	191,216
F-74-D-22	FI2AF00852	2,424,600	251,219
F-106-D-1	FI0AF00430	225,000	214,033
F-107-D-1	FI1AF00433	168,760	0
F-108-D-1	FI1AF00389	225,094	0
F-109-D-1	FI1AF00463	218,750	161,811
<b>Total</b>		<b>\$37,858,696</b>	<b>\$30,592,076</b>

\* FAIMS stands for Federal Aid Information Management System.

\*\* FBMS stands for Financial Business Management System.

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# Appendix 2

## Commonwealth of Pennsylvania Fish and Boat Commission Sites Visited

### Headquarters

Harrisburg

### Regional Offices

Southeast

Northeast

### Fish Hatcheries

Benner Spring

Huntsdale

### Fisheries Management Offices

Area 3

Area 7

### Law Enforcement Office

Southcentral

### Boat Access Areas

Lewistown Narrows Access

Shickshinny Borough

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# Appendix 3

**Commonwealth of Pennsylvania  
Fish and Boat Commission  
Status of Audit Finding and Recommendation**

<b>Recommendation</b>	<b>Status</b>	<b>Action Required</b>
A	We consider the recommendation resolved and implemented.	No further action is required.

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