



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

**U.S. Fish and Wildlife Service Grants  
Awarded to the State of Indiana, Department  
of Natural Resources, Division of Fish &  
Wildlife, From July 1, 2020, Through  
June 30, 2022, Under the Wildlife and Sport  
Fish Restoration Program**



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

MAR 18 2024

Memorandum

To: Martha Williams  
Director, U.S. Fish and Wildlife Service

From: Jessica Brower *Jessica Brower*  
Director, Contract and Grant Division

Subject: Final Audit Report – *U.S. Fish and Wildlife Service Grants Awarded to the State of Indiana, Department of Natural Resources, Division of Fish & Wildlife, From July 1, 2020, Through June 30, 2022, Under the Wildlife and Sport Fish Restoration Program*  
Report No. 2023-CGD-034

We audited the expenditures and related license revenue transactions made by the Indiana Department of Natural Resources, Division of Fish & Wildlife (Department), under grants awarded by the U.S. Fish and Wildlife Service (FWS) through the Wildlife and Sport Fish Restoration Program. We found that the Department ensured that grant funds and license revenue were used for allowable activities and complied with applicable laws and regulations, FWS guidelines, and grant agreements. We did not identify any reportable conditions. Background information and the objectives, scope, methodology, and prior coverage for this audit can be found in Attachment 1. A list of the sites visited during this audit is provided in Attachment 2.

Because we are not offering recommendations, we do not require a response to this report. We will notify Congress about our findings, and we will summarize this work in our next *Semiannual Report to Congress*, as required by law. We will also post a public version of this report on our website.

If you have any questions, please contact me at [aie\\_reports@doioig.gov](mailto:aie_reports@doioig.gov).

Attachments (2)

# **Attachment 1: Background, Objectives, Scope, and Methodology**

## **Background**

The U.S. Fish and Wildlife Service (FWS) provides grants to States<sup>1</sup> through its Wildlife and Sport Fish Restoration Program (WSFR) for the conservation, restoration, and management of wildlife and sport fish resources, as well as educational and recreational activities. WSFR was established by the Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Sport Fish Restoration Act.<sup>2</sup> In general, the Acts and related Federal regulations allow FWS to reimburse grantees a portion of eligible costs incurred under WSFR grants—up to 75 percent for the 50 States and up to 100 percent for the Commonwealths, territories, and the District of Columbia. The reimbursement amount is called the Federal share. The Acts require that hunting and fishing license revenue be used only for the administration of participating fish and wildlife agencies. In addition, Federal regulations require participants to account for any income earned from grant-funded activities and to spend this income before requesting grant reimbursements.

## **Objectives**

In March 2021, we entered into an intra-agency agreement with FWS to conduct audits of State agencies receiving grant funds under WSFR. These audits assist FWS in fulfilling its statutory responsibility to oversee State agencies' use of these grant funds.

The objectives of this audit were to determine whether the Indiana Department of Natural Resources, Division of Fish & Wildlife (Department) used grant funds and State hunting and fishing license revenue for allowable fish and wildlife activities and complied with applicable laws and regulations, FWS guidelines, and grant agreements.

## **Scope**

We audited the Department's use of grant funds awarded by FWS under WSFR. We reviewed 43 grants that were open during the State fiscal years (SFYs) ending June 30, 2021, and June 30, 2022. We also reviewed license revenue during the same period. The audit included expenditures of approximately \$16.4 million and related transactions. In addition, we reviewed historical records for the acquisition, condition, management, and disposal of real property and equipment purchased with either license revenue or WSFR grant funds.

## **Methodology**

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain

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<sup>1</sup> Federal regulations define the term "State" as the 50 States; the Commonwealths of Puerto Rico and the Northern Mariana Islands; the territories of Guam, the U.S. Virgin Islands, and American Samoa; and the District of Columbia (Dingell-Johnson Sport Fish Restoration Act only).

<sup>2</sup> Formally known, respectively, as the Federal Aid in Wildlife Restoration Act, 16 U.S.C. § 669, as amended, and the Federal Aid in Sport Fish Restoration Act, 16 U.S.C. § 777, as amended.

sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We assessed whether internal control was significant to the audit objectives. We determined that the following related principles were significant to the audit objectives.

- Management should design control activities to achieve objectives and respond to risks.
- Management should implement control activities through policies.
- Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.

We tested the operation and reliability of internal control over activities related to our audit objective. Our tests and procedures included:

- Examining the evidence that supports selected expenditures charged to the grants by the Department.
- Reviewing the fringe benefits charged during the payroll process to understand the coding for payroll deductions and to determine whether the fringe benefit codes are allowable, allocable, and reasonable.
- Determining whether the Department charged the State's unfunded pension liabilities to WSFR grants. Department officials stated that the unfunded liabilities were charged to state funds, and our review of the general ledger confirmed that unfunded liabilities were not charged to WSFR grants.
- Reviewing transactions related to purchases, direct costs, drawdowns of reimbursements, in-kind contributions, and program income.
- Interviewing Department employees.
- Inspecting equipment and other property.
- Determining whether the Department used hunting and fishing license revenue for the administration of fish and wildlife program activities.
- Determining whether the State passed required legislation assenting to the provisions of the Acts.
- Evaluating State policies and procedures for assessing risk and monitoring subawards.
- Visiting sites throughout the State (see Attachment 2 for a list of sites visited).

Based on the results of our initial assessments, we assigned a level of risk and selected judgmental samples for testing. We used auditor judgement and considered risk levels relative to other audit work performed to determine the degree of testing performed in each area. Our sample selections were not generated using statistical sampling, and therefore we did not project the results of our tests to the total population of transactions. We did not find deficiencies in internal controls.

This audit supplements, but does not replace, the audits required by the Single Audit Act Amendments of 1996. Single audit reports address controls over Statewide financial reporting, with emphasis on major programs. Our report focuses on the administration of the Indiana Department of Natural Resources, Division of Fish & Wildlife, and that agency's management of WSFR resources and license revenue.

The Department provided computer-generated data from its official accounting system and from informal management information and reporting systems. We tested the data by sampling expenditures and verifying them against WSFR reports and source documents such as purchase orders, invoices, and payroll documentation. While we assessed the accuracy of the transactions tested, we did not assess the reliability of the accounting system as a whole.

We conducted an exit conference on February 27, 2024, with FWS and the Department. During the conference, responsible officials were given the opportunity to provide their views on our results. Neither FWS nor the Department had any comments for inclusion in the report.

### **Prior Audit Coverage**

We reviewed our last two audits of costs claimed by the Department on WSFR grants <sup>3</sup> There were no findings or recommendations in the prior reports.

We reviewed the single audit reports for SFYs 2021 and 2022 to identify control deficiencies or other reportable conditions that affect WSFR. In those reports, the Schedule of Expenditures of Federal Awards indicated approximately \$32 million (combined) in Federal expenditures related to WSFR but did not include any findings directly related to WSFR, which was not deemed a major program for Statewide audit purposes. Neither of these reports contained any findings that would directly affect the Program grants.

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<sup>3</sup> *U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Indiana, Department of Natural Resources, From July 1, 2015, Through June 30, 2017* (Report No. 2018-CR-013), issued March 2019.

*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), issued August 2013.

## Attachment 2: Sites Visited

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District Offices	Fisheries District 1 Wildlife District 2
Fish Hatcheries	Mixsawbah State Fish Hatchery Bodine State Fish Hatchery
Boating Access Facilities	Shelby Public Access Point Stone Lake Public Access Site
Fish and Wildlife Areas	J. Edward Roush Jasper-Pulaski Kankakee Kingsbury Tri-County Willow Slough Winamac
Shooting Ranges	Kingsbury Winamac

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