



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

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

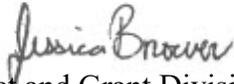


OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

MAR 21 2024

Memorandum

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

From: Jessica Brower 
Director, Contract and Grant Division

Subject: Final Audit Report – *U.S. Fish and Wildlife Service Grants Awarded to the State of Wyoming, Game and Fish Department, From July 1, 2020, Through June 30, 2022, Under the Wildlife and Sport Fish Restoration Program*
Report No. 2023-CGD-037

We audited the expenditures and related license revenue transactions made by the Wyoming Game and Fish Department (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, prior coverage, and other matters 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.

Attachments (2)

Attachment 1: Background, Objectives, Scope, Methodology, Prior Coverage, and Other Matters

Background

The U.S. Fish and Wildlife Service (FWS) provides grants to States¹ 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.² 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 Wyoming Game and Fish Department (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 five 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 \$174.7 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

¹ 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).

² 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 design the entity's information system and related control activities to achieve objectives and respond to risks.
- Management should implement control activities through policies.

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

- Examining the evidence, including source documentation, 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.
- Obtaining an understanding of the Department's internal controls applicable to its accounting and supporting systems.
- Verifying the codes used by the Department to capture and record WSFR-related activities across its accounting and supporting systems.
- 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 Wyoming Game and Fish Department, and that Department'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 March 1, 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

OIG Audit Reports

We reviewed our last two audits of costs claimed by the Department on WSFR grants, which contained one recommendation.³ We followed up on the one recommendation from the audit report issued in 2013 and consider it to be resolved. Specifically, the recommendation stated that the Department should reconcile its records of lands purchased with program funds. This recommendation has not been fully implemented because the Department still is waiting for an appraisal to be completed for the last remaining unreconciled property. The Department has provided updates to the team and stated that the appraisal, along with the supporting documents, likely will not be completed until around July 2024. At that time, the Department will submit the necessary supporting documentation to the applicable parties to implement this recommendation.

State Audit 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 \$39 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.

³ *U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Wyoming, Game and Fish Department, From July 1, 2015, Through June 30, 2017* (Report No. 2018-CR-015), issued February 2019.

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Wyoming, Game and Fish Department, From July 1, 2010, Through June 30, 2012 (Report No. R-GR-FWS-0010-2013), issued October 2013.

Other Matters

In July 2023, our office issued a management advisory to FWS regarding unfunded pension liabilities that were being allocated to WSFR grants.⁴ This management advisory discussed issues with a State charging WSFR grants to help pay down the State's unfunded liabilities, which could potentially reduce the efficiency and effectiveness of the Federal grant to accomplish its agreed-upon objectives. FWS is currently working to address our recommendations from our management advisory on this matter. Therefore, we did not conduct a full analysis of unfunded pension liabilities as part of this audit and will not make additional recommendations at this time. However, we are providing additional information to help provide an overview of how unfunded pension liabilities affect the total WSFR program.

Department officials reported that during SFYs 2021 and 2022, they charged roughly \$1.4 million to WSFR grants to pay for State's unfunded pension liabilities, which represent approximately 3.8 percent of eligible WSFR payroll transactions. We did not perform any testing to validate the reported information.

⁴ *Unfunded Liabilities for Wildlife and Sport Fish Restoration Program Grants* (Report No. 2020-ER-058-A), issued July 2023.

Attachment 2: Sites Visited

Regional Offices	Cody Jackson Laramie Pinedale
Fish Hatcheries	Boulder Rearing Station Daniel Hatchery
Boating Access Facilities	Alpine New Fork River-Gas Wells North Platte River-Treasure Island
Wildlife Management Areas	John and Annie Woodhouse South Park



REPORT FRAUD, WASTE, ABUSE, AND MISMANAGEMENT

The Office of Inspector General (OIG) provides independent oversight and promotes integrity and accountability in the programs and operations of the U.S. Department of the Interior (DOI). One way we achieve this mission is by working with the people who contact us through our hotline.



If you wish to file a complaint about potential fraud, waste, abuse, or mismanagement in the DOI, please visit the OIG's online hotline at www.doioig.gov/hotline or call the OIG hotline's toll-free number: **1-800-424-5081**

Who Can Report?

Anyone with knowledge of potential fraud, waste, abuse, misconduct, or mismanagement involving the DOI should contact the OIG hotline. This includes knowledge of potential misuse involving DOI grants and contracts.

How Does it Help?

Every day, DOI employees and non-employees alike contact the OIG, and the information they share can lead to reviews and investigations that result in accountability and positive change for the DOI, its employees, and the public.

Who Is Protected?

Anyone may request confidentiality. The Privacy Act, the Inspector General Act, and other applicable laws protect complainants. Section 7(b) of the Inspector General Act of 1978 states that the Inspector General shall not disclose the identity of a DOI employee who reports an allegation or provides information without the employee's consent, unless the Inspector General determines that disclosure is unavoidable during the course of the investigation. By law, Federal employees may not take or threaten to take a personnel action because of whistleblowing or the exercise of a lawful appeal, complaint, or grievance right. Non-DOI employees who report allegations may also specifically request confidentiality.