



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



Audit

Wildlife and Sport Fish Restoration Grants Awarded to the State of Idaho by the U.S. Fish and Wildlife Service

This is a revised version of the report prepared for public release.



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

SEP 09 2024

Memorandum

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

From: Colleen Kotzmoyer 
Director, Contract and Grant Audit Division

Subject: Final Audit Report – *Wildlife and Sport Fish Restoration Grants Awarded to the State of Idaho by the U.S. Fish and Wildlife Service*
Report No. 2023-CGD-006

This report presents the results of our audit of costs claimed by Idaho's Department of Fish and Game (Department) under grants awarded by the U.S. Fish and Wildlife Service (FWS) through the Wildlife and Sport Fish Restoration Program.

We provided a draft of this report to FWS. FWS concurred with all nine recommendations and will work with the Department to implement corrective actions. The full responses from FWS and the Department are included in Appendix 3. In this report, we summarize the FWS and Department responses to our recommendations, as well as our comments on their responses. We list the status of the recommendations in Appendix 4.

We will track open recommendations for resolution and implementation. We will notify Congress about our findings, and we will report semiannually, as required by law, on actions you have taken to implement the recommendations and on recommendations that have not been implemented. We will also post a public version of this report on our website.

If you have any questions regarding this report, please contact me at aie_reports@doioig.gov.

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Introduction

Objectives

In March 2021, we entered into an intra-agency agreement with the U.S. Fish and Wildlife Service (FWS) to conduct audits of State agencies receiving grant funds under the Wildlife and Sport Fish Restoration Program (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 Idaho Department of Fish and Game (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. The scope of our audit was State fiscal years (SFYs) ending June 30, 2020, and June 30, 2021.

See Appendix 1 for details about our scope and methodology. See Appendix 2 for sites we visited.

Background

FWS provides grants to States¹ through 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 States and up to 100 percent for the Commonwealths, territories, and the District of Columbia. 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.

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.

Results of Audit

We determined that the Department generally ensured that grant funds and State hunting and fishing license revenue were used for allowable fish and wildlife activities and complied with applicable laws and regulations, FWS guidelines, and grant agreements. We noted, however, issues with management over accountable property and compliance with the Department's compensatory time policies.

We found the following:

- **Inadequate Management of Accountable Property.** The Department did not record, transfer, or dispose of some equipment in accordance with policy.
- **Noncompliance with Compensatory Time Policy.** The Department allowed employees to exceed its own compensatory hour limit. We also could not determine if the Department supervisors approved compensatory time in advance, as required, because the Department does not document prior approvals.

Inadequate Management of Accountable Property

Federal regulations at 50 C.F.R. § 80.20(c) require hunting and fishing license revenue to include income from the sale, lease, or rental of personal property acquired or constructed. In addition, 50 C.F.R. § 80.90(f) requires the Department to control all assets acquired under the grant to ensure they serve the purpose for which they were acquired throughout their useful life. The State of Idaho's *Fiscal Policies Capital Assets*³ requires inventoriable capital assets to be recorded in the fixed asset system with a location. Additionally, Department Policy A-2.0, *Department Property*, requires staff to use a temporary transfer log sheet when moving accountable property from one location to another if the transfer is for less than three months; further, the Fixed Asset Manager is required to conduct at least four independent inventory reviews per year. Finally, per the State Board of Examiner's Policy 442-30, *State Personal Surplus Property Policy and Procedures*, if an agency deviates from the designated disposal methods cited on the State Property Disposal Authorization Form, a new or amended form must be completed and submitted to the Board of Examiners.

Department Lacked Location and Funding Source Inventory Data

During the audit period, we identified equipment items that lacked a funding source code or a location in the fixed asset system.⁴ Specifically, we tested 3,579 equipment items acquired between 2013 and 2023 and found that 46, with an initial value of \$228,333, did not have a listed funding source code in the legacy fixed asset system.⁵ Additionally, we tested all 6,418 personal property equipment items and identified 307 (with an initial value of \$6,413,902) that had no discernable location in the legacy fixed asset system.

While we found that, generally the Department entered the required data in the legacy fixed asset system, we identified exceptions where it did not record funding source codes, locations, or items. In these cases, the Department was able to identify funding source information housed outside the system, locate the specific pieces of equipment we sampled, and provide pictures of equipment with property tags. Nevertheless, it is important that the new fixed asset system have complete information. If a funding source code and the location

³ State of Idaho's Controller's Office, [Fiscal Policies Capital Assets](#).

⁴ In July 2023, the Department implemented its new Statewide enterprise planning system, which included transferring data from its legacy fixed asset system into its new fixed asset system. Although we audited information from the legacy fixed asset system, we confirmed with the Department that the issues identified would have persisted in the new fixed asset system.

⁵ The audit team limited testing to equipment acquired in the last 10 years to exclude older equipment with lower-dollar residuals and equipment that predated the system's capability to track funding source.

were omitted in the legacy system, this information would not have been imported into the new fixed asset system. This, in turn, could have limited the reliability and usability of the new system regarding information related to equipment. Conversely, ensuring locations are listed in the fixed asset system will help the Department in its monitoring efforts should items ever go missing. Similarly, accurately tracking the funding source in the fixed asset system will help the Department know which equipment items are subject to additional Federal requirements, such as 50 C.F.R. § 80.20(c) and § 80.90(f). Tracking the funding source also allows the Department to protect against the risk of diversions of license revenue—which would happen if the proceeds from the sale of an asset purchased with license revenue were not appropriately returned to the program.

While the Department could not identify a consistent reason for why funding source or location was not entered into the fixed legacy asset system, we identified that Department officials did not require that staff record a discernable location or funding source in its written guidance for the fixed asset system.⁶ The Department acknowledged that these elements should have been recorded. Adding this guidance would bring Department policy into compliance with 50 C.F.R. § 80.90(f) and State policy, which do lay out these requirements.

This also occurred because the Fixed Asset Manager was not conducting independent inventory reviews, as prescribed by policy. According to the Department, the COVID-19 pandemic and the departure of the former Fixed Asset Manager delayed the completion of inventory reviews. In the absence of these reviews, the Department relied on employees to annually self-certify the accuracy of their assigned inventories. However, as stated in the policy, the purpose of the Fixed Asset Manager's independent inventory review is to both validate the annual inventory process and to ensure that the procedures outlined in State policy are being followed. Without this control, there is an increased risk of similar issues recurring. According to the Department, the new Fixed Asset Manager and another staff member are scheduled to resume inventory reviews in August 2024.

Department Did Not Track Temporary Equipment Transfers

During our site visits, we attempted to locate two pieces of equipment that were funded by a WSFR grant and license revenue, respectively, using the location information within the Department's legacy fixed asset system. When inquiring about the location of the equipment with Department staff, we learned that the items were loaned out to other Department locations. We physically observed one of the items onsite and received a picture with a property tag once the Department was able to locate the other item.

For this equipment, we found that staff were not using the required temporary transfer log sheet. According to Department policy, if the transfer of accountable property from one location to another is to be less than three months, then the legacy fixed asset system should be updated to reflect the transfer. If the transfer is expected to be more than three months, the Department policy requires the use of a temporary transfer log. However, the Department told us that it does not update the legacy fixed asset system for transfers of less than three months. When we spoke to Department officials, they stated that staff did not update the legacy fixed asset system to reflect transfers or fill out the temporary transfer log due to a lack of policy enforcement and training. It is vital that temporary transfer log sheets be filled out accurately to ensure the Department can effectively monitor the location of its equipment.

Department Did Not Accurately Record Some Equipment

Finally, we determined that the Department did not adequately record some accountable property in the system and did not remove other accountable property from the system before proper disposal. During our site visits, we performed limited testing on whether the Department recorded tagged equipment within the legacy fixed asset system. Based on this testing, we found that the former Fixed Asset Analyst did not enter seven

⁶ While the State of Idaho's *Fiscal Policies on Capital Assets* requires a discernable location to be recorded, the Department policy on accountable property does not have this requirement.

firearms into the system. Six of the rifles were donated as a result of a shooting range closing, and the Department was unaware of how it acquired the remaining rifle. In this instance, the firearms were assigned tags, which the Department uses for tracking, prior to entering the tag numbers and relevant equipment information into the legacy fixed asset system. To prevent future instances such as the unlogged firearms, the Department has since created a log spreadsheet that documents who equipment was issued to; this information is then entered into the legacy fixed asset system in order to detect tags issued prior to the equipment being entered into the system. The Department stated tags also are now sequentially numbered, which would help identify missing equipment in the fixed asset system.

We found another instance where the Department removed a piece of equipment, a pressure washer, from the legacy asset system before the Department disposed of it. During our site visit, we verified that the equipment item was still in the Department's possession, even though it had been removed from the inventory. According to the approved disposal paperwork, the equipment was inoperable and would cost more to repair than replace. The Department originally planned to seek a credit for the trade-in of the old equipment when purchasing a replacement. However, the Department told us that the dealer decided not to accept the old equipment for a credit.

According to State policy, a new or amended State Property Disposal Authorization Form would have been required when deviating from the original disposal method. However, the Department stated that employee turnover was the cause for not properly following up with the responsible party to ensure equipment disposal, including not completing the required new disposal paperwork.

It is important that the Department follow its policies for both recording and disposing of accountable property and equipment to ensure that it is accountable for and maintains control over equipment funded by WSFR grants and license revenue. Failure to do so increases the risk of theft and the possibility that equipment proceeds are not returned to the program.

Risk of Incomplete Inventory

Inaccurate or incomplete data in the fixed asset systems (both legacy and new) weakens the Department's ability to control all assets acquired with WSFR grants and license revenue. This, in turn, weakens the Department's ability to ensure that the equipment serves the purpose for which it was acquired and that proceeds from disposed equipment are appropriately returned to the program. Thus, the fixed asset systems are instrumental in the Department's oversight of equipment, including equipment funded by WSFR grants and license revenue.

Additionally, the Department runs the risk of loss of control of unrecorded inventory. If no one is assigned to or responsible for the equipment (i.e., the equipment is not recorded in the fixed asset systems), the Department will not be able to account for the equipment as part of the annual certification process for inventory. This is particularly crucial for equipment such as firearms, which pose an added safety risk.

Recommendations

We recommend that FWS require the Department to:

1. Develop and implement controls to ensure WSFR and license revenue funding sources are recorded, to include updating language in Department policy accordingly.
2. Develop a control that requires current and any new Department employees to be trained on policies and procedures related to equipment management, to include maintaining complete and accurate information in the new fixed asset system and the proper use of equipment transfer and disposal forms.
3. Conduct independent inventory reviews, per Department policy, to proactively identify issues, such as equipment not being recorded in the fixed asset system or not being properly disposed of.
4. Update the new fixed asset system with the missing information identified in this finding, to the extent feasible.

Noncompliance with Compensatory Time Policy

According to 2 C.F.R. § 200.430(a)(1), costs of compensation are allowable to the extent they conform to the established written policy of the non-Federal entity.

Department Policy HR-17.0, *Hours of Work and Overtime*, requires that the Department limit the accrual of compensatory time to 60 hours for covered employees and to 120 hours for exempt or non-covered employees. Additionally, enforcement personnel can be exempt from the 60-hour limit with supervisory approval. This policy also requires the immediate supervisor to approve the compensatory time in advance and to monitor the use of overtime on an ongoing basis to keep cash payments for overtime to an absolute minimum. This is particularly crucial to avoid an overtime payout, since, according to Department policy, covered employees are entitled to payouts of compensatory time upon separation or of unspent balances for the prior six months. The policy further requires covered employees to make every effort to deplete any compensatory time balance from the prior six months to avoid an overtime payout. Lastly, supervisors authorizing overtime work are required to cover this policy with their employees.

In contrast to the Department's 60- and 120-hour compensatory time limits, Idaho Code 67-5328(3)(c) allows employees to accrue and accumulate a maximum of 240 compensatory hours. Any compensatory hours worked over the maximum 240 hours will not continue to accrue until the balance is below the maximum.

We found that the Department allowed employees to exceed its own compensatory hour limit. In FYs 2020 and 2021, 316 covered and exempt employees used compensatory time. We found that 79 percent of these employees (186 nonenforcement covered employees and 64 exempt employees) carried a compensatory time balance greater than the maximum allowable of 60 hours and 120 hours, respectively. When we spoke with Department officials, they stated that their practice is not consistent with the Department's cap of 60 and 120 hours but is consistent with the State's cap of 240 hours. Because of how the Department tracks compensatory hours, we cannot quantify how much compensatory time was paid out for hours in excess of the allowable amount. However, for context, the total compensatory time payout for all Department employees allocated to WSFR grants totaled \$182,050 in FYs 2020 and 2021.

Additionally, we could not determine whether supervisors approved compensatory time in advance, as required because the Department does not document supervisory prior approvals of compensatory time.

The Department noted that, as the program has evolved, mission needs and practices have changed that are not reflected in the Department's current policy. Specifically:

- Department officials noted compensatory time limits may need to be more flexible due to the unpredictable nature of the work. For example, during the busy fishing and hunting season, employees may be assigned duties (e.g. spawning fish or trapping animals) where it is difficult to predict how long these activities will take to complete.
- Prior approvals, as required, may not always be practical, particularly for work performed in the field. For example, staff may not always be able to accurately estimate the time it will take in advance to address urgent situations in the field (e.g. the time it will take to trap a deer), or staff may not always be able to wait to receive prior approval before performing that work.
- The Department's timekeeping system does not have the capability to accommodate prior approval of compensatory time, and the Department has not developed an alternate, standardized process to do so.
- The Department's policy is not silent on the Department's current practice of compensating employees for overtime at a rate of 1½ hours for each overtime hour worked. However, we found the Department policy does not speak to when an employee works overtime and has reached the 240-hour cap, and overtime pay would be used to pay them the excess.

Ultimately, if the Department's policies do not align with Department needs and current practices, the Department needs to revisit its policies and revise as necessary.

We also found that employees exceeded the amount of allowable compensatory time because project managers, supervisors, and employees did not consistently monitor the process. Additionally, we found not all supervisors were trained on the importance of enforcing the leave policy, including the use of compensatory time. The Department stated their Human Resources staff started training new supervisors on the hours of work and overtime policy, any supervisors who assumed these roles before the Department implemented this practice did not receive the training.

When the Department does not take steps to minimize overtime payouts, it may expend its funding for WSFR projects more quickly. Per Department policy, the Department does not specifically budget for overtime payouts at a rate of 1½ hours, so any cash expenditures for overtime compensation must come from regular salary budgets. We note that there are other ways to limit overtime payments. For example, the Department could be missing opportunities to save money by not hiring seasonal help at a straight time rate as opposed to having to pay a rate of 1½ hours to covered employees.

By allowing higher compensatory time accrual balances than its policy allows, the Department is expending more in leave payouts and is allowing more time off for employees than may otherwise be necessary. Both circumstances may result in a disruption to the Department's operations, including its work on WSFR grants.

Recommendations

We recommend that FWS require the Department to:

5. Evaluate Department policy and determine if the maximum balance Department employees may earn for compensatory time hours is sufficient to meet operational needs.
6. Develop and implement guidance to best address the lack of an approval process prior to employees working overtime.
7. Update Department policy to include language on covered employees being paid overtime when they reach the compensatory time maximum balance.
8. Develop a control to help enforce Department policy on the employee use of compensatory time off to limit cash payments for overtime.
9. Train Department supervisors on policies and procedures related to monitoring and managing employee compensatory time.

Recommendations Summary

We provided a draft of this report to FWS and the Department for review. FWS concurred with all nine recommendations. We consider all recommendations resolved. Below we summarize FWS' and the Department's responses to our recommendations, as well as our comments on their responses. See Appendix 3 for the full text of the FWS and Department responses. Appendix 4 lists the status of each recommendation.

We recommend that FWS require the Department to:

1. Develop and implement controls to ensure WSFR and license revenue funding sources are recorded, to include updating language in Department policy accordingly.

FWS Response: FWS concurred with the recommendation and will work with Department staff to develop and implement corrective actions.

Department Response: The Department stated it will develop and implement controls to ensure funding sources are recorded and include updated language in the Department policy. The target date for implementation is April 14, 2025.

OIG Response: Based on FWS' and the Department's responses, we consider this recommendation resolved. We will consider this recommendation implemented once we obtain and review the Department's updated policy and documentation supporting they have put controls in place to ensure WSFR and license revenue funding sources are recorded.

2. Develop a control that requires current and any new Department employees to be trained on policies and procedures related to equipment management, to include maintaining complete and accurate information in the new fixed asset system and the proper use of equipment transfer and disposal forms.

FWS Response: FWS concurred with the recommendation and will work with Department staff to develop and implement corrective actions.

Department Response: The Department stated it will develop and require training for current and new employees responsible for accountable property, on maintaining information in the fixed asset system and the proper use of transfer and disposal forms. The target date for implementation is June 16, 2025.

OIG Response: Based on FWS' and the Department's responses, we consider this recommendation resolved. We will consider this recommendation implemented once we obtain and review a copy of the equipment management training materials and confirm the appropriate Department staff have been trained.

3. Conduct independent inventory reviews, per Department policy, to proactively identify issues, such as equipment not being recorded in the fixed asset system or not being properly disposed of.

FWS Response: FWS concurred with the recommendation and will work with Department staff to develop and implement corrective actions.

Department Response: The Department stated it will conduct independent inventory reviews, per Department policy, to identify issues such as equipment not being recorded in the fixed asset system or not being properly disposed of. The target date for implementation is January 14, 2025.

OIG Response: Based on FWS' and the Department's responses, we consider this recommendation resolved. We will consider this recommendation implemented when evidence is provided to support that independent inventory reviews were conducted.

4. Update the new fixed asset system with the missing information identified in this finding, to the extent feasible.

FWS Response: FWS concurred with the recommendation and will work with Department staff to develop and implement corrective actions.

Department Response: The Department stated it will update the fixed asset system with the missing new and legacy data, to the extent feasible. The target date for implementation is October 14, 2025.

OIG Response: Based on FWS' and the Department's responses, we consider this recommendation resolved. While the target implementation date exceeds one year from the issuance of our final report, we have discussed the corrective actions the Department intends to take and are comfortable with the target date based on the volume of information that needs to be updated in the system. We will consider this recommendation implemented when we obtain evidence to support that the fixed asset system has been updated to include all asset information.

5. Evaluate the Department policy and determine if the maximum balance Department employees may earn for compensatory time hours is sufficient to meet operational needs.

FWS Response: FWS concurred with the recommendation and will work with Department staff to develop and implement corrective actions.

Department Response: The Department stated it will evaluate policy and determine if the maximum balance employees earn for compensatory time is sufficient to meet operational needs. The target date for implementation is February 14, 2025.

OIG Response: Based on FWS' and the Department's responses, we consider this recommendation resolved. We will consider this recommendation implemented when we obtain evidence to support that the Department evaluated its compensatory time policy and memorialized its decision in a revised policy, if applicable.

6. Develop and implement guidance to best address the lack of an approval process prior to employees working overtime.

FWS Response: FWS concurred with the recommendation and will work with Department staff to develop and implement corrective actions.

Department Response: The Department stated it will develop, implement, and provide a copy of the guidance to address an approval process for employees working overtime. The target date for implementation is February 14, 2025.

OIG Response: Based on FWS' and the Department's responses, we consider this recommendation resolved. We will consider this recommendation implemented once we obtain evidence to support that guidance has been implemented to ensure proper approval prior to employees working overtime.

7. Update Department policy to include language on covered employees being paid overtime when they reach the compensatory time maximum balance.

FWS Response: FWS concurred with the recommendation and will work with Department staff to develop and implement corrective actions.

Department Response: The Department stated it will update Department policy to include language on covered employees being paid overtime when they reach the compensatory time maximum balance. The target date for implementation is February 14, 2025.

OIG Response: Based on FWS' and the Department's responses, we consider this recommendation resolved. We will consider this recommendation implemented once we obtain and review the revised policy for paid overtime when maximum compensatory time balance has been reached.

8. Develop a control to help enforce Department policy on the employee use of compensatory time off to limit cash payments for overtime.

FWS Response: FWS concurred with the recommendation and will work with Department staff to develop and implement corrective actions.

Department Response: The Department stated it will develop a control to enforce its policy on employee compensatory time accrual maximums, and to limit cash payments for overtime. The target date for implementation is May 14, 2025.

OIG Response: Based on FWS' and the Department's responses, we consider this recommendation resolved. We will consider this recommendation implemented when we review documentation supporting that the Department has developed controls to monitor and enforce Department policy to limit cash payments of employee overtime.

9. Train Department supervisors on policies and procedures related to monitoring and managing employee compensatory time.

FWS Response: FWS concurred with the recommendation and will work with Department staff to develop and implement corrective actions.

Department Response: The Department stated will provide training to supervisors on policies and procedures related to monitoring and managing employee compensatory time. The target date for implementation is February 14, 2025.

OIG Response: Based on FWS' and the Department's responses, we consider this recommendation resolved. We will consider this recommendation implemented once we obtained and reviewed the training slides and ensure all Department supervisors have received training on policies and procedures related to monitoring and managing employee compensatory time.

Appendix 1: Scope and Methodology

Scope

We audited the Idaho Department of Fish and Game's (Department's) use of grant funds awarded by the U.S. Fish and Wildlife Service (FWS) under the Wildlife and Sport Fish Restoration Program (WSFR). We reviewed 55 grants that were open during the State fiscal years (SFYs) ending June 30, 2020, and June 30, 2021. We also reviewed license revenue during the same period. The audit included grant expenditures of approximately \$39.7 million and related transactions. In addition, we reviewed historical records for the acquisition, 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 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 risk.
- 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 the Department charged to the 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.
- Reviewing equipment inventory and disposal records.
- 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 Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Sport Fish Restoration Act.
- Evaluating State policies and procedures for assessing risk and monitoring subawards.

- Determining whether the Department charged the State's unfunded pension liabilities to WSFR grants. Department officials stated that it did not have unfunded pension liabilities, and our review of the general ledger confirmed that unfunded pension liabilities were not charged to WSFR grants.
- 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.
- Visiting sites throughout the State (see Appendix 2 for a list of sites visited).

We identified deficiencies in internal control, which we discuss in the results of our report and made recommendations to address.

Based on the results of our initial assessments, we assessed risk and selected for testing judgmental samples of grant program areas with activity during our audit period. The associated grant activity included boating and water access, coordination, hunter and aquatic education programs, hatcheries, habitat development and infrastructure, land acquisitions, operation and maintenance, recruitment and retention, research, restoration, shooting ranges, and technical assistance. Our review of these grant program areas included assessments on the following:

- Budgeted and actual costs incurred.
- Grant claims and corresponding drawdowns.
- Application of the negotiation indirect cost rate agreement.
- Recognition and application of program income.
- Payroll allocations.
- Management of real property and equipment.
- Validation and application of in-kind contributions.
- Classification and administration of subawards.
- Progress of agreed-upon grant objectives.

We used auditor judgment 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.

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 Idaho fish and wildlife agency, 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 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.

Prior Audit Coverage

OIG Audit Reports

We reviewed our last two audits of costs that the Department claimed on WSFR grants.⁷ There was one recommendation from the 2019 report and four recommendations related to the 2014 report. We followed up on the recommendations from the two reports and considered the recommendations implemented. For the resolved and implemented recommendations, we verified the State has taken the appropriate corrective actions.

We reviewed the single audit reports for SFYs 2020 and 2021 to identify control deficiencies or other reportable conditions that affect WSFR. That report did not contain any findings that would directly affect the WSFR grants.

⁷ U.S. Fish and Wildlife Service *Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Idaho, Department of Fish and Game, From July 1, 2015, Through June 30, 2017* (Report No. 2018-WR-053), issued September 2019.

⁸ U.S. Fish and Wildlife Service *Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Idaho, Department of Fish and Game, From July 1, 2010, Through June 30, 2012* (Report No. R-GR-FWS-0012-2013), issued May 2014.

Appendix 2: Sites Visited

Headquarters	Boise, ID
Regional Offices	Idaho Falls, ID Nampa, ID Pocatello, ID
Research Facility	Nampa Fish Research Facility
Fish Hatcheries	Hagerman Fish Hatchery Henry's Lake Hatchery
Boating Access	Fort Boise Mud Lake Payette River
Shooting Ranges	Black's Creek Shooting Range Nampa Public Shooting Range
Wildlife Management Areas	Fort Boise Hagerman Mud Lake Payette River Portneuf
Education Facilities	Edson Fichter Nature Center MK Nature Center

Appendix 3: Responses to Draft Report

The U.S. Fish and Wildlife Service's response to our draft report follows on page 16.



United States Department of the Interior

FISH AND WILDLIFE SERVICE
Washington, D.C. 20240



In Reply Refer To:
FWS/AWSFR/FASO/081393

Memorandum

To: Regional Director, Region 1

From: Assistant Director, Office of Conservation Investment

Subject: Draft Corrective Action Plan for Audit Report No. 2023-CGD-006, for the State of Idaho, Department of Fish and Game, From July 1, 2019, Through June 30, 2021

PAUL
RAUCH

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by PAUL RAUCH
Date: 2024.08.13
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The Headquarters Office, Division of Financial Assistance Support and Oversight has reviewed the draft Corrective Action Plan (CAP) for the above referenced report. Based on our review of the information provided by Region 1, we conclude that the proposed corrective actions adequately address and resolve each recommendation. In accordance with USFWS Service Manual Chapters, 417 FW 1, and our review, we concur with this CAP.

Please finalize the CAP and submit a PDF copy to AIE_Reports@doioig.gov, Attn: Colleen Kotzmoyer, Director, Contract and Grant Audit Division, and include a copy of this letter and your own transmittal letter in the CAP submission. Please copy Ord Bargerstock, Compliance Lead, Division of Financial Assistance Support and Oversight, on your CAP transmission.

If you have any questions concerning this matter or require further information, please contact Ord Bargerstock at [REDACTED].

Attachment



United States Department of the Interior



FISH AND WILDLIFE SERVICE
911 N.E. 11th Avenue
Portland, Oregon 97232-4181

In Reply Refer To:
FWS/R1/CI

Memorandum

July 25, 2024

To: Headquarters Office, Division of Financial Assistance Support and Oversight
Attn: Ord Bargerstock, Team Lead, Branch of Policy, and Compliance

From: Acting Regional Manager, Office of Conservation Investment, Region 1

Lia Mclaughlin
Digitally signed by
LIA MCLAUGHLIN
Date: 2024.07.25
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Subject: Corrective Action Plan for the U.S. Fish and Wildlife Service Wildlife and Sport
Fish Restoration Grants Awarded to the Idaho Department of Fish and Game,
from July 1, 2019, through June 30, 2021 (No. 2023-CGD-006)

Attached for your approval is the Draft Corrective Action that was prepared collaboratively by the U.S. Fish and Wildlife Service, Region 1, Office of Conservation Investment, Wildlife and Sport Fish Restoration office and the Idaho Department of Fish and Game (IDFG). IDFG will not be submitting a separate response since they responded to the NPFR's and worked with us to develop the CAP.

If you have any questions about the Corrective Action Plan, please contact Kelly Sliger, Grants Fiscal Officer, at [REDACTED]@fws.gov.

Attachment

cc: Jean Kvaniska, Chief, Branch of Policy and Compliance, FASO

FINAL

CORRECTIVE ACTION PLAN

U.S. Department of the Interior (DOI)
Office of Inspector General's (OIG) Audit Report

U.S. Fish & Wildlife Service
Wildlife and Sport Fish Restoration Program Grants

Awarded to the
State of Idaho,
Department of Fish and Game
From July 1, 2019-June 30, 2021

Report No. 2023-CGD-006
Dated July 25, 2024

Corrective Action Plan
State of Idaho
Department of Fish and Game
Audit Report on the U.S. Fish and Wildlife Service
Wildlife and Sport Fish Restoration Program Grants
Report No. 2023-CGD-006

Auditors Findings and Recommendations:

Inadequate Management of Accountable Property

The auditors found that the Department did not record, transfer, or dispose of some equipment in accordance with policy.

The auditor recommends that FWS work with the Department to:

1. Develop and implement controls to ensure WSFR and license revenue funding sources are recorded, to include updating language in Department policy accordingly.
2. Develop a control that requires current and any new Department employees to be trained on policies and procedures related to equipment management, to include maintaining complete and accurate information in the new fixed asset system and the proper use of equipment transfer and disposal forms.
3. Conduct independent inventory reviews, per Department policy, to proactively identify issues, such as equipment not being recorded in the fixed asset system or not being properly disposed of.
4. Update the new fixed asset system with the missing information identified in this finding, to the extent feasible.

Service Determination:

The Service concurs with the auditors' findings and recommendations.

Corrective Action:

1. The Department will develop and implement controls to ensure funding sources are recorded and include updated language in the Department policy.

The responsible individual for resolving this issue is Jon Oswald, Chief, Bureau of Administration, for State of Idaho, Department of Fish and Game.

State implementation date: December 31, 2024

Regional submission date: February 28, 2025

HQ submission date: March 31, 2025

Target date: April 14, 2025

2. The Department will develop and require training for current and new employees responsible for accountable property, on maintaining information in the fixed asset system and the proper use of transfer and disposal forms.

The responsible individual for resolving this issue is Jon Oswald, Chief, Bureau of Administration, for State of Idaho, Department of Fish and Game.

State implementation date: February 28, 2025

Regional submission date: April 30, 2025

HQ submission date: May 30, 2025

Target date: June 16, 2025

3. The Department will conduct independent inventory reviews, per department policy, to identify issues such as equipment not being recorded in the fixed asset system or not being properly disposed of.

The responsible individual for resolving this issue is Jon Oswald, Chief, Bureau of Administration, for State of Idaho, Department of Fish and Game.

State Submission Date for Implementation: September 30, 2024

Regional Submission Date: November 29, 2024

HQ Submission Date: December 31, 2024

Target date: January 14, 2025

4. The Department will update the fixed asset system with the missing new and legacy data, to the extent feasible.

The responsible individual for resolving this issue is Jon Oswald, Chief, Bureau of Administration, for State of Idaho, Department of Fish and Game.

State Submission Date for Implementation: June 30, 2025

Regional Submission Date: August 29, 2025

HQ Submission Date: September 30, 2025

Target date: October 14, 2025

Resolution:

1. The Service considers this corrective action resolved but not implemented. Upon receipt, review, and acceptance of a screen print from the asset management system displaying the funding source of the asset and a copy of the updated policy with reference to the language identifying the funding source, the Service will consider this finding resolved and implemented.
2. The Service considers this corrective action resolved but not implemented. Upon receipt, review, and acceptance of the training agenda on the new fixed asset system and proper use of equipment transfer and disposal forms, the Service will consider this finding resolved and implemented.
3. The Service considers this corrective action resolved but not implemented. Upon receipt, review, and acceptance of a copy of the independent inventory review, the Service will consider this finding resolved and implemented.
4. The Service considers this corrective action resolved but not implemented. Upon receipt, review, and acceptance of a copy of the updated fixed asset system that includes the missing new and legacy data, the Service will consider this finding resolved and implemented.

Noncompliance with Compensatory Time Policy

The auditors found that the Department allowed employees to exceed its own compensatory hour limit. They also could not determine if the Department supervisors approved compensatory time in advance, as required, because the Department does not document prior approvals.

The auditor recommends that FWS work with the Department to:

5. Evaluate policy and determine if the maximum balance employees may earn for compensatory time hours is sufficient to meet operational needs.
6. Develop and implement guidance to best address the lack of an approval process prior to employees working overtime.
7. Update policy to include language on covered employees being paid overtime when they reach the compensatory time maximum balance.
8. Develop a control to help enforce policy on the employee use of compensatory time off to limit cash payments for overtime.
9. Train supervisors on policies and procedures related to monitoring and managing employee compensatory time.

Service Determination:

The Service concurs with the auditors' findings and recommendations.

Corrective Action:

5. The Department will evaluate policy and determine if the maximum balance employees earn for compensatory time is sufficient to meet operational needs.

The responsible individual for resolving this issue is Jon Oswald, Chief, Bureau of Administration, for State of Idaho, Department of Fish and Game.

State Submission Date for Implementation: October 31, 2024

Regional Submission Date: December 31, 2024

HQ Submission Date: January 31, 2025

Target date: February 14, 2025

6. The Department will develop, implement, and provide a copy of the guidance to address an approval process for employee's working overtime.

The responsible individual for resolving this issue is Jon Oswald, Chief, Bureau of Administration, for State of Idaho, Department of Fish and Game.

State Submission Date for Implementation: October 31, 2024

Regional Submission Date: December 31, 2024

HQ Submission Date: January 31, 2025

Target date: February 14, 2025

7. The Department will update and provide a copy of the policy including language on covered employees being paid overtime when they reach the compensatory time maximum balance.

The responsible individual for resolving this issue is Jon Oswald, Chief, Bureau of Administration, for State of Idaho, Department of Fish and Game.

State Submission Date for Implementation: October 31, 2024

Regional Submission Date: December 31, 2024

HQ Submission Date: January 31, 2025

Target date: February 14, 2025

8. The Department will provide of the policy, including a control, to help enforce Department policy on employee use of compensatory time maximum balance.

The responsible individual for resolving this issue is Jon Oswald, Chief, Bureau of Administration, for State of Idaho, Department of Fish and Game.

State Submission Date for Implementation: January 31, 2025

Regional Submission Date: March 31, 2025

HQ Submission Date: April 30, 2025

Target date: May 14, 2025

9. The Department will provide training to supervisors on policies and procedures related to monitoring and managing employee compensatory time.

The responsible individual for resolving this issue is Jon Oswald, Chief, Bureau of Administration, for State of Idaho, Department of Fish and Game.

State Submission Date for Implementation: October 31, 2024

Regional Submission Date: December 31, 2024

HQ Submission Date: January 31, 2025

Target date: February 14, 2025

Resolution:

5. The Service considers this corrective action resolved but not implemented. Upon receipt, review, and acceptance of revised policies and procedures for determining maximum balance employees may earn for compensatory time hours, the Service will consider this finding resolved and implemented.
6. The Service considers this corrective action resolved but not implemented. Upon receipt, review, and acceptance of guidance and its implementation for an approval process prior to an employee working overtime, the Service will consider this finding resolved and implemented.
7. The Service considers this corrective action resolved but not implemented. Upon receipt, review, and acceptance of revised policy for paid overtime when maximum compensatory time balance has been reached, the Service will consider this finding resolved and implemented.
8. The Service considers this corrective action resolved but not implemented. Upon receipt, review, and acceptance of controls that are developed to monitor and enforce Department policy that limits cash payments of employee overtime, the Service will consider this finding resolved and implemented.
9. The Service considers this corrective action resolved but not implemented. Upon receipt, review, and acceptance of training agenda for supervisors to monitor and manage employee compensatory time off, the Service will consider this finding resolved and implemented.

Appendix 4: Status of Recommendations

Recommendation	Status	Action Required
2023-CGD-006-01 We recommend that the U.S. Fish and Wildlife Service (FWS) require the Idaho Department of Fish and Game (IDFG) to develop and implement controls to ensure WSFR and license revenue funding sources are recorded, to include updating language in Department policy accordingly.		
2023-CGD-006-02 We recommend that FWS require IDFG to develop a control that requires current and any new Department employees to be trained on policies and procedures related to equipment management, to include maintaining complete and accurate information in the new fixed asset system and the proper use of equipment transfer and disposal forms.		
2023-CGD-006-03 We recommend that FWS require IDFG to conduct independent inventory reviews, per Department policy, to proactively identify issues, such as equipment not being recorded in the fixed asset system or not being properly disposed of.		
2023-CGD-006-04 We recommend that FWS require IDFG to update the new fixed asset system with the missing information identified in this finding, to the extent feasible.	Resolved	We will track implementation.
2023-CGD-006-05 We recommend that FWS require IDFG to evaluate policy and determine if the maximum balance employees may earn for compensatory time hours is sufficient to meet operational needs.		
2023-CGD-006-06 We recommend that FWS require IDFG to develop and implement guidance to best address the lack of an approval process prior to employees working overtime.		
2023-CGD-006-07 We recommend that FWS require IDFG to update policy to include language on covered employees being paid overtime when they reach the compensatory time maximum balance.		
2023-CGD-006-08 We recommend that FWS require IDFG to develop a control to help enforce policy on the employee use of compensatory time off to limit cash payments for overtime.		
2023-CGD-006-09 We recommend that FWS require IDFG to train supervisors on policies and procedures related to monitoring and managing employee compensatory time.		



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

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