Memorandum

To: Chief, Policy and Directive Management

From: Chief, Division of Administration and Information Management
         Wildlife and Sport Fish Restoration Program

Subject: Final Resolution of Audit Report R-GR-FWS-0013-2012, for the State of Alaska, Department of Fish and Game, from July 1, 2009, through June 30, 2011

On January 16, 2013, the Department of the Interior, Office of Inspector General referred the subject report to the Assistant Secretary for Policy, Management and Budget for tracking of 1 recommendation (A.2). We have received and reviewed the attached information provided by Region 7 on the resolution of recommendation A.2 of the subject report.

Based on our review of the attached information provided by Region 7, we believe that the corrective actions for the above mentioned recommendation A.2 related to the report have been completed, and we request that this audit be closed and removed from tracking.

If you have any questions regarding this resolution, please contact Ord Bargerstock at (703) 358-1841.

Attachments
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Memorandum

To: Assistant Director, Wildlife and Sport Fish Restoration Program
   Attn.: Chief, Branch of Audits
   Washington, D.C.

From: Chief, Wildlife and Sport Fish Restoration Program, Region 7
      Anchorage, AK

Subject: Corrective Action Plan (CAP) for Audit Report No.R-GR-FWS-0013-2012, for the Alaska Department of Fish and Game, from July 1, 2009, through June 30, 2011

The following is provided to confirm implementation of the corrective action items for the State of Alaska Audit Report No.R-GR-FWS-0013-2012. Based on Regional review of documentation submitted by the Alaska Department of Fish and Game, all recommendations and resolutions are considered fully implemented.

This completes the resolution and implementation for the referenced CAP. Please forward information as appropriate to the Office of Inspector General and request that the recommendations be noted as fully implemented.

If further documentation or clarification is needed, please contact Steve Klein at 907-786-3322.
A. Potential Diversion of License Revenue

**Recommendation A.2**

The Service works with the Department to ensure the State enacts legislation that requires shooting range fees be deposited in the Fish and Game Fund.

**Corrective Action A.2**

ADF&G will request legislative changes retroactively effective to FY13 to appropriate shooting range fees revenue to the restricted Fish and Game Fund instead of as General Fund receipts. Kevin Brooks, Director, ADF&G Division of Administrative Services, will be responsible for requesting the legislative change. Documentation that the legislative change is enacted will be provided to the Service.

**Disposition of A.2**

The Service Region 7 has received, reviewed, and accepted the documentation submitted by the Department showing the required legislative changes have been made, and considers this finding resolved and implemented (Attachment 1).
Memorandum

January 16, 2013

To: Assistant Secretary for Policy, Management and Budget
Attn: Branch Chief, Internal Control and Audit Follow-up/Financial Management

From: Hannibal M. Ware
Eastern Regional Manager


In accordance with the Departmental Manual (361 DM 1), we are referring one of two recommendations in the subject report for tracking of implementation.

Based on the January 4, 2013 Corrective Action Plan from the U.S. Fish and Wildlife Service, we consider recommendation A.2 resolved but not implemented and recommendation A.1 resolved and implemented. The target dates and officials responsible for implementation of these recommendations are provided in the enclosed attachment.

If you have any questions regarding this referral, please contact Chris Krasowski, FWS Program Coordinator, at (703) 487-5345, or me at (703) 487-8058.

Attachment

cc: U.S. Fish and Wildlife Service:
Chief, Division of Administration and Information Management
Audit Liaison Officer
Regional Director, Region 7
Chief, Division of Wildlife and Sport Fish Restoration Program, Region 7
Memorandum

To: Regional Director, Region 7
From: Assistant Director, Wildlife and Sport Fish Restoration Program

The Headquarters Office, Division of Administration and Information Management (HQ) has reviewed the draft Corrective Action Plan (CAP) for the above referenced report. Based on the review of the information provided by Region 7, HQ concludes that the corrective actions adequately address and resolve each recommendation. In accordance with USFWS Service Manual, 417 FW 4, and considering HQ’s review, we concur with this CAP.

Please finalize the CAP and forward it to the Office of Inspector General, Director of External Audits at the address in the auditor’s report immediately. In lieu of a paper copy of the CAP, an electronic copy may be sent to External_Audits@doioig.gov. Electronic submission is the preferred transmittal method. Please include a copy of this letter, your own transmittal letter and a copy of the CAP. Please copy Ord Bargerstock of HQ on the CAP transmission.

If you have any questions concerning this matter or require further information, contact Steve Barton, Chief, Division of Administration and Information Management, at (703) 358-2237.

Attachment
CORRECTIVE ACTION PLAN

FOR

STATE OF ALASKA
DEPARTMENT OF FISH AND GAME

(Report No. R-GR-FWS-0013-2012)
A. Potential Diversion of License Revenue

Deposit of Shooting Range Revenues into the General Fund rather than the Fish and Game Fund which may be used only for fish and wildlife purposes.

The Alaska Department of Fish and Game (ADF&G) uses license revenue to operate State shooting ranges. In FY11, in compliance with a change in budgetary funding source designations from the Alaska Legislature, $336,078 in shooting range fees were deposited in the General Fund instead of in the restricted Fish and Game Fund, as they had been done through FY10. The State Legislature limited spending authority to the appropriated amount of $284,800, leaving $51,525 in FY11 excess shooting range revenue that reverted to the General Fund. Since the General Fund can be used for purposes other than fish and wildlife, this resulted in a potential diversion and was in direct violation of 50 CFR § 80.4.

The OIG recommends that FWS
1. Ensure resolution of the potential diversion of $336,078; and
2. Work with ADF&G to ensure the State Legislature enacts budgetary provisions that require shooting range fees to be deposited in the restricted Fish and Game Fund.

Service Determination
The Service concurs with the finding and recommendations.

Corrective Actions
A.1. The Service has reviewed and accepted the FY11 and FY12 accounting information provided by ADF&G that documents the transfer of $336,325 from General Fund to pay for the shooting range facility expenditures. The Service considers the potential diversion of $336,078 resolved and the recommendation for this finding implemented.

ADF&G compiled a list of $51,525 in additional FY11 expenditures related to the operations and maintenance of the shooting range facilities that were paid from General Fund appropriations. These additional General Fund shooting range expenditures brought the expenditure total to equal the total FY11 shooting range revenues deposited in the General Fund, thereby resolving the discrepancy. ADF&G provided information from their accounting system as documentation of the General Fund-funded shooting range facility expenditures. This support documentation was compiled and submitted to the Service for review and acceptance by David Thomson, Administrative Operations Manager, ADF&G Division of Wildlife Conservation (DWC).

When DWC became aware of the potential diversion during the OIG audit in May 2012, they set up a separate code in the General Fund as a cost collector to account for FY12 expenditures for the operations and maintenance of the shooting range facilities paid from other General Fund appropriations. The total of these separately tracked FY12 shooting range expenditures exceeded the $79,979 balance of FY12 shooting range fees that DWC was not able to spend directly from their General Fund Public Shooting Ranges.
appropriation. ADF&G provided information from their accounting system as documentation of the General Fund-funded shooting range facility expenditures. This support documentation was compiled and submitted to the U.S. Fish and Wildlife Service for review and acceptance by David Thomson, Administrative Operations Manager, ADF&G Division of Wildlife Conservation.

A.2. ADF&G will request legislative changes retroactively effective to FY13 to appropriate shooting range fees revenue to the restricted Fish and Game Fund instead of as General Fund receipts. Kevin Brooks, Director, ADF&G Division of Administrative Services, will be responsible for requesting the legislative change. Documentation that the legislative change is enacted will be provided to the Service by July 1, 2013.

The next legislative session convenes in January 2013, and during that session, appropriation provisions can be introduced for both the FY13 and FY14 budgets. ADF&G plans to request annual appropriation language that would appropriate shooting range fees to the Fish and Game Fund as had been done prior to FY11. The request for the next legislative session will include appropriation language to make the change retroactively effective in FY13 and effective for FY14.

Legislative sessions typically end in April, and legislation is not effective until after the Governor signs the bills. Accordingly, the legislative changes that will fully resolve the audit finding should be implemented by July 1, 2013. Steven Klein, WSFR Chief, U.S. Fish and Wildlife Service, will work with Mr. Brooks, Director, ADF&G Division of Administrative Services, to ensure resolution and will provide documentation of the change in legislation to the Office of the Inspector General.

**Service Resolution**

A.1. The Service considers this finding resolved and implemented.

A.2. We consider this finding resolved but not yet implemented. Upon receipt, review, and acceptance of documentation that the legislative changes have been made, the Service will consider this finding resolved and implemented.