

DEPARTMENT OF GAME, FISH AND PARKS

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Federal Compliance Audit Finding:

Finding No. 2017-009: Inadequate Controls over Reporting

Type of Finding: Significant Deficiency

CFDA Title: Fish and Wildlife Cluster: Sport Fish Restoration Program and Wildlife Restoration and Basic Hunter Education

CFDA Number: 15.605 and 15.611

Federal Award Number: F14AP00648, F15AF00070, F15AF00081, F15AF00082, F15AF00168, F15AF00169, F15AF00377, F15AF00377-001, F15AF00377-002, F15AF00377-003, F15AF00761-002, F15AP00423, F15AP00424, F15AP00559, F16AF00024 and F16AF00026

Federal Award Year: 2015 and 2016

Federal Agency: US Fish and Wildlife Services

Type of Finding: Significant Deficiency

Category of Finding: Reporting

Criteria:

The Uniform Administrative Requirements codified at 2 CFR 200 require an entity to establish and maintain effective internal controls in order to provide reasonable assurance that the entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition:

The Department did not have adequate controls in place to ensure compliance with the reporting compliance requirement. As a result the Department may not be able to detect and correct noncompliance.

Cause:

The SF-425 – Financial Status Report was prepared by the Accountant. The Accountant then gave the report to the Federal Aid Coordinator to be submitted. The report was not reviewed or approved by program management or other knowledgeable personnel.

The License Certification Report (form 3-154A and 3-154B) information was compiled by the GF&P Data Specialist and Biologist and was provided to the Federal Aid Coordinator with GF&P license sales data. The Federal Aid Coordinator then completed and submitted the report to US Fish and Wildlife. The report was not reviewed or approved by program management or other knowledgeable personnel.

Effect:

While no material variances were noted for the reports submitted for the program during the state fiscal year 2016, the potential effects of the lack of a secondary review of the reports include inaccurate financial reporting and noncompliance with program requirements.

Repeat Finding from Prior Year:

Yes – Finding No. 2016-011

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Recommendation:

1. We recommend a documented review and approval be performed by a qualified staff member prior to submission of final financial reports.

Views of Responsible Officials:

In March 2018 SD Game, Fish & Parks implemented additional procedures to formally document the internal reviews and approvals of license certification and financial status reports that occur prior to reports being submitted to the US Fish & Wildlife Service.

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CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Federal Compliance Audit Finding:

Finding No. 2017-010: Revenue from hunting and fishing licenses was used for purposes other than for the administration of the State fish and wildlife agency.

Type of Finding: Noncompliance

CFDA Title: Fish and Wildlife Cluster: Sport Fish Restoration Program and Wildlife Restoration and Basic Hunter Education

CFDA Number: 15.605 and 15.611

Federal Award Number: N/A

Federal Award Year: N/A

Federal Agency: US Fish and Wildlife Services

Type of Finding: Noncompliance

Category of Finding: Special Tests and Provisions

Criteria:

50 CFR 80.10 states:

States acting through their fish and wildlife agencies are eligible for benefits of the Acts only if they pass and maintain legislation that (c) Requires that revenue from hunting and fishing licenses be (2) Used only for administration of the State fish and wildlife agency, which includes only the functions required to manage the agency and the fish- and wildlife-related resources for which the agency has authority under State law.

50 CFR 80.11 states:

A State becomes ineligible to receive the benefits of the Acts if it (c) Diverts hunting and fishing license revenue from (2) Purposes other than the agency's administration.

Condition:

The annual transfer from the Game and Fish fund to the General Fund representing the Department of Game, Fish, and Parks' portion of radio communication costs was improperly calculated using budget rather than actual cost.

Cause:

A management decision was made to allocate these costs in this method.

Effect:

Because the transfer was improperly calculated, the State fish and wildlife agency had less resources available for its administration.

Repeat Finding from Prior Year:

Yes – Finding No. 2016-012

DEPARTMENT OF GAME, FISH AND PARKS
(Continued)

Recommendations:

2. We recommend the transfer be computed using an allocation method that is based on actual usage.

3. We recommend the allocation be recalculated and the funds improperly transferred be returned to the Game and Fish Fund.

Views of Responsible Officials:

The SD Department of Game, Fish & Parks and the Bureau of Finance and Management believes allocating lease payment costs evenly to the users of the system is appropriate as these fixed costs are not usage dependent.