



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

**U.S. Fish and Wildlife Service Grants
Awarded to the State of Florida, Fish and
Wildlife Conservation Commission, From
July 1, 2019, Through June 30, 2021, Under
the Wildlife and Sport Fish Restoration
Program**

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



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

MAR 27 2023

Memorandum

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

From: Amy R. Billings *Amy R Billings*
Director, Central Region Audit Division

Subject: Final Audit Report – *U.S. Fish and Wildlife Service Grants Awarded to the State of Florida, Fish and Wildlife Conservation Commission, From July 1, 2019, Through June 30, 2021, Under the Wildlife and Sport Fish Restoration Program*
Report No. 2022–CR–007

This report presents the results of our audit of costs claimed by the State of Florida Fish and Wildlife Conservation Commission (Commission) 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 the FWS. The FWS concurred with all eight recommendations and the Commission implemented corrective actions. We appreciate the Commission's prompt actions to address our recommendations and we consider the recommendations implemented. The full responses from the Commission and the FWS are included in Appendix 4. In this report, we summarize the Commission's and FWS Region 2's responses to our recommendations, as well as our comments on their responses. We list the status of the recommendations in Appendix 5.

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 303–236–9243.

Contents

Introduction.....1

 Objectives1

 Background.....1

Results of Audit2

 Questioned Costs—\$99,547 (\$74,660 Federal Share).....2

 Control Deficiencies5

 Subaward Reporting.....5

Recommendations Summary8

Appendix 1: Scope and Methodology.....12

 Scope.....12

 Methodology.....12

 Prior Audit Coverage14

Appendix 2: Sites Reviewed.....15

Appendix 3: Monetary Impact.....16

Appendix 4: Response to Draft Report.....17

Appendix 5: Status of Recommendations.....24

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 the 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 Florida Fish and Wildlife Conservation Commission (Commission) 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.

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

Background

The 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 The Acts and related Federal regulations allow the 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.³ 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.

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.

³ The District of Columbia does not receive funding under the Pittman-Robertson Wildlife Restoration Act.

Results of Audit

We determined that the Commission 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 inaccurate reporting of in-kind contributions, unallowable other direct cost expenses, subaward reporting, and improper drawdowns of Federal funds.

We found the following:

- **Questioned Costs.** We questioned \$99,547 (\$74,660 Federal share) as unallowable. These questioned costs arose due to unallowable in-kind contributions, tuition expenses, and out-of-period costs (see Figure 1).
- **Control Deficiencies.** We found opportunities to improve controls in subaward public reporting and drawdowns of Federal funds.

Figure 1: Summary of Questioned Costs (Federal Share)

Issue	Questioned Amount (\$)
Unallowable in-kind contributions	45,410
Unallowable tuition expenses	14,854
Out-of-period costs	14,396
Total	\$74,660

See Appendix 3 for a statement of monetary impact.

Questioned Costs—\$99,547 (\$74,660 Federal Share)

Unallowable In-Kind Contributions—Questioned Costs of \$60,547 (Federal Share \$45,410)

WSFR requires States to use matching or non-Federal funds to cover at least 25 percent of grant project costs. States may use non-cash or in-kind contributions to meet the matching share of costs, but the value of these contributions must be supported. Additionally, 2 C.F.R. § 200.434(d) states that donated services should be supported by the same methods used to support regular personnel costs. Further, 2 C.F.R § 200.403(g), requires that costs be adequately documented in order to be allowable under Federal awards.

We sampled 9,958.25 out of 31,442 in-kind volunteer hours on three hunter education grants during fiscal years (FYs) 2020 and 2021. On Grant No. F19AF00837, that the Commission claimed 2,253 in-kind volunteer hours, however, we found 530 duplicate hours of in-kind contributions, valued at \$15,136, on seven training courses—033271, C033269, C033270,

C033370, C033371, C033388, and C033389 (see Figure 2). This duplication of hours occurred because several classes were combined on the same *Hunter Safety Course Final Report* for the range portion of the training and the instructors signed the timesheets of each class rather than creating a single new timesheet for the day’s training. For example, an instructor that provided training for an 8-hour course was counted as training three 8-hour courses on the same day.

Figure 2: Volunteer Instructor Hours Charged to Grant No. F19AF00837

Sampled Hours Claimed	Questioned Hours	Questioned Costs	
		State Share (25%)	Federal Share (75%)
2,253	530	\$15,136	\$45,410

We found that the Commission’s process for recording and verifying volunteer timesheets for each course were not reviewed side by side, so a reviewer would not see that volunteer hours were claimed on multiple courses for the same day. *The Hunter Safety Course Final Report Approval and Verification Policy* includes guidance on reviewing and verifying the accuracy of volunteer hours on individual timesheets for each course. However, the policy does not include guidance for ensuring volunteer hours are not reported multiple times for the same activity on the same day.

Because the Commission claimed duplicative volunteer hours as in-kind match on Grant No. F19AF00837, the grant did not meet its matching requirement. The State received \$45,410 in Federal reimbursement based on the claimed unallowable match of \$15,136. We question \$45,410 (Federal share) as unallowable costs.

Recommendations
<p>We recommend that the FWS:</p> <ol style="list-style-type: none"> 1. Resolve the questioned costs of \$45,410 (Federal share) from the improper Federal reimbursement. 2. Require the Commission to update its <i>Hunter Safety Course Final Report Approval and Verification Policy</i> to include guidance that would prevent duplicate volunteer hours from being claimed as in-kind contributions on WSFR program grants. 3. Require the Commission to provide training on how to complete the Hunters Safety Course Final Report form.

Other Direct Costs—Questioned Costs of \$39,000 (\$29,250 Federal Share)

According to 2 C.F.R. § 200.466(a), scholarship costs at institutes of higher education are allowable only when the purpose of the Federal award is to provide training to selected participants and the regulation goes on to state that only tuition remission paid in lieu of wages to students performing necessary work are allowable. Further, 2 C.F.R. § 200.403 states that costs must be incurred during the approved budget period in order for the costs to be allowable under the Federal award.

We selected 65 transactions totaling \$5,838,518, or 22 percent of the total non-payroll direct costs claimed, to test the reliability of the Commission's financial management system and determine whether the Commission followed Federal and State requirements when procuring goods and services. We found unallowable tuition expenses and out-of-period costs claimed against three Federal grants.

Unallowable Tuition Expenses

We found that the State paid unallowable tuition expenses of \$19,805 (\$14,854 Federal share) for two graduate students under Grant Nos. F19AF00253⁴ (\$11,702 Federal share) and F20AF00224 (\$3,152 Federal share). (J.4.P05.8 ODC Samples for Testing – Questioned Cost Summary Rows 3-13)

We reviewed the approved work plans for both grants and determined that even though the tuition payments were mentioned as part of the budget narrative for grant F19AF00253, the approved purposes for these grants were not to provide training to the selected participants. We verified that the Commission did not provide the tuition payments in lieu of wages, per regulation, because both graduate students were Commission employees and received an hourly wage.

This occurred because the process for approving tuition payments for graduate students did not have appropriate internal controls such as making certain that salary, tuition, and stipends include a name to the payment to ensure that tuition is not being paid on behalf of Commission employees.

Without strong internal controls, the State risks paying for unallowable expenses on Federal grants. Because the Commission compensated the graduate students and paid for tuition that was not necessary for the performance of the Federal award, we question \$19,805 (\$14,854 Federal share) of tuition as an unallowable expense.

Out-of-Period Costs

Further, we determined that the Commission claimed out-of-period costs of \$19,195 (\$14,396 Federal share) on Grant No. F18AF00792. The out-of-period costs were the result of a Commission employee paying an invoice for construction work that occurred after June 30, 2019, the end of the performance period for the grant. A Commission official told us that this

⁴ Grant No. F19AF00253 Work Plan included a total of \$55,265 for student tuition at the University of Florida.

occurred because the employee reviewing the invoice did not know how to split the invoice payment to apply the payments to the correct grants that were in line with the period of performance.

As a result, the Commission improperly charged funds to the grant; therefore, we question the \$14,396 (Federal share) charged to Grant No. F18AF00792 as unallowable out-of-period costs.

Recommendations

We recommend that the FWS:

4. Resolve the questioned costs of \$29,250 (Federal share) related to the unallowable tuition payments and out-of-period costs.
5. Require the Commission to develop and implement policies and procedures to improve its expenditure review process to ensure that expenses charged to WSFR grants are reasonable, necessary, and allowable.
6. Require the Commission to develop and implement a process to ensure that only costs incurred during the period of performance for a grant are claimed on that grant.

Control Deficiencies

Subaward Reporting

Federal regulations at 2 C.F.R. § 170 state that Federal grantees must report each subaward action that obligates \$30,000 or more in Federal funds to fhrs.gov for posting to USAspending.gov by the end of the month following the month in which the obligation was made.

The Commission provided us with a list of 18 WSFR-funded subawards granted during our audit period. Overall, all 18 subawards had at least \$30,000 or more in Federal funds and were required to be reported. We asked the Commission to confirm whether it reported the 18 subawards to fhrs.gov for posting to USAspending.gov. The Commission confirmed that it had not reported any of the subawards (see Figure 3). Additionally, the Commission did not have a process in place to ensure that subawards greater than \$30,000 were reported on the USAspending.gov website.

Figure 3: Subawards Not Reported as Required

Grant No.	Subrecipient	Subaward Title
F20AF12281	City of Leesburg	Venetian Gardens Dock
F19AF01071	Brevard County BOCC	Marine Artificial Reef
F19AF01071	City of Carrabelle	Marine Artificial Reef
F19AF01071	Escambia County BOCC	Marine Artificial Reef
F19AF01071	Manatee County	Marine Artificial Reef
F19AF01071	Okaloosa County BOCC	Marine Artificial Reef
F19AF01071	St. Lucie County BOCC	Marine Artificial Reef
F19AF01071	Taylor County BOCC	Marine Artificial Reef
F19AF01071	Wakulla County	Marine Artificial Reef
F20AF11284	Brevard County BOCC	Marine Artificial Reef
F20AF11284	Franklin County BOCC	Marine Artificial Reef
F20AF11284	Manatee County	Marine Artificial Reef
F20AF11284	Martin County BOCC	Marine Artificial Reef
F20AF11284	City of Mexico Beach	Marine Artificial Reef
F20AF11284	Miami-Dade County BOCC	Marine Artificial Reef
F20AF11284	Okaloosa County BOCC	Marine Artificial Reef
F20AF11284	City of St. Marks	Marine Artificial Reef
F20AF11284	Walton County BOCC	Marine Artificial Reef

Note: BOCC = Board of County Commissioners

The timely reporting of subawards greater than \$30,000 provides transparency to the public on how Federal money was spent. In this case, however, \$1,208,975 in Federal funds went unreported. Subaward reporting is meant to offer the public a means of holding governmental agencies accountable for each spending decision, the intent being the reduction of wasteful spending.

Recommendation

We recommend that the FWS:

7. Require the Commission to develop and implement a process to ensure that subawards greater than \$30,000 are publicly reported to meet the C.F.R. requirements.

Improper Drawdowns of Federal Funds

According to 50 C.F.R. § 80.96, a State fish and wildlife agency must not draw down any Federal funds for a grant-funded project under the Acts in greater proportion to its matching requirements, unless the project is not at the point where it can accommodate an in-kind contribution, the agency receives prior approval from the FWS Regional Director, and the project's match be satisfied before the submission of the final SF-425. For the Commission's WSFR grants, the FWS could reimburse up to 75 percent of grant expenditures, provided the Commission first expended its required matching share, 25 percent, of costs.

During our drawdown review, we found that the Commission drew down Federal funds for five grants prior to matching 25 percent of costs without obtaining prior approval from the FWS Regional Director (see Figure 4).

Figure 4: Federal Grant Drawdowns

Grant No.	Drawdown Date	Federal Funds Expended (\$)	Matching Funds Expended (\$)	Total Expenditures (\$)	Federal Percent	State Percent
F19AF00837	12/31/2019	614,428	15,322	629,750	97.57	2.43
F20AF10482	12/31/2020	639,058	85,180	724,238	88.24	11.76
F19AF00248	03/31/2020	22,603	0	22,603	100	0
F20AF11284	03/31/2021	116,260	0	116,260	100	0
F19AF01071	05/31/2020	167,339	0	167,339	100	0

This occurred because Commission personnel were unaware of the C.F.R. requirement to receive prior approval from the FWS Regional Director to draw Federal funds in greater proportion to State matching funds. We also noted that the Commission's drawdown policies and procedures did not include the requirement. We did not identify any instances where the Commission's match was not satisfied before it submitted the final SF-425; however, we found that the Commission did not obtain prior approval from the FWS Regional Director before drawing Federal grant funds in greater proportion to the use of State matching funds, as required by the C.F.R.

Recommendation

We recommend that the FWS:

8. Require the Commission to update its drawdown policies and procedures to ensure that State personnel obtain prior approval from the FWS Regional Director before drawing Program funds that are greater in proportion to the State's matching funds when in-kind contributions are not yet available.

Recommendations Summary

We provided a draft of this report to the FWS for review. The FWS concurred with all eight recommendations. We appreciate the Commission's prompt actions to address our recommendations and we consider the recommendations implemented. Below we summarize the FWS' and the Commission's responses to our recommendations, as well as our comments on their responses. See Appendix 4 for the full text of the FWS' and the Commission's responses; Appendix 5 lists the status of each recommendation.

We recommend that the FWS:

1. Resolve the questioned costs of \$45,410 (Federal share) from the improper Federal reimbursement.

Commission Response: The Commission concurred with this recommendation. The Commission believes that the match requirement had been met as there was overmatch reported on the final SF425 submitted for the grant. Even though it listed the overmatch in its SF-425, the Commission revised its SF-425 to reduce the matching funds by the amount of in-kind duplicate hours originally reported to resolve the questioned costs.

FWS Response: The FWS concurred with our recommendation and stated that based on the actions taken by the Commission, it considers it resolved and implemented.

OIG Comment: While the Commission included excess State match on its original final financial report SF-425, which was available to the auditors during the audit, we still questioned the cost as part of our audit since we based our findings on a sample selection, and we did not project the results of our testing to the audit universe. Based on the responses from the Commission and the FWS, we consider the recommendation implemented. We reviewed the revised SF-425 and determined that it is sufficient support to close the recommendation.

2. Require the Commission to update its *Hunter Safety Course Final Report Approval and Verification Policy* to include guidance that would prevent duplicate volunteer hours from being claimed as in-kind contributions on WSFR program grants.

Commission Response: The Commission concurred with this recommendation and replaced the *Hunter Safety Course Final Report Approval and Verification Policy* with a more extensive guide, *Hunter Safety Program Standard Operating Procedures (SOP)* which includes the statement "If more than one class is conducted on a particular date, work hours cannot be claimed for BOTH classes held on the same date."

FWS Response: The FWS concurred with our recommendation and stated that based on the actions taken by the Commission, it considers it resolved and implemented.

OIG Comment: Based on the responses from the Commission and the FWS, we consider the recommendation implemented. We reviewed the new SOP and determined that it is sufficient support to close the recommendation.

3. Require the Commission to provide training on how to complete the Hunters Safety Course Final Report form.

Commission Response: The Commission concurred with this recommendation and revised its Hunter Safety Course Final Report form and included the instructions in the new *Hunter Safety Program Standard Operating Procedures*. The Commission noted that it is now using the form and the SOP to train staff on the procedure.

FWS Response: The FWS concurred with our recommendation and stated that based on the actions taken by the Commission, it considers it resolved and implemented.

OIG Comment: Based on the responses from the Commission and the FWS, we consider the recommendation implemented. We reviewed the new Hunter Safety Course Final Report form, SOP, and training provided to Regional Hunter Safety Coordinators, which occurred on February 16, 2023, and determined that it is sufficient support to close the recommendation.

4. Resolve the questioned costs of \$29,250 (Federal share) related to the unallowable tuition payments and out-of-period costs.

Commission Response: The Commission concurred with this recommendation and took actions to resolve the questioned costs. For the unallowable tuition payments, it revised the SF-425s for two grants to reduce the State share of questioned costs as appropriate. For the out-of-period costs, the Commission revised the SF-425 to reduce the State share of questioned costs and also incorporated additional adjustments into the State share.

FWS Response: The FWS concurred with our recommendation and stated that based on the actions taken by the Commission, it considers it resolved and implemented.

OIG Comment: Based on the responses from the Commission and the FWS, we consider the recommendation implemented. We reviewed the Refund Request Application and revised SF-425s and determined that it is sufficient support to close the recommendation.

5. Require the Commission to develop and implement policies and procedures to improve its expenditure review process to ensure that expenses charged to WSFR grants are reasonable, necessary, and allowable.

Commission Response: The Commission concurred with this recommendation and added information to the *Florida Fish and Wildlife Conservation Commission Grants Manual (Grants Manual)* to cite specific Federal regulations that address necessary, reasonable, and allowable expenses. The *Grant Manual* is available to all staff responsible for approving grant expenditure reports. The Commission also noted that it

added clarifying language to the *Grants Manual* and it has shared that information with staff in Bulletin 23–02, dated February 24, 2023. The Commission trained staff on March 7, 2023, and also plans to include this in onboarding training for staff with Federal grant management duties.

FWS Response: The FWS concurred with our recommendation and stated that based on the actions taken by the Commission, it considers it resolved and implemented.

OIG Comment: Based on the responses from the Commission and the FWS, we consider the recommendation implemented. We reviewed the *Grants Manual* and Bulletin 23–02 and determined that it is sufficient support to close the recommendation.

6. Require the Commission to develop and implement a process to ensure that only costs incurred during the period of performance for a grant are claimed on that grant.

Commission Response: The Commission concurred with the recommendation and implemented new procedures to capture services dates for each transaction, making it easier for grant managers to verify that service dates are within the grant’s period of performance before approving billing or closeout. In addition, the Commission added this information to its *Grants Manual*, citing the applicable Federal regulations, which is available to all staff responsible for approving grant expenditure reports. The Commission communicated this to its grants staff in various ways and will include it in onboarding training for staff with grant management responsibilities.

FWS Response: The FWS concurred with our recommendation and stated that based on the actions taken by the Commission, it considers it resolved and implemented.

OIG Comment: Based on the responses from the Commission and the FWS, we consider the recommendation implemented. We reviewed the *Grants Manual* and Bulletin 23–02 and determined that it is sufficient support to close the recommendation.

7. Require the Commission to develop and implement a process to ensure that subawards greater than \$30,000 are publicly reported to meet the C.F.R requirements.

Commission Response: The Commission concurred with this recommendation and finalized the Federal Funding and Transparency Act (FFATA) reporting procedure and communicated it to all divisions. The Commission added this information to its *Grants Manual* and intranet page. In addition, the Commission added a notification in its Revenue Agreements Tracking System (RATS) indicating that subawards will be subject to FFATA Subaward Report System (FSRS) reporting. Division grant contacts will also receive a monthly reminder to send to the FFATA reporting information to the grants office before the end of the month for any newly executed grants.

FWS Response: The FWS concurred with our recommendation and stated that based on the actions taken by the Commission, it considers it resolved and implemented.

OIG Comment: Based on the responses from the Commission and the FWS, we consider the recommendation implemented. We reviewed the Commission's supporting documentation and determined that it is sufficient support to close the recommendation.

8. Require the Commission to update its drawdown policies and procedures to ensure that State personnel obtain prior approval from the FWS Regional Director before drawing Program funds that are greater in proportion to the State's matching funds when in-kind contributions are not yet available.

Commission Response: The Commission concurred with this recommendation and updated drawdown procedures in its *Grants Manual*, which its grant specialists follow when completing drawdowns. The procedure now includes instructions for grants that have matching in-kind funds and clarifies the requirements that must be met to draw disproportionately to the accumulated matching amount. The updated grants manual also stipulates that the full matching requirement must be met before the final financial report is submitted.

FWS Response: The FWS concurred with the recommendation and stated that based on the actions taken by the Commission, it considers it resolved and implemented.

OIG Comment: Based on the responses from the Commission and the FWS, we consider the recommendation implemented. We reviewed the modified *Grants Manual* drawdown procedures and determined that it is sufficient support to close the recommendation.

Appendix 1: Scope and Methodology

Scope

We audited the Florida Fish and Wildlife Conservation Commission’s (Commission) use of grants awarded by the U.S. Fish and Wildlife Service (FWS) under the Wildlife and Sport Fish Restoration Program (WSFR). We reviewed 59 grants that were open during the State fiscal years (SFYs) that ended June 30, 2020, and June 30, 2021. We also reviewed license revenue during the same period. The audit included expenditures of \$118.5 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.

Because of the COVID–19 pandemic, we could not complete our audit on site. We gathered data remotely and communicated with Commission personnel via email, telephone, and video conferencing. As a result, we could not perform normal audit procedures for (1) equipment verification, (2) observing grant projects specific to construction and restoration work, and (3) subawards to subrecipients. Therefore, the audit team relied on alternative evidence provided by Commission personnel that was determined to be sufficient and appropriate to support our conclusions.

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 State’s control activities and 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 that supports selected expenditures charged to the grants by the Commission.
- Reviewing transactions related to purchases, direct costs, drawdowns of reimbursements, in-kind contributions, and program income.
- Interviewing Commission employees by telephone or video conferencing.
- Reviewing equipment and other property using photographic evidence.
- Determining whether the Commission 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.
- Conducting virtual site visits of locations throughout the State (see Appendix 2 for a list of sites reviewed).

We found deficiencies in internal control resulting in our four findings of inaccurate reporting of in-kind contributions, unallowable other direct cost expenses, nonreporting of subaward agreements, and improper drawdown of Federal funds.

Based on the results of our initial assessments, we assigned a level of risk and selected a judgmental sample of transactions for testing. 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 Florida Fish and Wildlife Conservation Commission and that agency's management of WSFR resources and license revenue.

The Commission 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.

Prior Audit Coverage

OIG Audit Reports

We reviewed our last two audits of costs claimed by the Commission on WSFR grants.⁵ We followed up on the 10 recommendations listed in the audit reports and verified the State has taken the appropriate corrective actions to resolve them. We considered all 10 recommendations resolved and implemented.

State Audit Reports

We reviewed the single audit report for SFYs 2020 to identify control deficiencies or other reportable conditions that affect WSFR. In those reports, the Schedule of Expenditures of Federal Awards indicated \$27.4 million 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. Overall, there were no internal control deficiencies or other issues identified that would impact the WSFR program or the Florida Fish and Wildlife Conservation Commission and we did not consider any additional risks to consider when we prepared our audit procedures and tests based on the contents of the Single Audit report.

We also reviewed the audit reports from the Commission's Office of Inspector General. The report found that a Commission employee falsified their timesheets and made improper tuition payments using WSFR grant funds. We enhanced our sampling plans in the Other Direct Cost and Payroll audit sections to address the risks we identified from the Commission's OIG investigation report. During our review, we included the identified employee's timesheets in our sample selection. The State provided appropriate documentation to support the timesheets tested in our samples and stated the employee no longer works for the Commission.

⁵ *U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Florida, Fish and Wildlife Conservation Commission, From July 1, 2014, Through June 30, 2016* (2017-EXT-021), issued July 2018.

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Florida, Fish and Wildlife Conservation Commission, From July 1, 2009, Through June 30, 2011 (R-GR-FWS-0006-2012), issued May 2012.

Appendix 2: Sites Reviewed

Boating Access Facilities	Venetian Gardens Floating Dock Gulf View Park Boat Ramp Choctawhatchee River Boat Ramp
Wildlife Management Area	Fred C. Babcock/Cecil M. Webb
Other	Palm Beach County Shooting Park Apalachicola Shooting Range Osceola Shooting Range

Appendix 3: Monetary Impact

We reviewed 59 grants that were open during the State fiscal years (SFYs) that ended June 30, 2020, and June 30, 2021. The audit included expenditures of \$118.5 million and related transactions. We questioned a total cost of \$99,547 (\$74,660 Federal share) as unallowable.

Monetary Impact: Questioned Costs (Federal Share)

Grant No.	Grant Title	Cost Category	Questioned Amount (\$)
F19AF00837	Florida Hunter Education Shooting Range	In-Kind Contribution	45,410
F19AF00253	Reproductive Resilience and Movement Ecology of Florida Sport Fishes	Other Direct Cost	11,702
F20AF00224	History and Ecology of Coastal Fish Species in Florida	Other Direct Cost	3,152
F18AF00792	Wildlife Management Area Development and Maintenance Program	Other Direct Cost	14,396
Total			\$74,660

Appendix 4: Response to Draft Report

The U.S. Fish and Wildlife Service's response to our draft report follows on page 18. The Florida Fish and Wildlife Conservation Commission's response to our draft report follows on page 19.



United States Department of the Interior

FISH AND WILDLIFE SERVICE

1875 Century Blvd
Atlanta, Georgia 30345



February 28, 2023

In Reply Refer To:
FWS/R4/WSFR/2022-CR-007 (FFWCC)

Amy R. Billings, Regional Manager
Central Region Audit Division
U.S. Department of the Interior
Office of Inspector General
Lakewood, Colorado
Via email

Re: Draft Audit Report – U.S. Fish and Wildlife Service grants awarded to the State of Florida, Fish and Wildlife Conservation Commission from July 1, 2019 through June 30, 2021 under the Wildlife and Sport Fish Restoration Program
Report No. 2022- CR-007, issued January 11, 2023

Dear Ms. Billings:

The enclosed response to the draft audit report referenced above was developed by the State of Florida Fish and Wildlife Conservation Commission in cooperation with the U.S. Fish and Wildlife Service, Wildlife and Sport Fish Restoration Program, Southeast Region.

If you have any questions or need additional information please contact Jim Duffy at [REDACTED] or [REDACTED]. Please include the Service reference number provided above in all written communications.

Sincerely,

Digitally signed by PAUL
WILKES
Date: 2023.02.28 14:48:45
-05'00'

Paul Wilkes, Regional Manager
Wildlife and Sport Fish Restoration Program

Enclosure

Cc: Ord Bargerstock, Shuwen Cheung
Division of Financial Assistance Support and Oversight

Response to Draft Audit Report

**U.S. FISH AND WILDLIFE SERVICE
WILDLIFE AND SPORT FISH RESTORATION PROGRAM
Grants awarded to the State of Florida, Fish and Wildlife Conservation Commission
from July 1, 2019 through June 30, 2021
Draft Report No. 2022-CR-007, issued January 11, 2023**

Auditor Recommendation 1

The auditors recommend that the FWS require the Commission to resolve the questioned costs of \$45,410 (Federal share) from the improper Federal reimbursement (related to duplicate volunteer hours claimed as in-kind match).

Agency Response

The Agency concurs with this recommendation. However, we believe that the match requirement was met for this agreement. There was overmatch reported on the final SF425 submitted for this grant. A revised SF425 for this award is included with this response to reduce the match by the amount of in-kind duplicated hours that had been originally reported to resolve the questioned costs.

Service Response

The Service concurs with the auditor's recommendation. Although specific volunteer hours were questioned as match the state significantly over-matched the subject grant overall. The excess state match was reported on the original final financial report SF-425 and was available to the auditors during the audit. The state submitted a revised final financial report SF-425 reducing the state excess share by the amount of the questioned, duplicated in-kind match, leaving ample excess state share to support all federal reimbursement. A copy of the revised final financial report is attached as Exhibit A. The Service considers this recommendation resolved and implemented.

Auditor Recommendation 2

The auditors recommend that the FWS require the Commission to update its *Hunter Safety Course Final Report Approval and Verification Policy* to include guidance that would prevent duplicate volunteer hours from being claimed as in-kind contributions on WSFR program grants.

Agency Response

The *Hunter Safety Course Final Report Approval and Verification Policy* has been replaced by more extensive *Hunter Safety Program Standard Operating Procedures*. This document has been provided in its entirety along with this response.

On page 33, there are instructions that have been included to specifically prevent the duplicate reporting of volunteer hours.

Total hours: This is the total number of hours a person donated on that given day. The Chief Instructor will total all the rows, total again for each person, by categories, and list each total on the front of the form in the correct block for each individual. **Round all numbers to the nearest whole number. Then add up the total column on the back and front side and enter it in the appropriate block. These work hours can only be attributed to ONE class. If more than one class is conducted on a particular date, work hours cannot be claimed for BOTH classes held on the same date. Enter work hours for additional classes as zero and reference class number where the work hours are recorded.**

Service Response

The Service concurs with the auditor's recommendation. The state has modified the referenced policy (now a more extensive *Procedures*) to include specific instructions on counting hours attributed to multiple classes on a single day. The new *Procedures* document is attached in full as Exhibit B. The Service agrees with the state that this clear instruction solves the procedural problem that led to the finding. The Service considers this recommendation resolved and implemented.

Auditor Recommendation 3

The auditors recommend that the FWS require the Commission to provide training on how to complete the Hunters Safety Course Final Report form.

Agency Response

The Hunter Safety Course Final Report form has been revised and the instructions are also provided in the new *Hunter Safety Program Standard Operating Procedures*. Both the form and the SOP have been provided along with this response and are being used to train staff on the procedure.

Service Response

The Service concurs with the auditor's recommendation. The state has revised the report form and form completion *Procedures* (in Exhibit B) and has provided training to FWC Regional Hunter Safety Coordinators in correctly tabulating volunteer hours with no duplication. The updated reporting form and email documenting FWC training and national HE practitioner outreach are attached as Exhibit C. The Service considers this recommendation resolved and implemented.

Auditor Recommendation 4

The auditors recommend that the FWS resolve the questioned costs of \$29,250 (Federal share) related to the unallowable tuition payments and out-of-period costs.

Agency Response

Unallowable tuition payments:

F19AF00253 – F4447 - \$15,602 Total Questioned costs - Federal Share \$11,702 - State Share \$3,900 Federal share being refunded from Deposit C22293K. Revised SF425 to reduce federal and state shares by *pro rata* amounts of questioned costs for this grant included with this response to the Draft Audit.

F20AF00224 – F5409 - \$4,202 Total Questioned Costs - Federal Share \$3,152.00 - State Share \$1,050 Revised SF425 to reduce state share by full amount of questioned costs for this grant is included with this response to the Draft Audit.

Out-of-period costs:

F18AF00792 – H8792 - Questioned Costs of \$19,195 - Federal Share \$14,396 - State Share \$4,799 Revised SF425 to reduce state share by total amount of questioned costs for this grant included with this response to the Draft Audit. Additional adjustments to the state share are also incorporated into the revised SF425.

Service Response

The Service concurs with the auditor's recommendation. The state has either arranged for repayment (F19AF00253) or has adjusted reported expenditures (F20AF00224 and F18AF00792, match reduced by full amount of questioned costs), actions that in aggregate resolve the \$29,250 in questioned costs. The repayment on F19AF00253 is being expedited by the state and we anticipate prompt repayment. Copies of the repayment request and revised final SF425s for all three subject grants are attached as Exhibit D. The Service considers this recommendation resolved and implemented.

Auditor Recommendation 5

The auditors recommend that the FWS require the Commission to develop and implement policies and procedures to improve its expenditure review process to ensure that expenses charged to WSFR grants are reasonable, necessary, and allowable.

Agency Response

Information has been added to the FWC Grants Manual to cite specific federal regulations that address necessary, reasonable, and allowable expenses. The manual is made available to all FWC Grants Staff who are responsible for approving Grant Expenditure Reports. Clarifying language that has been added to the FWC Grants Manual is also being communicated to staff in multiple ways.

It has been sent out to all Financial Management staff in FBO Bulletin 2023-02 dated February 24, 2023. A copy of the bulletin is attached with this response. In addition, a training session will be provided to all current members of the FWC Grants Coordination Group on March 7, 2023. Going forward this will be part of training as staff are onboarded into positions with Federal Grant Management duties.

Excerpt from FWC Grant Manual:

19. Division authorized program staff review the Cost Sheet and respond within five days of email requesting approval of the cost sheet/[billing](#).
 - a. Access the Agreements List and locate the Subject Grant.
 - b. Locate and open the cost sheet attachment on the Billing/Invoice Tab.

It is Expected that the cost sheet is reviewed for the following:

 - a. Verify Agreement's details are list correctly on the cost sheet tab and request revision to Agreements List Entry if changes need to be made. Instructions for requesting updates to the Agreements Entry can be found in the [RATS User Guide](#).
 - b. Ensure that expenses allocated to the grant are reasonable, necessary and allowable according to:
 - i. Terms of the award, and
 - ii. Laws, rules and regulations per the award, including but not limited to [2 CFR 200 Subpart E, Cost Principles](#), for Federal Grants.
 1. For Federal Grants, factors affecting allowability of costs found in [2 CFR 200.403](#) must be followed.
 - a. Invoices for services, dates of service must be entirely within the Period of Performance.¹

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Invoices for services that span the end of a Period of Performance must be split to allocate the costs to the appropriate award.

This can be done at the time of the initial invoice payment,
-or-
as an expenditure move prior to billing.
 - b. Invoices for commodities must be reviewed to ensure the date of receipt falls within the Period of Performance. ²
 2. In determining reasonableness of a given cost, consideration must be given to [2 CFR 200.404](#).
 3. A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award per [2 CFR 200.405](#).
 - c. Verify the correct Indirect Application is being used for the calculations on the cost sheet.
 - d. Respond to FBO Grant Specialist email to provide approval, ask questions or request revisions.

¹ Awards that allow Pre Award Costs per [2 CFR 200.458](#) may allow for service dates and/or commodities received prior to the Period of Performance start date.

² Exceptions can be made for equipment purchases approved in the Award that are received during the closeout period.

Service Response

The Service concurs with the auditor's recommendation. The state has improved its expenditure review process to ensure that expenses charged to WSFR grants are reasonable, necessary, and allowable through Grants Manual revisions shown above and Bulletin 23-02. The revised manual is provided to all grants staff, the bulletin has been transmitted to all grants financial management staff, and training for all grants management staff is scheduled for early March. The Manual excerpt and Bulletin 23-02 with distribution are attached as Exhibit E. The Service considers this recommendation resolved and implemented.

Auditor Recommendation 6

The auditors recommend that the FWS require the Commission to develop and implement a process to ensure that only costs incurred during the period of performance for a grant are claimed on that grant.

Agency Response

Beginning in July 2022 FWC Accounting Services Section implemented new procedures to capture services dates on the FLAIR Record for each transaction. This implementation has made it easier for Grant Managers to verify service dates are within the Grant's Period of Performance before approving billing or closeout.

To ensure staff are aware of the expectation, information has been added to the FWC Grants Manual citing the applicable federal regulations. Grant Managers understand that only costs incurred during the period of performance for a grant are allowable to be billed to the federal entity.

The manual is made available to all FWC Grants Staff who are responsible for approving Grant Expenditure Reports. The addition to the FWC Grants Manual is being communicated to staff in various ways. It has been sent out to all Financial Management staff in FBO Bulletin 2023-02 dated February 23, 2023. A copy of the bulletin is attached with this response. In addition, a training session will be provided to all current members of the FWC Grants Coordination Group on March 7, 2023. Going forward this will be part of training as staff are onboarded into positions with Federal Grant Management duties.

Reference the excerpt from the FWC Grants Manual above with Recommendation 5.

Service Response

The Service concurs with the auditor's recommendation. The state has made several process improvements to ensure only expenditures incurred during a grant's period of performance are claimed on that grant. These include FWC Grants Manual changes, Bulletin 23-02, and most importantly the system improvements implemented last July capturing service dates on the state's computerized FLAIR Records. The FLAIR service dates improvement was implemented last July, the revised Grants Manual is provided to all grants staff, Bulletin 23-02 has been transmitted to all grants financial management staff, and training for all grants management staff is scheduled for early March. The Manual excerpt and Bulletin 23-02 are attached as Exhibit F. The Service considers this recommendation resolved and implemented.

Auditor Recommendation 7

The auditors recommend that the FWS require the Commission to develop and implement a process to ensure that subawards greater than \$30,000 are publicly reported to meet the C.F.R. requirements.

Agency Response

FFATA Reporting Procedure was finalized and communicated to all divisions via Contract Management Advisory (CMA) on 2/7/2023. A PDF of the CMA and the supporting documents has been included with this response. The CMA was sent out to the Gov Delivery listserv for all Agency Contract Managers as

well as the Agency's Grant Coordination Group which is comprised of representatives from each Division. Information related to this procedure and form has been added to the FWC Grants Manual and to FWC Grants intranet main page.

Additionally, a notification has been implemented in the Revenue Agreements Tracking System (RATS). When a grant award is set up the division indicates if there will be subawards subject to SFRS Reporting. When this box is checked, a monthly notification is sent to the Division Grant Contacts to remind them that if there are any newly executed subawards under this Grant, they must send the FFATA Reporting Information to the Grants Office before the end of the month.

Service Response

The Service concurs with the auditor's recommendation. The FWC Contract Management Advisory, distribution email, and distribution list are attached as Exhibit G. After review of the materials provided by the state the Service considers this recommendation to be resolved and implemented.

Auditor Recommendation 8

The auditors recommend that the FWS require the Commission to update its drawdown policies and procedures to ensure that State personnel obtain prior approval from the FWS Regional Director before drawing Program funds that are greater in proportion to the State's matching funds when in-kind contributions are not yet available.

Agency Response

We have updated draw down procedures in the FWC Grants Manual which FBO Grant Specialists will follow when completing draws. The procedure now includes instructions for grants that have match in the form of in-kind and clarifies the requirements that must be met to draw disproportionately to the accumulated match amount. The manual also stipulates that the full matching requirement must be met before the final financial report is submitted. The manual excerpt is attached to this submission.

Service Response

The Service concurs with the recommendation. FWC has modified Grants Manual drawdown procedures to ensure that no disproportionate draws on WSFR grants are made without prior approval of the FWS Regional Director. The Manual excerpt containing the revised procedure is attached as Exhibit H. The Service considers this recommendation resolved and implemented.

Appendix 5: Status of Recommendations

Recommendation	Status	Action Required
2022-CR-007-01 We recommend that the U.S. Fish and Wildlife Service (FWS) resolve the questioned costs of \$45,410 (Federal share) from the improper Federal reimbursement.	Implemented	No action is required.
2022-CR-007-02 We recommend that the FWS require the Commission to update its <i>Hunter Safety Course Final Report Approval and Verification Policy</i> to include guidance that would prevent duplicate volunteer hours from being claimed as in-kind contributions on WSFR program grants.	Implemented	No action is required.
2022-CR-007-03 We recommend that the FWS require the Commission to provide training on how to complete the Hunters Safety Course Final Report form.	Implemented	No action is required.
2022-CR-007-04 We recommend that the FWS resolve the questioned costs of \$29,250 (Federal share) related to the unallowable tuition payments and out-of-period costs.	Implemented	No action is required.
2022-CR-007-05 We recommend that the FWS require the Commission to develop and implement policies and procedures to improve its expenditure review process to ensure that expenses charged to WSFR grants are reasonable, necessary, and allowable.	Implemented	No action is required.

Recommendation	Status	Action Required
<p>2022-CR-007-06 We recommend that the FWS require the Commission to develop and implement a process to ensure that only costs incurred during the period of performance for a grant are claimed on that grant.</p>	Implemented	No action is required.
<p>2022-CR-007-07 We recommend that the FWS require the Commission to develop and implement a process to ensure that subawards greater than \$30,000 are publicly reported to meet the C.F.R. requirements.</p>	Implemented	No action is required.
<p>2022-CR-007-08 We recommend that the FWS require the Commission to update its drawdown policies and procedures to ensure that State personnel obtain prior approval from the FWS Regional Director before drawing Program funds that are greater in proportion to the State's matching funds when in-kind contributions are not yet available.</p>	Implemented	No action is required.



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