



# DEPARTMENT OF GAME AND INLAND FISHERIES

## REPORT ON AUDIT FOR THE YEAR ENDED JUNE 30, 2019

Auditor of Public Accounts  
Martha S. Mavredes, CPA

[www.apa.virginia.gov](http://www.apa.virginia.gov)

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## AUDIT SUMMARY

We have performed an audit of the following cycles at the Department of Game and Inland Fisheries (DGIF) for the fiscal year ended June 30, 2019:

- Expenses, excluding payroll
- Procurement and contract management
- Cash cutoff
- System access; and
- Select prior audit findings as identified in the [Findings Summary](#) in the Appendix.

Our audit found:

- proper recording and reporting of all transactions, in all material respects, in the Commonwealth's accounting and financial reporting system, the Commonwealth's procurement system, and the Commonwealth's retirement benefits system;
- matters involving internal control and its operation necessary to bring to management's attention;
- instances of noncompliance with applicable laws and regulations or other matters that are required to be reported; and
- adequate corrective action with respect to prior audit findings identified as resolved in the Findings Summary.

We did not review management's corrective action on prior audit findings identified as deferred in the Findings Summary. We will follow up on these findings in a future audit.

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## AUDIT FINDINGS AND RECOMMENDATIONS

### **Deactivate Inactive Small Purchase Charge Cards Timely**

**Type:** Internal Control

**Repeat:** No

The Department of Game and Inland Fisheries (DGIF) does not deactivate unused and inactive small purchase charge cards timely. The auditor found three cards that DGIF should have deactivated. Two of these cards had not been used in approximately one and one-half to two years, and one card had never been used.

Commonwealth Accounting Policies and Procedures (CAPP) Manual Topic 20355 requires the Program Administrator to periodically review inactive cards and cancel those that are no longer needed.

The Program Administrator does not actively review cardholder usage. Not monitoring purchase card usage and ensuring inactive cards are properly canceled increases DGIF's susceptibility to fraud and abuse. DGIF should ensure the Program Administrator actively reviews and monitors card usage to ensure unused cards are canceled timely to reduce the risk of fraud or abuse.

### **Improve Procedures Over Monthly Commonwealth Retirement Benefits System Reconciliations and Documentation Maintenance**

**Type:** Internal Control

**Repeat:** Yes

**Prior Title:** Improve Procedures Over Monthly Commonwealth Retirement System Reconciliations

DGIF does not maintain proper documentation for their monthly Commonwealth's retirement benefits system reconciliations and does not have proper staff backups in place to complete creditable compensation snapshots to the Virginia Retirement System (VRS) in a timely manner. The Human Resources Department (Human Resources) staff did not review creditable compensation snapshots in a timely manner for five snapshots during the fiscal year due to staff illness. In addition, the Human Resources staff was not able to provide fiscal year 2019 reconciliation documentation for the requested months due to staff turnover.

Commonwealth accounting policies require agencies to reconcile the creditable compensation in their human resource system to the creditable compensation amount in Commonwealth's retirement benefits system each month before they confirm the snapshot. In addition, agencies are required to review the automatic reconciliations provided by the Department of Accounts following their issuance. These reconciliations are critical to the services provided by VRS for DGIF employees, as insufficient clearance of exceptions identified during the reconciliations may result in errors to members' retirement related data or the agency's improper payment of employee contributions to VRS. Commonwealth records retention policies require agencies to retain documentation of payroll activities including deduction authorizations and registers, leave records, ledgers and reports, compensation files, retirement contributions, time and attendance records, and time sheets for five years after end of fiscal year.

Human Resources should ensure they have an understanding of Commonwealth document retention policies including their responsibilities for document maintenance and retention. Human resources should also create policies and procedures to ensure the execution of the VRS snapshot is completed in a timely manner.

### **Improve Employment Eligibility Process**

**Type:** Internal Control and Compliance

**Repeat:** Yes

Human Resources does not have a sufficient process for or controls over the employment eligibility process. Our review of six I-9 Forms identified the following issues:

- For four employees (67%), Human Resources did not ensure the completion of the second page of the I-9 Form.
- For the one rehired employee in our sample, Human Resources did not ensure the completion of all required fields in Section 3.
- For one employee (17%), Human Resources did not retain the appropriate identity and employment authorization documentation.

The Immigration Reform and Control Act of 1986, requires that all employees hired after November 6, 1986, have a Form I-9 completed to verify both employment eligibility and identity. This requirement ensures that employers hire only individuals who may legally work in the United States.

According to discussions with management, all parties who did not properly oversee the I-9 Form documentation are no longer with the agency. Management is currently working on ways to improve the employment eligibility process at DGIF.

Human Resources should develop and implement policies and procedures surrounding the employment eligibility process including information on I-9 Form completion and review. In addition, Human Resources should perform a thorough review of all completed I-9 Forms and ensure that hiring managers and new employees have adequately completed the forms.

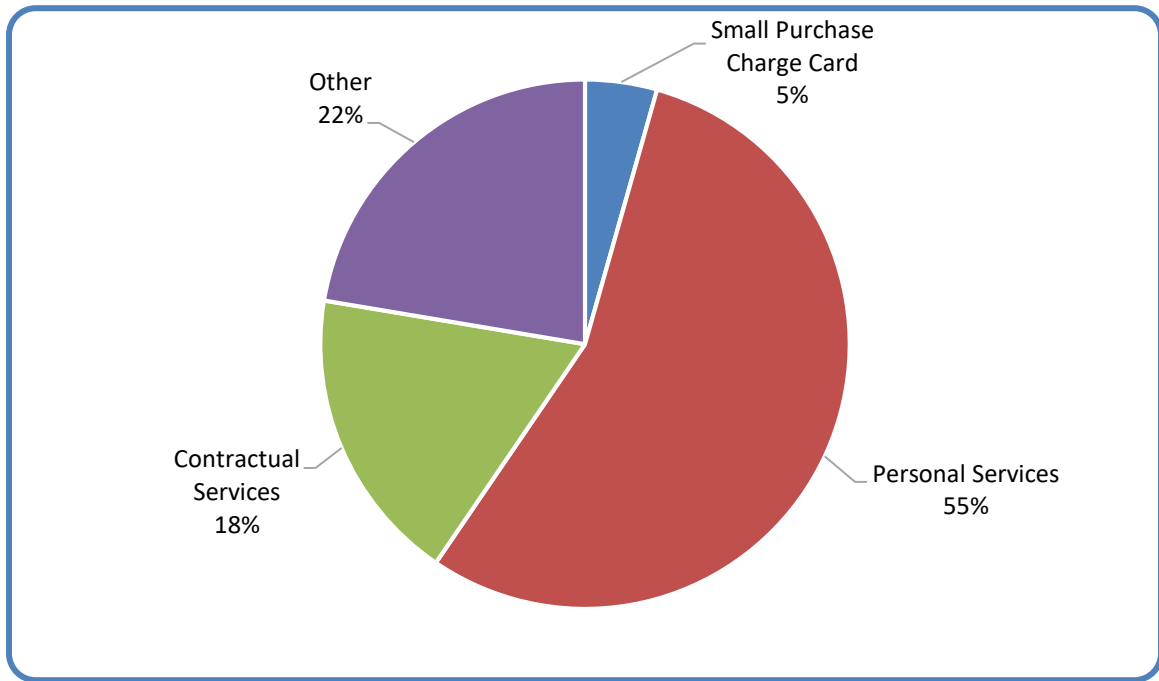
## AUDIT SCOPE OVERVIEW

DGIF manages Virginia's wildlife and inland fish to maintain optimum populations of all species; provides opportunity for all to enjoy wildlife, inland fish, boating, and other outdoor recreation; promotes safety for persons and property in connection with boating, hunting, and fishing; and provides educational outreach programs and materials to foster an awareness of and appreciation for Virginia's fish and wildlife resources, their habitats, and hunting, fishing, and boating opportunities. DGIF also enforces laws for the protection, propagation, and preservation of wildlife and fish and assists in enforcing all forestry and boating laws.

DGIF relies primarily on its own revenues from issuance of licenses for hunting and fishing to support its expenses. Because the revenue cycle is significant to DGIF operations, we included cash cutoff in our audit scope to ensure that all revenues were posted to the correct period at fiscal year. DGIF's main expense category of payroll was tested during fiscal year 2018. During the fiscal year 2019 audit, we chose to review expenses (excluding payroll), procurement and contract management, cash cutoff, and systems access, including following up on prior audit findings related to these cycles. In addition, we followed up on prior audit findings relating to the employment eligibility process and Commonwealth's retirement benefits system reconciliations. Of the expenses incurred by DGIF during fiscal year 2019, about 23 percent were for contractual services and small purchase charge card purchases. To ensure contracts and related expenses are being properly procured, managed, recorded and designated for the appropriate program, we included controls over access to the Commonwealth's procurement system, contract procurement, and contract management. We also tested other general expenses, including small purchase charge card purchases, and reviewed access to the Commonwealth's accounting and financial reporting.

The chart below provides a breakdown of DGIF's expenses. As mentioned above, expenses relating to personal services were tested during the fiscal year 2018 audit and will be tested again during future audits. Our scope included controls over the contractual services and small purchase charge card purchases in the chart below. The other category is comprised of mostly property and improvement, supplies and materials, and equipment. Controls over these categories were also tested during this audit.

### Fiscal Year 2019 Expenses by Type



Source: Commonwealth's accounting and financial reporting system



Martha S. Mavredes, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

June 26, 2020

The Honorable Ralph S. Northam  
Governor of Virginia

The Honorable Kenneth R. Plum  
Chairman, Joint Legislative Audit  
and Review Commission

Department of Game and Inland Fisheries Board  
Department of Game and Inland Fisheries

We have audited the expense (excluding payroll), procurement and contract management, cash cutoff, and systems access cycles of the **Department of Game and Inland Fisheries** (DGIF) for the year ended June 30, 2019. 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.

## **Audit Scope and Objectives**

Our audit's primary objectives were to audit the expense (excluding payroll), procurement and contract management, cash cutoff, and systems access cycles. In support of these objectives, we evaluated the accuracy of transactions as recorded in the Commonwealth's accounting and financial reporting system, the Commonwealth's retirement benefits system, and the Commonwealth's procurement system; reviewed the adequacy of DGIF's internal controls; and tested compliance with applicable laws, regulations, contracts, and grant agreements as they related to our audit objectives. We also reviewed corrective actions for select audit findings from prior audit reports. See the [Findings Summary](#) included in the Appendix for a listing of prior audit findings and the status of follow-up on management's corrective action.



## **Audit Methodology**

DGIF's management has responsibility for establishing and maintaining internal control and complying with applicable laws, regulations, contracts and grant agreements. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws, regulations, contracts, and grant agreements.

We gained an understanding of the overall internal controls, both automated and manual, as they relate to the audit objectives, sufficient to plan the audit. We considered significance and risk in determining the nature and extent of our audit procedures. We performed audit tests to determine whether the DGIF's controls were adequate, had been placed in operation, and were being followed. Our audit also included tests of compliance with provisions of applicable laws, regulations, contracts, and grant agreements as they pertain to our audit objectives.

Our audit procedures included inquiries of appropriate personnel, inspection of documents, records, and contracts, and observation of the DGIF's operations. We performed analytical procedures, including budgetary and trend analyses. We also tested details of transactions to achieve our objectives.

A nonstatistical sampling approach was used. Our samples were designed to support conclusions about our audit objectives. An appropriate sampling methodology was used to ensure the samples selected were representative of the population and provided sufficient, appropriate evidence. We identified specific attributes for testing each of the samples and when appropriate, we projected our results to the population.

## **Conclusions**

We found that DGIF properly stated, in all material respects, transactions recorded and reported in the Commonwealth's accounting and financial reporting system, the Commonwealth's retirement benefits system, and the Commonwealth's procurement system, relating to the audit objectives.

We noted certain matters pertaining to small purchase charge cards, employment eligibility process, and the Commonwealth's retirement system reconciliations, involving internal control and its operation and compliance with applicable laws, regulations, contracts and grant agreements that require management's attention and corrective action. These matters are described in the section entitled "Audit Findings and Recommendations."

DGIF has taken adequate corrective action with respect to select audit findings reported in the prior year that are listed as resolved in the Findings Summary Appendix.

### **Exit Conference and Report Distribution**

We discussed this report with management on July 9, 2020. Management's response to the findings identified in our audit is included in the section titled "Agency Response." We did not audit management's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of the Governor and General Assembly, Board of DGIF, management, and the citizens of the Commonwealth of Virginia and is a public record.

Martha S. Mavredes  
AUDITOR OF PUBLIC ACCOUNTS

AVC/vks

## APPENDIX FINDINGS SUMMARY

Finding	Follow Up Status	Year(s) Issued
Improve Completion and Performance of Physical Inventories	Deferred**	2014 2015 2016 2018
Improve the Tracking and Reporting of Construction in Progress	Deferred**	2015 2016 2018
Perform Annual Access Review of the Commonwealth's Attendance and Leave System	Deferred**	2018
Improve Employment Eligibility Process	Repeat*	2018 2019
Improve Policies Surrounding Reconciliations of Capital Assets	Deferred**	2018
Improve Procedures Over Monthly Commonwealth Retirement Benefits System Reconciliations and Documentation Maintenance	Repeat*	2014 2015 2016 2019
Perform Adequate Payroll Certification Procedures	Deferred**	2015 2016
Improve Contract Procurement and Contract Management Procedures	Resolved	2016
Improve Quarterly Access Review of the Commonwealth's Purchasing System	Resolved	2017
Improve Controls Surrounding the SPCC Program	Resolved	2017
Enforce Timeliness of Employee Travel Reimbursement Requests	Resolved	2017
Improve Budget Development and Management Process	Deferred**	2017
Deactivate Inactive Small Purchase Charge Cards Timely	New	2019

\* Follow-up Status on prior year findings identified as "Repeat" indicates management's corrective action on a prior recommendation is not complete; therefore, the prior year finding has been fully or partially repeated.

\*\* Follow-up Status on prior year findings identified as "Deferred" indicates review of management's corrective action on a prior year finding will be performed in a future audit.



Matthew J. Strickler  
*Secretary of Natural Resources*

**COMMONWEALTH of VIRGINIA**  
***Department of Wildlife Resources***

Ryan J. Brown  
*Executive Director*

July 10, 2020

Martha Mavredes  
The Auditor of Public Accounts  
P. O. Box 1295  
Richmond, Virginia 23218

Dear Ms. Mavredes:

Thank you for affording us the opportunity to review the findings and recommendations made during the Auditor of Public Accounts (APA) audit of our financial transactions for fiscal year ending June 30, 2019. The Department of Wildlife Resources (DWR), formerly the Department of Game and Inland Fisheries, agrees with the observations and concurs with the recommendations that have been made by APA in this report.

The Department continues to be proud of the significant progress that has been made to improve prior year weaknesses. Further, as of this letter, our staff has already implemented corrective actions to respond to audit recommendations for this year. Thanks to updated policies and procedures, cross training, and more recent and consistent staffing levels in our human resources and purchasing functions, we were well-positioned to respond quickly to the current issues of internal control.

Although a lot of work has gone into making such improvements, DWR will continue to seek ways to ensure consistency and efficiency in our financial and human resources functions. Our employees bring a sense of pride and professionalism in how to manage these important responsibilities, and as a result we are always striving for the highest standard of operations.

We look forward to working with your staff to address ongoing Corrective Action Work Plans. I would also like to thank you for the level of cooperation and professionalism your staff showed during this year's audit, and look forward to a strong working relationship in the future.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ryan Brown".

Ryan Brown, Executive Director

CC: John Daniel, Chair, DGIF Board  
Brian Vincent, Vice Chair, DGIF Board  
April V. Cassada, CPA.CITP, CISA, Director of Data Analysis, APA

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*Equal Opportunity Employment, Programs and Facilities*

## DEPARTMENT OF GAME AND INLAND FISHERIES

(as of June 30, 2019)

### BOARD MEMBERS

Douglas Dear, Chair  
Mamie Parker, Vice-Chair

Leon Boyd	Catherine Claiborne
Ryan Brown	John Daniel
Nicole Butterworth	Karen Terwilliger
H.S. Caudill	Brian Vincent
Gerald Washington	

### DIRECTOR

Robert W. Duncan