

MONTANA LEGISLATIVE AUDIT DIVISION

FINANCIAL-COMPLIANCE AUDIT

Department of Fish, Wildlife & Parks

For the Two Fiscal Years Ended June 30, 2017

MARCH 2018

17-18

REPORT SUMMARY

The Department of Fish, Wildlife & Parks controls 335 fishing access sites; issues hunting and fishing licenses; and oversees fish and wildlife preservation programs, enforcement activities, land management, and community education programs. The department is also responsible for 55 state parks spanning the state from Brush Lake near Dagmar to Painted Rocks near Darby. During fiscal years 2016 and 2017, state parks generated revenue of approximately \$4.2 million in each fiscal year; however, during our audit we determined the department does not have adequate internal controls over the portion of this revenue collected at the parks.

Context

The five-member Fish & Wildlife Commission sets fish and wildlife regulations, approves property acquisitions, and approves certain rules and activities of the Department of Fish, Wildlife & Parks (department) as provided by statute. Commission members are appointed by the Governor and confirmed by the Senate. Similarly, there is a five-member Montana State Parks and Recreation Board that sets park regulations, approves property transactions, and endorses other rules and activities provided by statute. Board members are appointed by the Governor and confirmed by the Senate. There are seven regional offices throughout the state. The department is headquartered in Helena.

The main sources of funding for department activities are license sales and federal awards. The department collected approximately \$57 million in fiscal year 2016, and through increased prices and number sold, approximately \$63 million in fiscal year 2017 through issuance of licenses. In the 2016 license year the department issued the following licenses:

- ◆ Resident Fishing – 194,795
- ◆ Nonresident Fishing – 191,993
- ◆ Resident Hunting – 396,047

- ◆ Nonresident Hunting – 27,252
- ◆ Resident Hunting Combo – 60,804
- ◆ Nonresident Hunting Combo – 30,634

In addition to license issuance, the department administers several federal programs, including the Sportfish and Wildlife Restoration programs. Federal revenues were approximately \$47 million in fiscal year 2017 and \$37 million in fiscal year 2016.

Results

We audited the fiscal year 2016 and 2017 financial schedules. Throughout the audit we tested compliance with laws related to the operations of the department, including the upland game bird enhancement program, shooting range development, registration and use of snowmobiles, alternative livestock ranches, and the rule making of the Fish & Wildlife Commission. For selected licenses, we performed testing to gain assurance that the license fees charged and subsequent allocations of funds were in accordance with state law. We also tested compliance with federal regulations related to the Recreational Trails Program, expenditures related to personal services and operating

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expenses, and license and permits revenues. We visited selected state parks to gain an understanding of day-to-day operations and to test compliance with state laws. We also followed up on reported hotline calls for the department.

Our audit resulted in four recommendations to the department related to the lack of internal controls and noncompliance with state law for cash collections at state parks; noncompliance with federal regulations related to subrecipient monitoring and cash management for the Recreational Trails Program; noncompliance with state law for allowing cash in its federal funds to remain negative for longer than allowed; and noncompliance with state law due to not disclosing the costs of public documents.

Recommendation Concurrence	
Concur	4
Partially Concur	0
Do Not Concur	0

Source: Agency audit response included in final report.

For a complete copy of the report (17-18) or for further information, contact the Legislative Audit Division at 406-444-3122; e-mail to lad@mt.gov; or check the web site at <http://leg.mt.gov/audit>

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