

## **LBA Financial Audit Report Summary:**

### **Fish and Game Department Audit Report for the Year Ended June 30, 1997**

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The Fish and Game Department was created pursuant to RSA 206 in 1935 to manage the wildlife and fish resources of the State. The Department is overseen by an eleven member commission, with one commissioner from each county plus one representing the seacoast area, appointed by the Governor and Council. The Department is self supporting and receives the majority of its funding through the sale of hunting and fishing licenses (64%) and federal funds (26%).

An executive director, who serves a four year term, is responsible for the overall management of the Department. In addition to the Director's Office, the Department has seven divisions as listed below:

- Access and Engineering Division,
- Business/Licensing Division,
- Inland Fisheries Division,
- Law Enforcement Division,
- Marine Fisheries Division,
- Public Affairs Division, and
- Wildlife Division.

Our report contained 13 findings including eight regarding internal control issues, three issues related to noncompliance with state statutes and two instances of noncompliance with federal regulations.

#### **The internal control issues included:**

- Weaknesses in the management control environment as demonstrated by the lack of resolution of the prior audit findings from 1991, the lack of Departmental automation plan, and the fragmentation of Departmental administration functions.
- No formalized written agreement between the Department and the nonprofit organization that operates at the Sandy Point Discovery Center which has resulted in inadequate controls over the Center's operations.
- The Department's new equipment bar coding inventory system was not functional and as a result the Department did not perform a physical inventory as required by administrative rules.
- Lack of documentation to support the value of various real properties held by the Department.
- Other issues included lack of controls over bird paintings and gift certificates, an inadequate manual federal ledger system and an inadequate consumable inventory system.

**State compliance issues included:**

- Charges to dedicated funds for internal indirect costs were undocumented.
- The Department overstated the amount of total donations to the Nongame Fund and as a result requested too much in General Fund matching dollars.
- The Department failed to comply with reporting and record keeping requirements for certain state statutes.

Federal compliance issues dealt with lack of documentation for compensatory time charged to federal programs and late filing of various financial status reports.

**We recommended that the Department:**

- Reassess how the Department is managed and organized and as part of the reassessment develop a long range computer automation plan and consider centralizing its administrative functions.
- Prepare a formalized agreement between the nonprofit organization and itself.
- Correct the problems with the equipment bar coding system.
- Develop and maintain documentation for its real property records.
- Maintain adequate documentation for any charges to dedicated funds.
- Comply with the various reporting and or record keeping requirements in state statutes or seek legislative action to amend existing statutes.
- Maintain adequate documentation for compensatory time charges to federal grants.