



# Report Highlights

Department of Game and Inland Fisheries  
For the Period July 1, 2011 through December 31, 2012

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## Background Information

DGIF receives funding from several sources to pay for their programs, including the sale of hunting and fishing licenses, boat registrations, federal grants and contracts, watercraft sales and use taxes, and voluntary taxpayer contributions to non-game wildlife. In addition, DGIF indirectly receives General Fund revenue collections from a portion of the sales and use taxes derived from the sales of hunting and fishing products, up to \$10.6 million annually.

DGIF collects saltwater fishing license revenue for the Virginia Marine Resources Commission, state forest hunting permits for the Department of Forestry, and watercraft sales tax for the Department of Taxation. DGIF should transfer these revenues monthly to the applicable agency. In addition, DGIF collects boat trailer registration fees for the Department of Motor Vehicles. DGIF should transfer these revenues daily. DGIF does not have formal agreements with most of these agencies that establish how and when transfers will occur.

## Key Findings and Recommendations

We found material weaknesses in internal controls over revenues:

- DGIF did not perform monthly revenue redistributions timely. This prevents DGIF from having an accurate picture of the types of revenues collected. At the end of fiscal year 2012, DGIF did not re-distribute \$631,753 in refunds to the appropriate accounts. Through the first six months of fiscal year 2013, DGIF had not redistributed \$15,334. This also resulted in inaccuracies in the amount of monthly and annual revenues transferred to other agencies.
- DGIF did not correctly or timely transfer license revenues collected on behalf of other agencies and watercraft sales tax collected on behalf of the Department of Taxation. DGIF overpaid Taxation \$521,974 because staff did not properly review transfers before approving them. DGIF overpaid Marine Resources by approximately \$960,000.
- DGIF does not reconcile revenues, cash, or any other accounts that are first recorded in their internal financial system to CARS, except expenditures. Because DGIF does not reconcile revenues, we were unable to determine whether DGIF properly recorded revenues collected in CARS and the internal financial system.

### Material Weakness

*A deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial information will not be prevented, or detected and corrected on a timely basis.*

### Risk Alert—Vacancy Impacts

*DGIF continues to experience the negative effects of significant employee turnover in the Finance area that occurred in fiscal year 2011.*

*DGIF lost numerous individuals from the Finance area due to resignations and retirements and has not been able to fill many of the positions timely due to the Commonwealth's hiring freeze.*

*DGIF management identified the risk the vacancies caused but have been unable to completely eliminate the risk and effects.*

### Other Matters

*DGIF should properly secure its databases that store sensitive citizen information. DGIF should also properly document support for employees' systems access and remove access promptly when it is no longer needed.*



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