

**REPORT OF THE AUDIT OF THE
KENTUCKY DEPARTMENT OF
FISH AND WILDLIFE RESOURCES**

**Made Pursuant To
KRS 150.152**

**For the Fiscal Year Ended
June 30, 2018**



**MIKE HARMON
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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

Kentucky Legislature's Interim Joint Committee
on Natural Resources and Environment
Kentucky Department of Fish and Wildlife Resources Commission
Rich Storm, Commissioner
Kentucky Department of Fish and Wildlife Resources

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying Statement of Revenue Sources - Modified Cash Basis for the Fish and Game Fund, and the Statement of Revenues, Expenditures, and Changes in Fund Balance - Modified Cash Basis for the Program Income Fund of the Fish and Game Fund of the Kentucky Department of Fish and Wildlife Resources (KDFWR), as of and for the year ended June 30, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

KDFWR's management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's



preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the revenue sources of the Fish and Game Fund and the revenues, expenditures, and changes in fund balance for the Program Income Fund of the Fish and Game Fund of KDFWR, as of and for the year ended June 30, 2018, on the basis of accounting described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2019 on our consideration of KDFWR's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the KDFWR's internal control over financial reporting and compliance.

Respectfully submitted,



Mike Harmon
Auditor of Public Accounts

May 7, 2019

FINANCIAL STATEMENTS

**KENTUCKY DEPARTMENT OF FISH AND WILDLIFE RESOURCES
STATEMENT OF REVENUE SOURCES - MODIFIED CASH BASIS
FISH AND GAME FUND**

For The Year Ended June 30, 2018

Revenues:	
Hunting and Fishing Licenses	\$ 30,530,727
Motor Boat Registration Fees and Dealer Licenses	5,556,740
Interest Income	262,299
Fines, Fees, Rentals and General Sales	1,119,166
Fish and Game Law Enforcement Fines	152,463
Fish and Wildlife Educational Program	15,442
Private Grants, Donations, and Gifts	377,467
Proceeds From Asset Disposition	228,187
Fish and Wildlife Hunter for the Hungry Program Income	179 355,802
Miscellaneous Revenues	593,369
Total Revenues	<u>39,191,841</u>
Transfers From Other Funds:	
Total Transfers From Other Funds	<u> </u>
Total Revenues and Transfers From Other Funds	<u><u>\$ 39,191,841</u></u>

The accompanying notes are an integral part of this financial statement.

**KENTUCKY DEPARTMENT OF FISH AND WILDLIFE RESOURCES
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
PROGRAM INCOME FUND**

For The Year Ended June 30, 2018

Revenues:		
Total Revenues	\$	
Expenditures:		
Total Expenditures		
Excess of Revenues Over Expenditures		
Other Financing Sources (Uses)		
Transfer to Federal Revenue Fund	(2,405)	
Transfer to Agency Revenue Fund	(802)	
Total Other Financing Sources (Uses)	(3,207)	
Net Change in Fund Balance	(3,207)	
Fund Balance - July 1, 2017		3,207
Fund Balance - June 30, 2018	\$	

The accompanying notes are an integral part of this financial statement.

NOTES TO THE FINANCIAL STATEMENTS

KENTUCKY DEPARTMENT OF FISH AND WILDLIFE RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Note 1 - Organization

The Kentucky Department of Fish and Wildlife Resources (KDFWR) is organized as an agency of the Commonwealth of Kentucky, with the mission to conserve and enhance fish and wildlife resources and provide opportunities for hunting, fishing, trapping, boating, and other wildlife related activities. KRS 150.152 requires an annual audit of KDFWR, specifically to: a) examine the separate revenue streams of each account within KDFWR's Fish and Game Fund; b) to disaggregate and report the revenues and expenditures, by type, within the Program Income Fund of the Fish and Game Fund; c) identify internal controls, weaknesses, operating inefficiencies, and make recommendations for improvements; and, d) submit a written report to the Interim Joint Committee on Natural Resources and Environment.

The Department of Fish and Wildlife Resources Commission (Commission) oversees KDFWR's operations and is made up of nine members, one from each wildlife district, as appointed by the Governor in accordance with KRS 150.022. As the oversight authority of KDFWR, the Commission advises the commissioner to take actions as may be beneficial to the department and in the interest of wildlife and conservation of natural resources.

Note 2 - Basis of Presentation and Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on a cash basis of accounting modified by the application of KRS 45.229, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under the cash basis of accounting, revenues are recognized when cash is received and expenditures are recorded when paid. The application of KRS 45.229 provides that for a period of thirty (30) days after the close of any fiscal year (FY), warrants may be drawn against available balances of appropriations made for that fiscal year, for the payment of expenditures incurred during the year or in fulfillment of contracts properly made during the year but for no other purpose.

Revenue Recognition

As noted above, revenues under the cash basis of accounting are recognized when cash is received. The primary sources of revenue for the funds presented are hunting and fishing license fees and boat registration fees for the Fish and Game Fund, and interest income for the Program Income Fund.

In FY 2018, no revenues were recorded in the Program Income Fund. The balance of the Program Income Fund was transferred to the grant programs using the deductive method. KDFWR previously "banked" program income. Program income is "banked" when a State (grantee) does not spend program income prior to drawing additional funds from the same financial assistance grant program or delays applying it to another grant in the same grant program. KDFWR primarily used program income for land acquisition. Guidance from the U.S. Fish and Wildlife Service stated that program income earned on a grant must be spent within the grant period it was earned prior to making requests for payments. Thus, KDFWR no longer utilizes the Program Income Fund (134T) for program income banking.

KENTUCKY DEPARTMENT OF FISH AND WILDLIFE RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

Note 2 - Basis of Presentation and Accounting Policies (Continued)

Functional Expenditures and Fund Balance of the Program Income Fund

KRS 150.152 requires a disaggregation of revenues and expenditures for the Program Income Fund. During FY 2018, there were no expenditures reported in the Program Income Fund. The Program Income Fund balance was previously restricted for land acquisition; however, as noted above, KDFWR no longer banks program income. The Program Income Fund balance was \$0 at June 30, 2018.

Operating Transfers

Operating transfers are recorded when a fund receiving the revenue provides it to the fund that expends the resources. Operating transfers are used to finance capital projects and land acquisitions and remaining cash may be transferred back to the fund once a project is complete.

Fish and Game Fund

The Fish and Game Fund received no program revenues or transfers in from other funds. Total revenues received were \$39,191,841 during FY 2018.

Program Income Fund

During FY 2018, KDFWR made a \$2,405 transfer to move interest earned from the Program Income Fund to the Federal fund and an \$802 transfer to move interest earned from the Program Income Fund to the Fish and Game Fund. This account is no longer being used and the interest was transferred out in order to close the fund.

Note 3 - Financial Reporting

KRS 150.152 requires examination of the separate revenue streams of each account within the Fish and Game Fund, as well as a disaggregation and report on the revenues and expenditures, by type, within the Program Income Fund of the Fish and Game Fund. To accomplish these objectives, this report presents two statements:

Statement of Revenue Sources - Modified Cash Basis for the Fish and Game Fund

This statement presents the separate revenue streams of the Fish and Game Fund. Revenues are categorized into major sources, and further detailed by license type or grantor, when possible. As noted above, the statement is presented on the cash basis of accounting modified by the application of KRS 45.229, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Statement of Revenues, Expenditures, and Changes in Fund Balance - Modified Cash Basis for the Program Income Fund

This statement presents the disaggregated revenues and expenditures for the Program Income Fund of the Fish and Game Fund. Revenues are categorized into major sources, and further detailed by type, when possible. This statement is also presented on the cash basis modified by the application of KRS 45.229.

KENTUCKY DEPARTMENT OF FISH AND WILDLIFE RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

Note 4 – Cash and Cash Equivalents

The cash receipts of KDFWR are deposited with the Commonwealth's State Treasury. The Commonwealth's Office of Financial Management is responsible for investing the funds of KDFWR as part of the Commonwealth's investment pool. See the Commonwealth's Comprehensive Annual Financial Report for disclosure of the legally authorized investments and the credit risk classifications of the investment pool.

In accordance with applicable statutes, KDFWR is to receive interest on the available balances accumulated from the collection of fees. Interest is received pro-rata, based on the average balances of KDFWR.

At June 30, 2018, the fair market value of KDFWR's pooled deposits with the Commonwealth totaled \$0 for the Program Income Fund.

Note 5 – Risk Management

KDFWR is exposed to various risks to loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. KDFWR utilized the Commonwealth of Kentucky's Risk Management Funds to cover exposure to these potential losses. The Commonwealth's Comprehensive Annual Financial Report should be referred to for additional disclosures related to the Risk Management Fund.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of Financial
Statements Performed In Accordance With *Government Auditing Standards*

Independent Auditor's Report

Kentucky Legislature's Interim Joint Committee
on Natural Resources and Environment
Kentucky Department of Fish and Wildlife Resources Commission
Rich Storm, Commissioner
Kentucky Department of Fish and Wildlife Resources

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Statement of Revenue Sources - Modified Cash Basis for the Fish and Game Fund, and the Statement of Revenues, Expenditures, and Changes in Fund Balance - Modified Cash Basis for the Program Income Fund of the Fish and Game Fund of the Kentucky Department of Fish and Wildlife Resources (KDFWR), as of and for the year ended June 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated May 7, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered KDFWR's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of KDFWR's internal control. Accordingly, we do not express an opinion on the effectiveness of KDFWR's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is 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 statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards
(Continued)

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Recommendations to be significant deficiencies: 2018-FW-01 and 2018-FW-02.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether KDFWR's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

KDFWR's Response to Findings

KDFWR's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Recommendations. KDFWR's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the KDFWR's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,



Mike Harmon
Auditor of Public Accounts

May 7, 2019

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

KENTUCKY DEPARTMENT OF FISH AND WILDLIFE RESOURCES
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2018

2018-FW-01: The Kentucky Department Of Fish And Wildlife Resources Failed To Transfer Funds From Outside Bank Accounts To The State Treasury Timely

This is a repeat of finding 2017-FW-04 as reported in the fiscal year 2017 audit of the Kentucky Department of Fish and Wildlife Resources (KDFWR). KDFWR receives revenue through the sale of licenses and permits for recreational, commercial, scientific, and educational activities related to fish and wildlife. During fiscal year 2018, instances were noted where receipts were not deposited timely in accordance with established policy and Kentucky Revised Statute (KRS) 41.070. The following exceptions were noted for checks received by the Law Enforcement Division for Commercial Guide Licenses:

- One check totaling \$150 was received on May 4, 2017 and was not deposited for 133 business days.
- One check totaling \$150 was received on January 2, 2018 and was not deposited for 57 business days.

Additionally, KDFWR maintains multiple bank accounts outside of the Kentucky State Treasury (Treasury) to temporarily hold funds associated with camp fees, receipts from the Otter Creek Outdoor Recreation Area (Otter Creek), and Ballard Quota Hunt Fees (Ballard). The following delays in depositing receipts in Treasury were noted:

- Otter Creek collected \$47,416 from August 2017 through October 2017. These funds were not deposited into Treasury until March 19, 2018. Funds were held in the outside account for upwards of 170 days after receipt.
- Otter Creek collected \$10,470 during November and December 2017. These funds were not deposited into Treasury until March 21, 2018. Funds were held in the outside account for upwards of 80 days after receipt.
- Ballard collected \$23,000 during December 2017 through February 2018. These funds were not deposited into Treasury until June 21, 2018. Funds were held in the outside account for upwards of 141 days after receipt.
- Camp Currie collected \$3,438 during August 2017. These funds were not deposited into Treasury until June 21, 2018. Funds were held in the outside account for upwards of 264 days after receipt.
- Camp Currie collected \$11,000 during June 2018. These funds were not deposited into Treasury until October 30, 2018. Funds were held in the outside account for upwards of 91 days after receipt.
- Camp Webb collected \$4,546 during June 2018. These funds were not deposited into Treasury until October 31, 2018. Funds were held in the outside account for upwards of 92 days after receipt.
- Camp Wallace collected \$1,573 during August 2017. These funds were not deposited into Treasury until June 20, 2018. Funds were held in the outside account for upwards of 263 days after receipt.

KENTUCKY DEPARTMENT OF FISH AND WILDLIFE RESOURCES
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2018
(Continued)

2018-FW-01: The Kentucky Department Of Fish And Wildlife Resources Failed To Transfer Funds From Outside Bank Accounts To The State Treasury Timely (Continued)

- Camp Wallace collected \$3,257 during June 2018. These funds were not deposited into Treasury until October 30, 2018. Funds were held in the outside account for upwards of 91 days after receipt.

KDFWR failed to adhere to established policy and State statute requiring receipts held in temporary deposit accounts be transferred into Treasury timely. Additionally, inquiry identified checks were held by the Law Enforcement Division for commercial guide licenses until the entire application process is complete which includes a background check. If an application was denied, the check would be returned rather than funds being deposited and a refund issued. Maintaining funds outside Treasury for extended periods of time increases the risk of fraud, waste, and abuse which could occur undetected.

KDFWR's policy and procedure for Otter Creek Bank deposits states "Once reconciled, the monthly bank statement amount will be drawn by the Accounting Branch through the EPAY system within 45 days of the initial deposit."

The Finance and Administration Cabinet Agency Guidance For Cash Handling requires that all monies received by agencies, departments, and institutions be promptly transmitted to Treasury for deposit or promptly deposited in a state depository bank account per KRS 41.070.

KRS 41.070, Moneys to be deposited in state depositories, states, in part,

(1) Unless otherwise expressly provided by law, no receipts from any source of state money or money for which the state is responsible shall be held, used, or deposited in any personal or special bank account, temporarily or otherwise, by any agent or employee of any budget unit, to meet expenditures or for any other purpose. All receipts of any character of any budget unit, all revenue collected for the state, and all public money and dues to the state shall be deposited in state depositories in the most prompt and cost-efficient manner available. However in the case of state departments or agencies located outside Frankfort, and all state institutions, the Finance and Administration Cabinet may permit temporary deposits to be made to the accounts maintained by the agency, department, or institution in a bank which has been designated as a depository for state funds for a period not to exceed thirty (30) days, and may require that the money be forwarded to the State Treasury at the time and in the manner and form prescribed by the cabinet.

Recommendation

We recommend KDFWR strengthen internal controls to safeguard assets and ensure all collected revenue is deposited into Treasury in a timely manner in accordance with KRS 41.070. KDFWR should also revisit established internal policy to ensure it conforms to KRS 41.070.

KENTUCKY DEPARTMENT OF FISH AND WILDLIFE RESOURCES
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2018
(Continued)

2018-FW-01: The Kentucky Department Of Fish And Wildlife Resources Failed To Transfer Funds From Outside Bank Accounts To The State Treasury Timely (Continued)

Management's Response and Corrective Action Plan

The Department agrees that receipts for all applications fees should be deposited timely, regardless of background check requirements. Since the previous years audit report, KDFWR has changed the process and all checks are deposited when received. The background check requirements are still in effect and refunds will be issued when needed. The two checks listed were prior to this change for the fiscal year.

The delay in processing receipts for Otter Creek was due to severely limited staff resources at Otter Creek and lack of cross training as retirements/leave of absences occurred. The issue was compounded with staffing loss in Administrative Services. Based upon the cash handling policy, an exception from the Finance and Administration Cabinet and/or Kentucky State Treasury should have been requested and a more timely resolution been placed. The updated procedure for Otter Creek conforms to KRS 41.070.

KENTUCKY DEPARTMENT OF FISH AND WILDLIFE RESOURCES
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2018
(Continued)

2018-FW-02: The Kentucky Department Of Fish And Wildlife Resources Failed To Reconcile Internal Systems To eMARS

This is a repeat of finding 2017-FW-03 as reported in the fiscal year 2017 audit of the Kentucky Department of Fish and Wildlife Resources (KDFWR). The greatest source of funding for KDFWR is the sale of licenses and permits related to recreational and commercial hunting and fishing activities. KDFWR utilizes the Kentucky Direct Sales System (KDSS) to process and track the issuance and sale of all licenses and the KDFWR Permit System (Permit System) to track the issuance and sale of all permits. Permit fees are received at the KDFWR headquarters and deposited with Treasury manually. License fees are received through multiple mechanisms including licensed retail agents, KDFWR's website, and KDFWR's headquarters. A significant portion of license sales and all sales from the KDFWR website are processed and deposited through the Commonwealth's NIC Payment Engine.

During fiscal year 2018, KDFWR failed to reconcile all sales data from KDFWR's systems to data recorded in the Enhanced Management Administrative & Reporting System (eMARS), the statewide accounting system. When the NIC Payment Engine was implemented statewide, KDFWR changed policies and procedures for posting and reconciling sales processed electronically to sales recorded in eMARS; however, reconciliations between eMARS and license and permit sales recorded in KDSS and the Permit System were not adequately performed. A proper reconciliation would ensure all fees for licenses and permits sold would have been correctly accounted for and recorded in eMARS.

KDFWR has a partial reconciliation process in place for a portion of license sales collected by licensed retail agents as transferred to KDFWR through an Automated Clearing House (ACH) transaction. Variances are identified between KDSS and collected receipts; however, there was no documentation included supporting the resolution of the identified variances. KDFWR's provided tracking spreadsheet identified a \$20,713 shortage in collected receipts when compared to sales per KDSS in fiscal year 2018.

During fiscal year 2018, KDFWR began developing a verification process to include the reconciliation of the web-based sales system and the Permit System. This process will verify receipts received by multiple divisions in the department to ensure funds are deposited and recorded in eMARS.

Policies and procedures to ensure the timely reconciliation of all revenue data between KDFWR systems and eMARS were not in place during fiscal year 2018. Without a timely and complete reconciliation between revenues recorded in eMARS and internal KDFWR tracking and sales systems, there is an increased risk that errors and omissions may not be detected and corrected in a timely manner resulting in inaccurate information for financial reporting and decision making purposes.

Sound internal controls dictate that underlying accounting records in the form of sales data from the KDFWR website, KDSS, and the Permit System, be reconciled to the accounting records contained in the statewide accounting system. Reconciliations should be completed in a timely fashion as an essential part of the agency's internal control structure to ensure financial data is complete and accurate.

KENTUCKY DEPARTMENT OF FISH AND WILDLIFE RESOURCES
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2018
(Continued)

2018-FW-02: The Kentucky Department Of Fish And Wildlife Resources Failed To Reconcile Internal Systems To eMARS (Continued)

Recommendation

We recommend KDFWR develop and improve on policies and procedures requiring the reconciliation of sales data between KDFWR system records and receipts recorded in eMARS. Due to the magnitude to which the department is dependent upon license and permit fees, additional emphasis should be placed on the timely reconciliation of KDSS and the Permit System sales data to eMARS. In completing reconciliation procedures, KDFWR should follow up on and document the outcome of identified variances.

Management's Response and Corrective Action Plan

License receipts are received by the department in a number of ways dependent upon the type of vendor and the receiving agent. Procedures have been in place to reconcile the majority of receipts as documents are processed in eMARS. KDFWR agrees that a concise, timely reconciliation of all methods must be generated monthly. KDFWR has hired staff whose duties include developing and reconciling outside systems to eMARS. The reconciliation process will be documented in a standard operating procedure.