

**Finance, Audit and Compliance Committee
Meeting Minutes
Board of Game and Inland Fisheries
4000 West Broad Street
Richmond, Virginia 23230**

February 17, 2008, 5:30pm

Present: Thomas A. Stroup, Committee Chairman and James W. Hazel; **Absent:** John W. Montgomery, Jr.; **Director:** Robert “Bob” W. Duncan; **Senior Staff:** Charlie Sledd, Lee Walker, Ray Davis, Bob Ellis, Gary Martel, Major Mike Clark and Larry Hart.

Mr. Stroup welcomed everyone and called the meeting to order at 5:30pm. Mr. Stroup noted for the record that Mr. Montgomery would not be attending the meeting due to a prior commitment.

Approval of the Minutes: The minutes of the December 4, 2008 meeting have been posted to the Web site and copies were distributed to the Committee members for review. **Mr. Stroup called for a motion for the minutes to be approved at submitted. Mr. Hazel seconded the motion: Ayes: Stroup and Hazel.**

Financial Report: Mr. Bob Duncan presented the Financial Report for January, 2009. Watercraft Sales and Use Tax revenue is still in a downward trend due to the economy (gas, loss of jobs, etc.). License sales are showing a slight increase.

A discussion was held by members of the Committee and Staff regarding information in the stimulus package approved by Congress and also the Capital Improvement Projects that will need to be carried forward to the FY 2010 Budget.

The Chairman also requested staff to prepare the backup documentation on the Contractual Services category of expenditures.

Department of Accounts Compliance Review Report: Mr. John Moore presented the findings of the Agency’s Quality Assurance Review conducted by the Department of Accounts.

The Accounting and Internal Control Compliance Oversight Unit of the Department of Accounts conducted the review and shared the results to the Auditor of Public Accounts.

The **Objectives of the Review** were to test the accuracy of information reported for inclusion in the Commonwealth’s fiscal year 2008 (FY08) Annual Financial Report (CAFR) and to assess DGIF’s level of compliance with the requirements detailed in the Commonwealth Accounting Policies and Procedures (CAPP) Manual.

The Findings were:

- DGIF does not recover either statewide or agency indirect costs from the federal government.
- DGIF does not perform a monthly reconciliation of balances between CARS and Voucher (the agency's internal accounting system).
- DGIF has no written procedures for its fiscal processes.
- DGIF did not accurately report executor cost in the Lease Accounting System (LAS) for all of the applicable agency leases. In addition, the fair market value (FM) reported for DGIF's real estate leases were not supported by appropriate documentation.
- DGIF's accounts receivable collection process is not in compliance with collection requirements detailed in CAPP Manual. Topic 20505, Accounts Receivable, and the Virginia Debt Collection Act (Code of Virginia, Sections 2.2-4800 through 2.2-4808).
- DGIF records federal expenditures in its other special revenue funds until reimbursement is received from the federal government. As a result, in the FY08 CAFR the total Federal Trust Fund expenditures were understated and total expenditures in Non-major Governmental Funds were overstated by the same amount.

The Plan of Action for the agency is:

- DGIF has formed a committee and plans to implement an indirect cost rate at the start of Federal FY2010 (October 1, 2009).
- Monthly reconciliation of balances between CARS and Voucher: The system currently performs reconciliations, DGIF will provide written documentation.
- Accounts receivable collection process is not in compliance with collection requirements detailed in CAPP Manual: DGIF does not currently record returned checks in Comptroller's Debt Set-off Program. DGIF will report returned checks in debt set-off program by June 30, 2009.
- DGIF will seek an interest free Treasury Loan from DOA to cover estimated Federal Reimbursements. This will require system and process changes. A committee is formed with an expected implementation date of July 1, 2009.

A discussion was conducted by the Committee, Director and staff regarding the start-up of the Debt-set Off Program. The staff indicated to implement this program would cost the agency about \$3,000.00.

The Chairman stated he attended the meeting with staff and the members of the Compliance Review Committee.

Internal Auditor Report: Mr. John Allen indicated that two Internal Audit Reports that were recently released. One report on Director's Office Expenditures was for the six months ended December 31, 2008. Supporting documentation was adequate, and all expenditures for the period reviewed complied with relevant policies and procedures. The second report dealt with Travel Expense Vouchers.

Mr. Allen noted his Audit Plan was revised to include an IT Security Audit which is now required annually by the Commonwealth. The present scope of his first IT Security Audit is "general overall compliance." This will not prevent the APA from doing routine follow-up of their two prior recommendations (passwords and risk assessment) and the APA could possibly elect to do additional testing in some technical area not covered in depth in his initial audit scope.

Mr. Allen indicated to the Committee that in future years he may ask for assistance in the more specific technical areas where the APA, or other auditors would be appropriate provided management approved. The COV IT Security Program consists of nine (9) components. Mr. Allen's "general overall compliance" audit will address these components.

The Chairman thanked Mr. Allen for his report.

Media Services Quarterly Report (October –December 2008): The Chairman called upon Mr. Lee Walker to present the Media Services Quarterly Report for the period of October-December 2008. Mr. Walker provided some of the highlights of the report:

- 194 Media inquiries (Hunting with Hound Study, Boating Accidents and Deer Damage permits conflicts in neighborhoods in Chesterfield and Williamsburg, etc.)
- During this time period a news release was distributed on the benefits of hunting – the release was to tie hunting in the economy, with being green, and with spending more quality time with family and friends. "Five things that hunting has been doing, and can do for you". This release was picked up nationally and internationally.
- The *Outdoor Report* continues to be very popular. This report is sent to email subscribers every two weeks and the subscriptions continue to increase.
- Participated in the New Youth Fall Turkey Hunt Day, October 18, 2008 and the New Youth Waterfowl Hunting Day, October 25, 2008.

- Video Production continues to be busy with streaming videos, DVD projects and providing various organizations with Agency DVD's.
- Highlights of the major web projects internally for the quarter were:

Developed the "The Bobwhite Quail in Virginia" website

Developed the web application to allow the public to submit and comment on issues online during the 2008-2009 Hunting and Trapping Periodic Regulation Review and Amendment Process.

Maintained the boating safety class database.

Mr. Walker noted the two most popular publications for the Agency are the *Virginia Wildlife Magazine* and the *Virginia Wildlife Calendar*. Subscriptions to the magazine have increased. The Virginia Wildlife Calendar is an ongoing project that requires research, design, printing and distribution. Each year over 45,000 are sold and distributed nationwide. Complimentary copies are distributed to schools and special partner organizations.

Marketing efforts are well under way for the VDGIF/RBFF Lapsed Angler Direct Mail Marketing Plan and the Apprentice Hunting License Marketing Plan.

The Boater Education Marketing Plan is in the early stages of development and, because of the multi-year phase-in approach for the education compliance requirement, the agency's effort to increase public awareness of the new law will stretch across the next several years. Marketing efforts will involve VDGIF publications, such as Virginia Wildlife magazine and the regulations digest, website, brochures, fliers and wallet card reminders as well as press releases, story pitches to reporters and special media events. Mr. Walker also welcomed Ms. Stacey Brown, who joins Mr. Tom Guess in the Department's Boating Safety Education Program.

The Chairman thanked Mr. Walker for his report.

Other Comments/Additional Business: Mr. Charlie Sledd provided an update regarding the current prohibition on printing issued by the Governor's Chief of Staff back in January (the prohibition does allow the Cabinet Secretaries to grant exceptions on a "business case" basis for items which must be printed to support an agency's mission). Therefore, we submitted a Decision Brief requesting an exception to this prohibition for the printing of a number of essential, mission critical publications and have received approval from Secretary Bryant. Mr. Sledd expressed his sincere appreciation to Mr. Lee Walker for his work on the list of items requiring this exception.

The Chairman announced the next meeting date of May 11, 2009 at 5:30pm. There being no further business, the meeting was adjourned at 6:45pm.

Respectfully submitted,

Beth B. Drewery
Board Secretary