

STATE OF WEST VIRGINIA
REPORT
OF

WEST VIRGINIA DEPARTMENT OF NATURAL RESOURCES
SPECIAL REPORT
OF
HUNTING AND FISHING LICENSE HOLDERS
FOR THE
YEAR ENDED DECEMBER 31, 1987



OFFICE OF LEGISLATIVE AUDITOR

CAPITOL BUILDING

CHARLESTON, WEST VIRGINIA 25305

WEST VIRGINIA DEPARTMENT OF NATURAL RESOURCES
SPECIAL REPORT
OF
HUNTING AND FISHING LICENSE HOLDERS
FOR THE
YEAR ENDED DECEMBER 31, 1987

West Virginia



LEGISLATIVE AUDITOR

CHARLESTON

The Joint Committee on Government and Finance:

In compliance with your instructions we have examined the Schedule of Hunting and Fishing License Holders of the West Virginia Department of Natural Resources.

This special report covers the year ended December 31, 1987 and the results of this examination are set forth on the following pages of this report.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Theodora L. Shanklin".

Theodora L. Shanklin, CPA, Director
Legislative Postaudit Division

TLS/ela

WEST VIRGINIA DEPARTMENT OF NATURAL RESOURCES
SPECIAL REPORT OF HUNTING AND FISHING LICENSE HOLDERS
TABLE OF CONTENTS

Exit Conference	1
General Remarks	2
Independent Auditors' Opinion	4
Schedule of Hunting and Fishing License Holders	5
Certificate of Director, Legislative Postaudit Division	6

WEST VIRGINIA DEPARTMENT OF NATURAL RESOURCES
SPECIAL REPORT OF HUNTING AND FISHING LICENSE HOLDERS
EXIT CONFERENCE

We held an exit conference on July 25, 1989 with the Executive Secretary and Fiscal Officer of the West Virginia Department of Natural Resources and all findings and recommendations were reviewed and discussed. The above officials' responses are included in italics following our recommendation in the general remarks section of this report.

WEST VIRGINIA DEPARTMENT OF NATURAL RESOURCES
SPECIAL REPORT OF HUNTING AND FISHING LICENSE HOLDERS
GENERAL REMARKS

INTRODUCTION

We have completed an examination of the West Virginia Department of Natural Resources, Schedule of Hunting and Fishing License Holders for the year ended December 31, 1987.

AREAS OF NONCOMPLIANCE

The sale of Hunting and Fishing License is generally governed by Chapter 20, Article 2 of the West Virginia Code. We tested applicable sections of the above plus general and State regulations and other applicable chapters, articles and sections of the West Virginia Code as they pertain to fiscal matters. The results of our examination are listed below.

Accounts Receivable - Individual Sales' Agents

Chapter 20, Article 2, Section 34 of the West Virginia Code, as amended, states in part, "... All persons in this State who receive money for licenses and permits required by this chapter shall, on the first day of each month, pay over to the director all moneys so collected by them during the preceding month" As of December 15, 1988, our examination indicates the West Virginia Department of Natural Resources had accounts receivable from sales of hunting and fishing licenses totaling \$58,557.00 and consisted of the following:

<u>Year</u>	<u>Amount</u>
1984	\$ 111.00
1986	443.00
1987	<u>58,003.00</u>
	<u>\$58,557.00</u>

Our review of the agent's applications indicated a section on the form which states as follows:

"IF APPOINTED, I UNDERSTAND AND AGREE TO ABIDE BY THE FOLLOWING RULES AND REGULATIONS: ...

2. To submit monthly reports and remittances for licenses sold, to reach the Department of Natural Resources Charleston Office by the 10th of each month ...
5. To abide by the laws of Chapter 20 of the Code of West Virginia and any established rules and regulations thereof."

The existence of outstanding accounts receivable indicates noncompliance with Chapter 20, Article 2, Section 34 of the West Virginia Code, as amended, as well as a failure to comply with the aforementioned provisions of the agency application.

We recommend the Department of Natural Resources enforce compliance with the provisions of Chapter 20, Article 2, Section 34 of the West Virginia Code, as amended and the agreed on provisions contained in the agency application.

Recently, staff of the Department of Natural Resources met with members of your staff, the purpose of which was an exit conference relative to the audit of the hunting and fishing licenses office of DNR.

During said meeting, a finding of non-compliance was disclosed, said finding being approximately \$58,000 in accounts receivable through the period ending December 15, 1987. We have collected, or are in the process of collecting, this amount due the State from licensing agents. Said \$58,000 represents 6/10 of 1% of the total collected for the 1987 calendar year. The national standard for accounts receivable debt is 3%.

While we realize the State Code does not allow for receivables, it is the feeling of this office that the fiscal services section of the Department of Natural Resources is doing an outstanding job when compared to private industry standards.

INDEPENDENT AUDITORS' OPINION

The Joint Committee on Government and Finance:

We have audited the Schedule of 1987 Hunting and Fishing License Holders of the West Virginia Department of Natural Resources for the year ended December 31, 1987. The Schedule of Hunting and Fishing License Holders is the responsibility of the management of the West Virginia Department of Natural Resources. Our responsibility is to express an opinion on the Schedule of Hunting and Fishing License Holders based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Hunting and Fishing License Holders is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Hunting and Fishing License Holders. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Hunting and Fishing License Holders. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the schedule of license holders referred to above presents fairly, in all material respects, the hunting and fishing license holders for the State of West Virginia for the year ended December 31, 1987.

Respectfully submitted,


Theodora L. Shanklin, CPA, Director
Legislative Postaudit Division

December 15, 1988

Auditors: Michael E. Sizemore, CPA, Supervisor
Elizabeth M. Whitman

WEST VIRGINIA DEPARTMENT OF NATURAL RESOURCES
SPECIAL REPORT OF HUNTING AND FISHING LICENSE HOLDERS
SCHEDULE OF HUNTING AND FISHING LICENSE HOLDERS
JANUARY 1, 1987 THROUGH DECEMBER 31, 1987

Hunting Licenses:	
Resident Hunting, Fishing and Trapping	106,101 <u>1/</u>
Resident Hunting	153,290
Non-Resident Hunting	43,338
Non-Resident Bear Hunting	63
Non-Resident Small Game Hunting (6-Days)	4,225
Non-Resident Commercial Shooting Preserve	395
Non-Resident Trapping	47
	<u>307,459</u>
	<u>x.9,946</u> <u>2/</u>
 Total Hunting License Holders	 <u>305,799</u>
 Fishing Licenses:	
Resident Hunting, Fishing and Trapping	106,101 <u>1/</u>
Resident Fishing	134,160
Non-Resident Fishing	10,981
Non-Resident Tourist Fishing (6-Day)	25,738
State Park and Forest Fishing	670
State Park and Forest Permit	458
	<u>278,108</u>
	<u>x.9,946</u> <u>2/</u>
 Total Fishing License Holders	 <u>276,606</u>

1/ These are combined license holders; therefore, they are included in both hunting and fishing.

2/ The factor of .9946 assumes that .54 percent of the license holders have purchased a second license rather than apply for a duplicate license.

STATE OF WEST VIRGINIA

OFFICE OF LEGISLATIVE AUDITOR, TO WIT:

I, Thedford L. Shanklin, CPA, Director of the Legislative Postaudit, do hereby certify that the report of audit appended hereto was made under my direction and supervision, under the provisions of the West Virginia Code, Chapter 4, Article 2, as amended, and that the same is a true and correct copy of said report.

Given under my hand this 1st day of August,
1989.

Thedford L. Shanklin

Thedford L. Shanklin, CPA, Director
Legislative Postaudit Division

Copy forwarded to the Commissioner of the Department of Finance and Administration to be filed as a public record. Five copies forwarded to the Department of Natural Resources; one each to the Governor; Attorney General; and, State Auditor.