



NOV 06 2005

Memorandum

To: John Cooper, President, International Association of Fish and Wildlife Agencies
Dale Hall, Director, U.S. Fish and Wildlife Service

From: Glen Salmon, Cochair, Joint Federal/State Task Force on Federal Assistance Policy *Glen Salmon*
Mitch King, Cochair, Joint Federal/State Task Force on Federal Assistance Policy *Mitch King*

Subject: Policy Recommendation of the Joint Federal/State Task Force on Federal Assistance Policy -Two-Year Audit Period Corrective Action Plan/Resolutions

The Joint Federal/State Task Force on Federal Assistance Policy (JTF) submits the following recommendation concerning a Two-Year Audit Period Corrective Action Plan (CAP)/ Resolutions for your review and consideration. We suggest that the guidance be implemented in the form of a Director's policy memorandum, with future inclusion in the U.S. Fish and Wildlife Service (USFWS) Manual.

The subject came to the JTF via a solicitation by the JTF to the States and the USFWS Regions requesting program issues that should be considered by the JTF. The JTF reviewed these issues and collected and ranked them relative to importance. One of these issues was a limited Federal Assistance audit time frame.

The issue identified is that, while there is clear audit process detailed in the Manual, there is not any written direction provided to the Regional Director on CAP development and the relevant associated time frames. This has led to inconsistent resolutions and application of time periods, and confusion among the State agencies and the Service. Generally, the concern is that the direction detailed in the audit chapters has not been interpreted or translated smoothly into the audit resolutions developed in the CAP.

Specifically, there have been instances in the past, in which the Service recommended that the States provide restitution of funds beyond the five-year audit period. The JTF's opinion is that there is a shared responsibility between the State and the Service to insure stewardship of the funds and the integrity of the program is maintained. For the purpose of resolution with a State, prior audits should have identified and reported to the Service any findings. In the JTF's opinion, the only justification to reach back prior to the current five-year audit period to expand a finding (and restitution) would be a finding of fraud as detailed in the audit chapter.

It is the goal of the JTF to have the State fish and wildlife agency be an effective and efficient steward of restoration programs. To that end, the JTF respectfully offers the following text for inclusion in Director's policy memo and in the Manual:

- Except in the case of fraud, the financial effect of a corrective action plan shall not reach back beyond the scope of the audit and in no event beyond the date of the current five-year audit period.
- Remedial actions that involve the exceptions from paragraph 417 FW 2.6 in the Planning Audits chapter shall be handled on a case-by-case basis with the approval of the Service Director.

FWS/AWSR/FA/T.Barnes/hf/11-3-05

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