



OFFICE OF THE LEGISLATIVE AUDITOR

STATE OF MINNESOTA • James Nobles, Legislative Auditor

March 9, 2017

Mr. Tom Landwehr, Commissioner
Department of Natural Resources
500 Lafayette Road
Saint Paul, Minnesota 55155

Dear Commissioner Landwehr:

We are pleased to inform you that our audit of the Department of Natural Resources' compliance with federal program requirements for fiscal year 2016 did not identify any internal control weaknesses or instances of noncompliance that resulted in written findings or recommendations. Our work was limited to the following federal program cluster administered by the Department of Natural Resources: Sport Fish Restoration Program (CFDA 15.605) and the Wildlife Restoration and Basic Hunter Education Program (CFDA 15.611), which had expenditures of \$14,771,305 and \$19,087,962, respectively. Our work was not a comprehensive audit of the Department of Natural Resources.

We found that the department resolved one audit finding from the prior audit report.¹ In the prior audit report, we found that the department did not have adequate controls to ensure its employees certified the accuracy of employee time reporting. Our review showed that the department had implemented controls to ensure staff reviewed payroll reports and that it had reduced the frequency of instances where timesheets were not completed by the employees themselves or approved by supervisors "having first-hand knowledge of the work performed by the employee."

We conducted this work in your department as part of our annual audit of the state's compliance with federal program requirements and federal grant expenditures for the year ended June 30, 2016, as required by the U.S. Office of Management and Budget (OMB) *Circular A-133* and Uniform Guidance² and the corresponding *Compliance Supplement*, dated June 2016.

If you have any questions about our audit work, please contact Tracy Gebhard, Audit Director, at (651) 296-0038. Thank you for the cooperation extended to our staff during the audit.

Sincerely,

James R. Nobles
Legislative Auditor

Cecile M. Ferkul, CPA, CISA
Deputy Legislative Auditor

cc: Barb Juelich, Chief Financial Officer
Barb Ruckheim, Financial Reporting Director, Minnesota Management and Budget
Mike Thone, Internal Control Specialist, Internal Control and Accountability Unit,
Minnesota Management and Budget

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¹ Office of the Legislative Auditor, Financial Audit Division Report 16-10, *Department of Natural Resources* (Finding 1) issued March 24, 2016.

² Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.