

## Status of Resolution of Audit Findings

December 2012

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**Recreation and Conservation Funding Board (RCFB)**

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**Agency: 467**

**Audit Report:** 2011 F

**Finding Number:** 003

**Finding:** The Recreation and Conservation Office did not support more than \$220,000 in payroll costs as required by federal regulations for the Pacific Coast Salmon Recovery-Pacific Salmon Treaty Program.

**Resolution:** The Recreation and Conservation Funding Board (Board) concurs with this finding and took the following corrective action:

- Payroll costs are drawn as they occur. This change covers direct salaries and benefits. The Board started drawing indirect costs to cover administrative salaries and benefits effective July 2011.
- Verified that the Board's handling of the payroll costs complied with federal regulations specified in "Cost Principles for State, Local and Indian Tribal Governments."
- Updated all staff on the audit outcomes and trained fiscal staff on the detailed changes to processes.
- Discussed the questioned costs with U.S. Department of Commerce, National Oceanic and Atmospheric Administration in May 2012. Final resolution is pending.

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## Status of Resolution of Audit Findings

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**Recreation and Conservation Funding Board (RCFB)**

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**Agency: 467**

**Audit Report:** 2011 F

**Finding Number:** 004

**Finding:** The Recreation and Conservation Office did not support more than \$62,000 in administrative costs as required by federal regulations for the Pacific Coast Salmon Recovery Pacific Salmon Treaty Program.

**Resolution:** The Recreation and Conservation Funding Board (Board) concurs with this finding and took the following corrective action:

- Based all administrative costs on the Board's federally approved indirect rate. The Board draws administrative costs as they occur and started drawing indirect costs to cover administrative salaries and benefits effective July 2011.
- The Board contacted the U.S. Department of Commerce, National Oceanic and Atmospheric Administration (NOAA) grants staff in May 2012, and they indicated that an amendment to the grant agreement to include indirect costs in the grant budget was not required.
- In May 2012, the Board shared with NOAA grants staff the base of the administrative costs (agency pass-through).
- Updated all staff on the audit outcomes and trained fiscal staff on the detailed changes to processes needed.
- Discussed the questioned costs with the NOAA in May 2012. Final resolution is pending.

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