

# Internal Control and Compliance Assessment

## Arkansas Legislative Audit

### Arkansas Game and Fish Commission

For the Fiscal Year Ended June 30, 2024



## INTRODUCTION

This report is issued to inform the Legislative Joint Auditing Committee of compliance with state fiscal laws and regulations as well as deficiencies in internal controls for the Arkansas Game and Fish Commission. As discussed in the Results of Assessment section below, the Agency disclosed three instances of theft of state funds (Finding).

## SCOPE AND METHODOLOGY

We performed an internal control and compliance assessment of the Arkansas Game and Fish Commission, a commission of Arkansas state government, as of and for the year ended June 30, 2024, and have issued our report dated September 10, 2025. Management of the Agency is responsible for establishing and maintaining internal controls and complying with applicable laws and regulations.

The assessment included cash on deposit, cash receipts, expenditures, capital assets, and data entry to the Arkansas Administrative Statewide Information System (AASIS). The assessment consisted principally of inquiries, observations, analytical procedures, and selected tests of internal control policies and procedures, accounting records, and other relevant documents. We relied on financial data in AASIS recorded by the Agency and audit work conducted in the fiscal year 2024 State Annual Comprehensive Financial Report (ACFR) and Single Audit Report.

## RESULTS OF ASSESSMENT

Assessment procedures disclosed the following internal control or compliance matter that was discussed with Agency officials during the assessment and at the exit conference:

**Finding:** P1-19-4-2004 of the Department of Finance and Administration (DFA) Office of Accounting Financial Management Guide states that “the bonded disbursing officer for each state agency, board, commission or institution is responsible for...reporting any losses of state funds to the Chief Fiscal Officer of the State and to the Division of Legislative Audit. Losses include...the apparent theft or misappropriation of state funds or property theft.” The Arkansas Game and Fish Commission (AGFC) notified us of the following thefts of state funds and property:

- On September 20, 2024, a 2018 Honda Pioneer 1000 UTV, with a cost of \$14,095, was stolen from an employee’s property in Grant County. An incident report was filed with the Grant County Sheriff’s Office.
- On December 18, 2024, internal staff notified AGFC central office staff of missing funds at Ozark Highlands Nature Center. The Enforcement Division completed a preliminary review identifying unaccounted for funds of \$554. As of August 15, 2025, the investigation concluded with no additional losses identified. A part-time employee was terminated, and the gift shop has been closed. The facility no longer handles or accepts cash transactions.

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- On May 5, 2025, central office staff were notified of a theft from the Ed Gordon Point Remove Wildlife Management Area Facility. Multiple items were stolen, with an estimated value of \$13,067. An incident report was filed with the Conway County Sheriff's Department.

We recommend the Agency continue to monitor and strengthen controls related to the safeguarding of assets to prevent future occurrences of theft.

***Management response:** Management concurs with the finding and recommendation to strengthen controls related to the safeguarding of inventory. We will provide employees with additional information and guidance to support the prevention of future occurrences of theft and strengthen internal controls to safeguard our inventory. The Ozark Highlands Nature Center no longer handles or accepts cash transactions. The gift shop has been closed, and the facility only accepts card transactions for license sales. New templates for weekly sales have been issued to all locations that track daily cash receipts and are reviewed by management to reconcile sales and deposits.*

## **ENABLING LEGISLATION AND ORGANIZATIONAL STRUCTURE**

AGFC was created in 1915 and, in 1944 with the passage of Amendment 35, gained responsibility and authority for the “control, management, restoration, conservation and regulation of bird, fish, and game and wildlife resources of the State.” Amendment 35 gave AGFC autonomy from the Legislature, enabled it to enforce wildlife regulations statewide, and gave wildlife officers full police authority to issue citations and make arrests. In 1996, Amendment 75 to the State Constitution established the 1/8<sup>th</sup>-Cent Conservation Sales Tax, of which 45% of the net collections are distributed to AGFC. Commission activities are financed primarily through the sale of hunting and fishing licenses, tags, and permits; the 1/8<sup>th</sup> cent conservation sales tax; and federal aid funding. General Revenue funds are not used for AGFC programs.

The Commission is composed of eight members: seven Governor-appointed members, who serve regular seven-year staggered terms, and an ex-officio member, who is chair of the Department of Biological Sciences at the University of Arkansas. The Commission selects and employs an Executive Secretary, or Director, who is delegated broad administrative responsibilities to oversee the daily operation of the Agency and carrying out directives from the Commission.

As illustrated in **Exhibit I on page 5**, the AGFC's 16 Divisions help achieve its goals:

1. *Enforcement* enforces regulations for the protection and enjoyment of fish, game, and non-game resources. Wildlife Officers enforce boating laws, have full police authority, and assist other law enforcement agencies in criminal matters. They are trained first responders and participate in land and water search and rescue operations.
2. *Fisheries Management* manages the State's fisheries populations; manages lakes, reservoirs, and streams for public fishing; acquires, develops, and maintains stream access sites, lakes, nursery ponds, and hatcheries; conducts an intensive trout management program; and provides fisheries management advice. The division conducts fish habitat condition investigations and an on-going research program to measure fish population trends, determine limiting factors, and develop better management techniques.

3. *Wildlife Management* manages the State's wildlife populations by regulating hunting seasons, improving habitats through forest management, developing food resources, constructing and maintaining structures for water control, and management and control of wildlife populations. This division manages the Wildlife Management Areas, which contain a number of roads, bridges, boat ramps, and parking areas to assist sportsmen in accessing the areas for wildlife-related recreational purposes. The division works with landowners to stimulate wildlife habitat development on privately-owned land.
4. *Communications* is responsible for managing all internal and external communication efforts of the Agency. The production of *Arkansas Wildlife* magazine; news releases; newsletters; guidebooks; TV shows and other publications; management of the Agency website, intranet, and social media efforts; and contact with local, state, and national press outlets are key duties of the division.
5. *Education* manages the Hunter Education, Boating Education, Project WILD, Fishing in the Natural State (FINS), Arkansas Archery in the Schools Program, Arkansas Youth Shooting Sports Program, and Aquatic Resources Education. This division is also tasked with operating five nature centers and four education centers across the state.
6. *Fiscal Services* administers the general accounting, licensing, budgeting, disbursing, purchasing, and federal aid sections. The license section works with approximately 300 license dealers who make licenses and permits available locally. Licenses are also available 24 hours per day, 7 days per week, via the internet at AGFC.com.
7. *Human Resources* is responsible for personnel management functions, employee recruitment and training, and payroll processing.
8. *Information Technology (IT)* provides data processing services via a statewide PC network system for all divisions and operates the Agency's telephone communication system.
9. *Geographic Information System (GIS)* develops, compiles, and analyzes spatial components of data. GIS helps users understand patterns, relationships, and the geographic context of information. These added benefits improve communication, efficiency, management, and decision-making across the Agency in support of conservation.
10. *Legal* includes the general counsel for the Agency and three staff attorneys.
11. *Operations* is responsible for vehicle fleet operations, building services, and the operation of ten regional offices. In addition, this division is responsible for land purchases, construction projects, Marine Fuel Tax projects, and the maintenance of capital assets statewide.
12. *Environmental Coordination* fulfills the Agency's responsibilities regarding federal acts and requirements by acting on issues that are time sensitive. These issues consist of the review and evaluation of fish and wildlife resource impacts associated with federally funded, permitted, or licensed activities that occur in Arkansas.
13. *Research, Evaluation, and Compliance* is a group of specialized scientists supporting the Agency through five focus areas: science support, monitoring, human dimensions, wildlife health, and compliance. This division serves as lead on

the Agency's research prioritization and review process, wildlife health program, social science program, and biostatistical data analysis. A key function of this division is to lead the AGFC's response in the management of Chronic Wasting Disease (CWD).

14. *Administration* oversees the Agency and manages the Agency's mission and objectives.
15. *Private Lands Habitat* was created to increase capacity for work on private lands. With 90% of Arkansas in private ownership, the Agency is adding resources to more comprehensively work with private landowners to deliver fish, wildlife, water, and habitat conservation.
16. *Recreational Shooting Division* was created to expand support of youth shooting sports and increase recreational shooting opportunities through the development of new ranges. Recreational shooting has recently increased in popularity, and federal excise tax funds from the sale of guns and ammunition support conservation in Arkansas.

## **FISCAL ANALYSIS**

### **Revenues, Expenditures, and Transfers**

Agency revenues, expenditures, and transfers for fiscal years 2020 through 2024 are illustrated in **Exhibit II on page 6**.

The Agency reported \$68.1 million in total revenue for the fiscal year ended June 30, 2024. The primary sources of revenue are sales of game and fish licenses and permits, federal grants, and license plate fees.

Expenditures totaled \$134.9 million for the fiscal year ended June 30, 2024. Salaries comprised 40% of total expenditures. The other expenditures category comprised 40% of total expenditures and included assistance, grants, and aid; professional services and fees; and capital outlay.

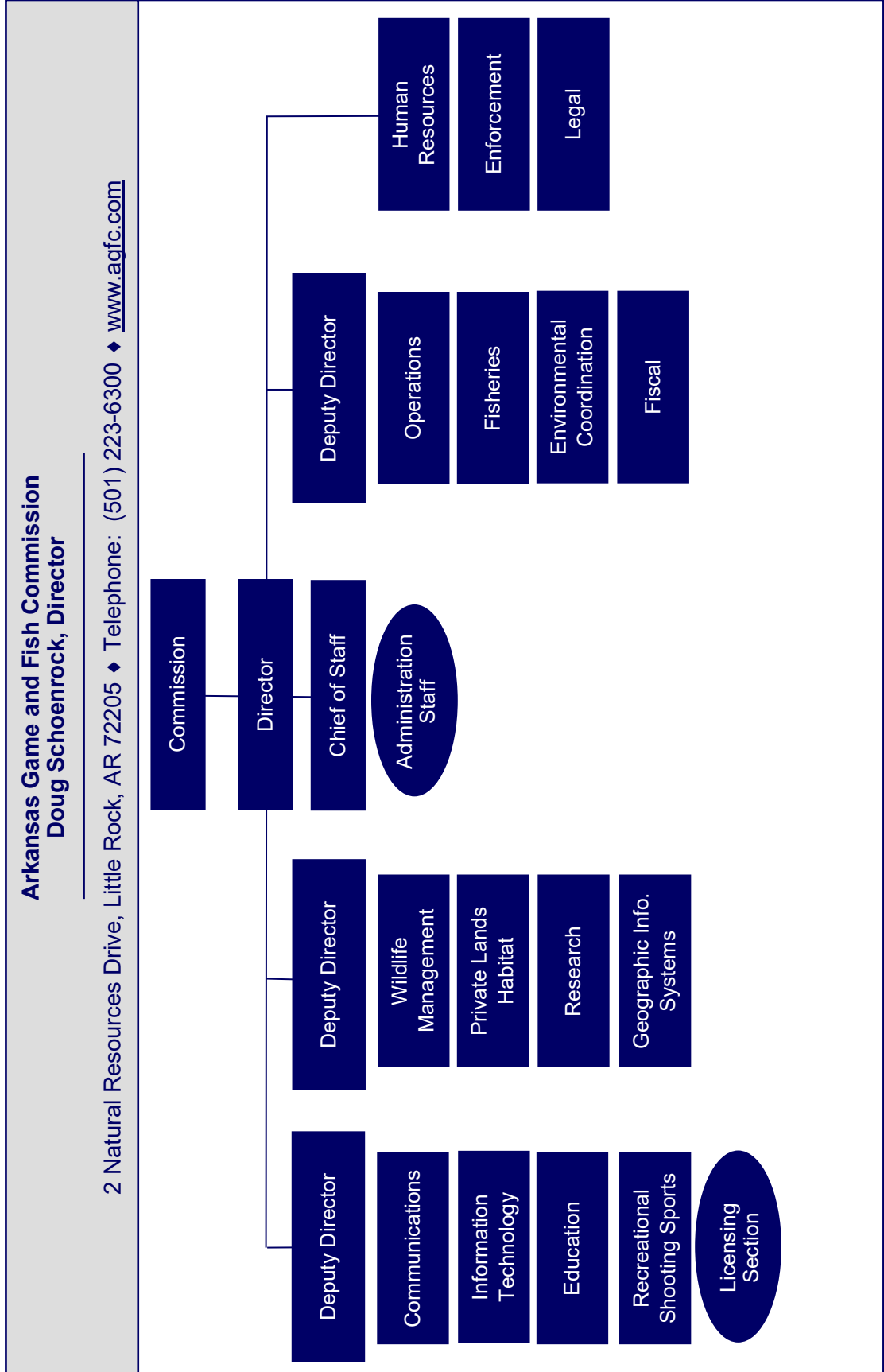
The Agency reported net transfers of \$70.5 million for fiscal year 2024. The majority of expendable funds received through transfers were from 1/8th cent conservation sales taxes, and restricted reserve transfers to accelerate various projects across the State.

### **Assets and Liabilities**

Agency asset and liability balances at year-end for fiscal years 2020 through 2024 are presented in **Exhibit III on page 6**. Agency assets and liabilities totaled approximately \$485.2 million and \$11.0 million, respectively, at June 30, 2024.

Other liabilities include \$6 million in unearned revenues generated from the sale of lifetime sportsman permits.

**Exhibit I**  
**Arkansas Game and Fish Commission**  
**Organizational Chart**



Source: Arkansas Game and Fish Commission

Exhibit II

Arkansas Game and Fish Commission  
Revenues, Expenditures, and Transfers  
For the Years Ended June 30, 2020 through 2024

	Fiscal Year				
	2024	2023	2022	2021	2020
<b>Revenues</b>					
License and permit fees	\$ 33,974,025	\$ 32,046,353	\$ 31,138,042	\$ 31,383,711	\$ 27,835,763
Federal grants and reimbursements	29,507,891	24,423,726	24,069,437	18,558,351	20,400,704
Rents, royalties, and leases	87,839	213,265	161,791	104,258	77,638
Other income	4,546,870	4,053,136	4,041,382	4,580,410	8,537,871
<b>Total Revenues</b>	<u>\$ 68,116,625</u>	<u>\$ 60,736,480</u>	<u>\$ 59,410,652</u>	<u>\$ 54,626,730</u>	<u>\$ 56,851,976</u>
<b>Expenditures</b>					
Salaries	\$ 54,039,466	\$ 47,102,198	\$ 42,232,267	\$ 40,996,163	\$ 41,157,139
Repairing and servicing	12,064,915	9,186,177	6,491,729	5,574,920	5,612,680
Commodities, materials, and supplies	14,395,068	13,056,610	10,817,073	9,546,232	8,789,976
Other expenses	54,359,562	48,361,407	35,754,350	25,306,325	30,023,785
<b>Total Expenditures</b>	<u>\$ 134,859,011</u>	<u>\$ 117,706,392</u>	<u>\$ 95,295,419</u>	<u>\$ 81,423,640</u>	<u>\$ 85,583,580</u>
<b>Net Transfers In (Out)</b>	<u>\$ 70,483,096</u>	<u>\$ 56,968,363</u>	<u>\$ 43,638,036</u>	<u>\$ 37,893,304</u>	<u>\$ 34,965,303</u>

Source: Arkansas Administrative Statewide Information System Trial Balance (unaudited by Arkansas Legislative Audit)

Exhibit III

Arkansas Game and Fish Commission  
Assets, Liabilities, and Deferred Inflows of Resources  
For the Years Ended June 30, 2020 through 2024

	Fiscal Year				
	2024	2023	2022	2021	2020
<b>Assets</b>					
Cash and cash equivalents	\$ 81,501,750	\$ 74,963,743	\$ 76,059,101	\$ 68,585,620	\$ 57,748,552
Fixed assets	399,259,620	370,871,286	350,617,467	335,918,484	328,798,668
Other assets	4,417,291	4,905,177	4,446,979	3,499,539	2,613,600
<b>Total Assets</b>	<u>\$ 485,178,661</u>	<u>\$ 450,740,206</u>	<u>\$ 431,123,547</u>	<u>\$ 408,003,643</u>	<u>\$ 389,160,820</u>
<b>Liabilities</b>					
Accounts payable	\$ 3,743,171	\$ 2,077,463	\$ 1,894,931	\$ 1,285,608	\$ 2,117,023
Payroll liability	1,120,302	954,389	2,150,745	2,041,830	1,726,451
Other liabilities	6,158,261	6,656,736	6,840,873	6,924,226	5,776,552
<b>Total Liabilities</b>	<u>\$ 11,021,734</u>	<u>\$ 9,688,588</u>	<u>\$ 10,886,549</u>	<u>\$ 10,251,664</u>	<u>\$ 9,620,026</u>
<b>Deferred Inflows of Resources</b>					
Related to revenues	\$ 0	\$ 559,546	\$ 45	\$ 0	\$ 6,288

Source: Arkansas Administrative Statewide Information System Trial Balance (unaudited by Arkansas Legislative Audit)

