



April 12, 2017

Kaleen Cottingham, Director
Washington State Recreation and Conservation Office (RCO)
P.O. Box 40917
Olympia, Washington 98504-0917

Dear Ms. Cottingham:

The Office of Inspector General has selected the National Oceanic and Atmospheric Administration (NOAA) grant numbers NANI1NMF4380267 and NANI0NMF4380435 awarded to RCO for an audit.

The objectives of our audit will be to determine whether RCO (1) complied with grant terms and conditions, administrative requirements, cost principles, and audit requirements, (2) claimed allowable, allocable, and reasonable costs under the selected grant awards, and (3) met performance requirements of the grants. We will also review NOAA's oversight and monitoring of these grants.

The audit will be conducted under the authority of the Inspector General Act of 1978, as amended, and Department Organization Order 10-13, dated April 26, 2013, as amended.

We plan to conduct an entrance conference on May 5, 2017, at 1:00 p.m., at which time we will discuss our objectives in more detail. Please have key staff members and the documents listed within the enclosure available at the conference. If you have any questions regarding this audit, please call either Chris Kapek at (206) 220-4717 or David Sheppard, Regional Inspector General, at (206) 220-7970.

Regards,

A handwritten signature in black ink that reads "Mark H. Zabarsky".

Mark H. Zabarsky
Assistant Inspector General for Acquisition and Special Program Audits

Enclosure

cc: Mack Cato, Director, Office of Audit and Information Management, NOAA
Scott Rumsey, Acting Deputy Regional Administrator, NOAA
Sheryl Robinson, Program Officer, NMFS

Enclosure.

Requested Documentation

Please have the following documents available at the entrance conference:

1. Original grant awards, including all attachments, terms, modifications, and other pertinent data.
2. Memorandum of understanding between RCO and NMFS and any amendments.
3. All agreements between RCO and all of its sub-recipients, including its project contractors or consultants, sub-grantees, or other third parties to the award, as well as all amendments, modifications, and change orders.
4. All performance-related documents including internal and external progress assessments and evaluations, notices to proceed, and certificates of final inspection and acceptance.
5. Employee handbook/new employee guide.
6. Policies, procedures, and/or internal control narratives describing the following (if applicable):
 - a. Accumulating and recording of both direct and indirect costs on government financial assistant awards and identifying unallowable costs.
 - b. General accounting and billing system.
 - c. Labor/timekeeping system.
 - d. Travel.
 - e. Purchasing/billing.
 - f. Grant award recipient monitoring.
 - g. Management practices specific to the Pacific Coast Salmon Recovery Fund activities.
7. All correspondence between NOAA and RCO or its contractors or sub-grantees relating to the awards, to include letters, reports, and memoranda of approvals of specific costs or actions.
8. Copy of all applicable fiscal year approved indirect cost rate agreements.
9. Total amount of incurred costs that have been claimed as cost sharing expenses on other federal awards. Please include grant award number, awarding agency, and general ledger account number.
10. General ledger trial balance reports for applicable fiscal years (Excel or CSV preferred).
11. Summary of all grant expenses incurred (including credits to expense accounts). Please segregate expenses for both awards by account name and number (Excel or CSV preferred).

12. Electronic versions of trial balance reports, subsidiary ledgers, or financial reports summarizing disbursements to sub-award recipients for both awards (PDF, Excel, or CSV preferred).
13. Chart of accounts and any changes made to it during the period of performance of the grants.
14. RCO's organizational chart and staff directory.