

**Finance, Audit and Compliance Committee
Meeting Minutes
Board of Game and Inland Fisheries
4000 West Broad Street
Richmond, Virginia 23230**

May 11, 2009, 5:30pm

Present: Thomas A. Stroup, Committee Chairman and James W. Hazel; **Absent:** John W. Montgomery, Jr.; **Senior Staff:** Colonel Dee Watts, Lee Walker, David Whitehurst, Ray Davis, Charlie Sledd, Gary Martel, Bob Ellis, Larry Hart.

Mr. Stroup welcomed everyone and called the meeting to order at 5:30pm. Mr. Stroup noted for the record that Mr. Montgomery would not be attending the meeting due to a prior commitment.

Approval of the Minutes: The minutes of the February 17, 2009 meeting have been posted to the Web site and copies were distributed to the Committee members for review. **Mr. Stroup called for a motion for the minutes to be approved as submitted. Mr. Hazel seconded the motion: Ayes: Stroup and Hazel.**

FY 2010 Budget Presentation: Budget Analyst Senior Ms. Kristy Wharton, in the absence of Mr. Bob Duncan who was unable to attend due to a schedule conflict, presented the FY10 Proposed Budget. The FY10 budget priorities are: identify recurring savings and capture productivity savings; maintain current staffing levels; and use cash for capital projects. The FY 2010 operating appropriation is \$52,173,376; the total projected revenue is \$50,025,000, which is a 4% decrease from FY09; and the proposed operating budget is \$50,068,557, which is down from the FY09 operating budget of \$51,568,344.

The FY 10 budget funds the following positions – total positions (wage and salaried) at 536; salaried positions at 467 (274 full-time classified, 11 full-time IT classified, 182 full-time sworn officers) and wage positions at 72.

The budget reduction strategies used this year are to capture a 2% savings in personnel turnover/vacancy (\$678,703), a 6% productivity savings (\$1,092,596), converting current IT contract positions in Administrative Services to agency positions (\$305,554), reducing two wage positions in Administration from 1,500 hours to 1,000 hours (\$50,000), Law Enforcement vacancies may be filled with DCJS certified officers and a mid-year hire to capture turnover savings, and an abbreviated Law Enforcement Academy.

Mr. Hazel asked what the plan is for an abbreviated Academy. Col. Dee Watts explained the Academy process and the way the classes are decided upon in terms of when to hold a new recruit class.

Budget Highlights:

Quail Action Plan	\$1.5M
VITA Services	\$1.1M
Law Enforcement Vehicles	\$860,000
Law Enforcement Boats	\$400,000
Leadership Development Program	\$94,000
Implementation of the Management Study	\$108,000
Virginia Association of Broadcasters	\$100,000

Mr. Stroup asked for the Virginia Association of Broadcasters to be explained. Mr. Charlie Sledd responded by saying that it is a partnership with the Broadcast Association, which has a Non-Commercial Sustaining Announcement Program. This program is essentially a 2- for-1 on your investment in television and radio air time value.

FY10 Capital Budget: Total \$11,500,000; which includes:

Coursey Springs Hatchery	\$5,500,000
Boating Access Projects	\$1,200,000
Maintenance Reserve	\$2,200,000
Land Acquisitions	\$625,000
Dam Safety	\$700,000
New HQ Facilities	\$500,000
Shooting Range	\$400,000
Game Refuge	\$250,000
Phelps WMA Overlook	\$130,000

Mr. Hazel commented that he was surprised at the small change for FY10 and also asks if projects were put in for the stimulus package. Mr. Whitehurst responded that projects were submitted and are awaiting a response.

Mr. Hazel asked if this stimulus money, if received, would be in addition to the monies shown on the proposed budget. Mr. Whitehurst responded that it would be in addition to what is being shown.

Mr. Hazel made a motion to move that the Committee recommend to the Board the adoption of the FY 10 operating and capital budget framework as proposed by staff. Mr. Stroup seconded the motion: Ayes: Stroup and Hazel.

Small Purchase Charge Card Report: Mr. John Moore presented the SPCC report. Mr. Moore noted that the Small Purchase Charge Card Committee met last week to review the February 2008 charges and noted that this is the last review that will be conducted for a while due to the changeover from GE MasterCard to Bank of America Visa cards. Extensive program rewrites are needed and will take a while to complete.

The question was asked why the conversion took place. Mr. Moore responded by explaining that GE was bought by American Express and the State wanted to have a different program. Relatively short notice was given of the conversion and testing programs were not received until conversion time.

Mr. Hazel asked if this would cause problems. Mr. Moore responded by saying that the Administrative Staff at present time does not have a way to key in charges and will be holding them until the program is complete. At that time all transactions will be entered. IT staff is working on the issue and a late May early June timeframe is anticipated.

Mr. David Simmons, IT Manager, noted that the IT staff is working on this issue; however, they have a transformation in process with VITA. This effort has been directed as a priority from the Governor's Chief of Staff and IT is trying to balance the efforts.

Mr. Moore continued with his SPCC report. The actual bill was about \$180,000 which was about 13% of the total vendor payments made throughout the month. There were 857 lines of purchasing with three findings that need to be addressed. There was one incidence where the approval was not attached to the purchase, one incidence where an exception to the Chief of Staff prohibition on printing was not attached and one incidence where clothing was purchased not from the Agency contract. These items will be addressed this week with re-education.

Mr. Stroup asked what the total dollar amounts were. Mr. Moore responded that the printing cost was less than \$2000, the clothing purchase was \$212 for a coat and the one with no approval attached was \$520. Mr. Moore also mentioned that on a positive note with the 3 incidences, the Agency is within a 98% compliance range.

Mr. Moore continued with the **Auditor of Public Accounts Update**. Two preliminary findings have been issued. One is in regards to the finding that DOA Quality Assurance Auditors issued about the CARS to systems reconciliation and this is in the process of being addressed. The other finding is that the Agency does not have a Formalized Business Impact Analysis and we are working on this as well.

Mr. Hazel asked if we are required to have this and who requires it. Mr. Moore responded that it is required and this comes from VITA along with the Department of Emergency Management.

Mr. Simmons mentioned that the Business Impact Analysis cannot be done until a Risk Assessment is in place. The Agency has done this and is working on completing the rest of the task.

Mr. Moore continued with his Audit report noting that this is a unique audit where the auditors are trying to get the Agency back on a fiscal year basis which will actually require about an 18 month review. To date there have been no significant issues brought forward.

Media Service Report: The Chairman called upon Mr. Lee Walker to present his presentation on the Quarterly Media Service Report. Mr. Walker presented his report noting that there were 110 media inquiries/interviews fielded by the Media Relations Coordinator during the third quarter of FY 2009, which compares to 122 inquiries during the same period last year. He mentioned that 2008 had the highest number of hunting fatalities in more than 15 years, but on the positive side it was also the highest number of bear and deer harvested. There were over 13 news releases published. Mr. Walker also noted there are major changes to take place in wildlife regulations. The Outdoor Report, which is a bi-weekly electronic newsletter, continues to grow and now has 23,000 subscribers and is a great proactive way to get information out to the public. The Video Production Unit has been very busy creating streaming videos to publish on the web. An example of this is the four minute pictorial of the Agency's history which is also used to open meetings, groups and discussions. A 45-minute video about Habitat at Home was recently completed which focuses on improving home landscaping for wildlife and will be available to the general public at a cost of \$12. Work has also begun on Hunter Safety PSAs. The website continues to grow and receives over 15 million pages viewed a year. New notices and events are published weekly to the web. The magazine continues to grow and the March Photo Contest issue remains the most popular but the subscriptions are currently down by approximately 500. Regulations publications never stop and continue to be distributed to over 600 licensing agents across the state. The Wildlife Calendar sales increased this year probably due to the change in the calendar covering January to December. Two strong sales opportunities exist for the calendar - one in August when the calendar comes out and again in December during the Christmas season.

Mr. Hazel asked that the magazine is down 500 from what starting number. Mr. Walker responded by saying the subscription total is about 40,000. Subscriptions generally go down by approximately 500 to 600 during the year but increase during the last part of the year due to gift purchases.

Lapsed Angler Program: Mr. Walker reported that this is the second year of a three year nationwide program. The postcards are now being mailed out to try and encourage the 75,000 anglers who missed buying their licenses last year. The Agency is participating in this program along with 38 other states.

Apprentice Hunting License Program: Mr. Walker reported on the sales numbers for this new effort and also indicated that the Department recently was awarded a grant for about \$80,000 grant from the National Shooting Sports Foundation to participate in a program for hunting that is similar to the Lapsed Angler Program.

Boater Education Program: Mr. Walker reported on the boating safety education requirement, noting that we will soon be doing some advertisements in some selected newspapers and other hunting/fishing publications around the state to bring attention to the upcoming compliance date and phase-in schedule for this requirement.

Mr. Stroup asked how many people had been through the boating safety education class so far. Mr. Sledd responded by saying the normal number per year is between two and three thousand in a classroom course and with inclusion of those taking a course over the internet is at about 5000 total each year.

Mr. Hazel asked Lee Walker or Julia Dixon if they had ever met a gentleman named Chris Hanbeck in Fauquier County. Mr. Hanbeck would like to use his syndicated show to help the Department. Mr. Walker said he would give Mr. Hanbeck a call to discuss and possible future ventures.

Mr. Stroup thanked Mr. Walker for his report.

Internal Auditor Report: Mr. John Allen presented his report noting that he had begun his audit when the APA came in and requested 5 of the 20 major documents that he had requested of IT. So he decided to postpone his comprehensive review until after the APA is done in order to avoid duplication of efforts. Then he performed testing on duplicate travel reimbursements since some had been encountered during last calendar year. The result of this testing came back with no duplications found as of April 30, 2009. Mr. Allen is beginning a review of the Director's Office expenditures.

Mr. Stroup welcomed any questions from the public attending the meeting. A gentleman from the public had no question, but thanked the Committee for allowing him to attend the meeting.

Mr. Hazel asks Mr. Larry Hart for an update on land acquisitions. Mr. Hart responded by saying that the appraisals for the land acquisition project in the mountainous area are being redone since they didn't meet Federal standards. The Bond project on Southside is exactly where it should be at this point.

Mr. Hazel asked about Coursey Springs. Mr. Hart said that project is on track since the rock excavation has been completed.

Mr. Whitehurst commented that some damage was sustained to the Clinch Mountain Wildlife Management Area due to a possible tornado. Trees were down but no one was trapped or injured. A contractor is being called in to clear up the debris.

Mr. Hart noted that the Department's Engineer has been dispatched to that area to assess any damage to the road.

The next meeting of the Committee will be Tuesday, September 15, 2009 at 5:30PM. There being no further business the meeting was adjourned.

Respectfully submitted,

Kimberly F. Crockett