

**ARKANSAS LEGISLATIVE AUDIT  
REPORT ON:  
ARKANSAS GAME AND FISH COMMISSION  
FOR THE YEAR ENDED JUNE 30, 2018**

**Finding:**

R1-19-4-2004 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 Arkansas Legislative Audit (ALA) of the following theft of state property:

On December 5, 2018, a pair of night vision goggles, valued at \$2,738, and a Bushmaster 223 semi-automatic rifle, valued at \$757, were stolen from an Enforcement Officer’s state vehicle in Hazen, Arkansas. Incident and police reports were filed.

**Recommendation:**

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

**Agency Response:**

Management concurs with the finding and recommendation to strengthen controls related to the safeguarding of inventory. We have established and provided employees with additional information and guidance to support the prevention of future occurrences of theft and strengthen internal controls to safeguard our inventory.

**Finding:**

Ark. Code Ann. § 19-4-1502 states that it shall be the responsibility of the executive head of each state agency to keep and maintain a record of all property of the agency. As noted in the previous two assessments, fixed assets (buildings) are again not sufficiently distinguishable by their recorded description and lack corresponding identification on the structures. Indistinguishable property has resulted in the demolition of structures that were not subsequently removed from Agency records. In addition, structures in use by the Agency were not included on the AASIS fixed asset listing. As a result, some assets cannot be independently verified for existence.

AASIS asset adjustments submitted by the Agency to DFA on June 26, 2019, reflected that 15 buildings with an estimated original cost of \$2,845,590 have never been added to the AASIS fixed asset listing, and 158 buildings with a total cost of \$1,663,465 have been demolished but not removed from the AASIS fixed asset list. As of June 30, 2018, the net effect on the financial statements is an understatement of fixed assets totaling \$1,182,125 and an unrecorded loss of \$305,746 on the removal of the 158 demolished buildings because some of those assets were not fully depreciated.

**Recommendation:**

We recommend the Agency continue to strengthen its controls over building identification, ensuring that those assets are properly reflected in AASIS.

**Agency Response:**

The Director, in his role as executive head of the Agency, views the responsibility to maintain proper recordkeeping of all Agency property as critical. In the fall of 2017, a building tagging process was developed for existing and new structures. The implementation of this process was initiated at the end of fiscal year 2018. The fixed asset records were updated in AASIS in fiscal year 2019. An annual inventory of structures will be conducted going forward.