



State of Washington
DEPARTMENT OF FISH AND WILDLIFE

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July 6, 2010

The Honorable Brian Sonntag
State Auditor
Post Office Box 40021
Olympia, Washington 98504-0021

Dear Auditor Sonntag:

Thank you for the opportunity to respond to the final performance audit covering revenue and expenditures of the Delayed-Release Chinook, Puget Sound Crab, and Eastern Washington Pheasant programs. The Department strongly supports the use of performance audits as an important tool to improve state government. We have worked closely with the Auditor's staff on this and past performance audits, and we appreciate the Auditor's staff efforts to work diligently through the financial details of these programs.

We appreciate the recognition in the audit issue statements that the Department calculated the appropriate amounts of dedicated fund revenue and spent funds as required by state law and legislative appropriation.

The administrative rule governing the application of the crab endorsement transaction fee is subject to interpretation, and the Department has applied that fee consistent with the programming and operation of the automated WILD licensing system.

Also, we agree that inconsistencies occurred in the methodology for applying the calculated percentage to determine the deposit of funds to the Recreational Fisheries Enhancement Account. The Department has since enhanced its business operations, to ensure uniform accounting methodology is employed in the future.

The Department allocates shared costs among its hatchery programs based on individual program fish production numbers, such as mitigation, court-ordered resource sharing or recreation. Beyond that fundamental principle, documenting shared costs, such as bulk fish food purchases among Department hatcheries would serve no useful purpose or improve hatchery performance.

As noted in the audit, the Department will address the issue of applying indirect costs to dedicated accounts in the 2011-13 budget cycle, as directed by the Legislature.

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We appreciate the Auditor's commendation of the Department's best-practice use of Building Owners' and Managers' Association International guidelines for allocating equipment and facilities costs based on square footage use.

Enclosed is the Department's response to the audit.

Sincerely,



Philip Anderson
Director

Enclosure

cc: Kimberly Dutton Cregeur,
Office of the Governor, Accountability and Performance Office