



Highlights of GAO-05-804, a report to congressional requesters

September 2005

KLAMATH RIVER BASIN CONSERVATION AREA RESTORATION PROGRAM

Limited Assurance Regarding the Federal Funding Requirements

Why GAO Did This Study

The Klamath River Basin Fishery Resources Restoration Act (Act), passed in October 1986, required the Secretary of the Interior to establish and restore a conservation area in that river basin, created a management council and a task force to assist and advise the Secretary, and authorized \$21 million until September 30, 2006. The restoration program reports that it had been appropriated over \$17 million by September 2005. In anticipation of the authorization's expiration, GAO was asked to provide information for fiscal years 2000 through 2004, the most recent 5-year period for which complete information is available, about (1) funding for the program; (2) expenditures by the program for restoration projects, travel expenses, administrative expenses, overhead, and technical support; (3) expenditures by the management council and the task force; and (4) whether the Secretary complied with certain requirements of the Act. GAO obtained funding and expenditure information from FWS but did not audit that financial information.

What GAO Recommends

GAO makes five recommendations to enhance compliance with the Act. Interior generally agreed with the recommendations but stated that there would be added administrative costs.

www.gao.gov/cgi-bin/getrpt?GAO-05-804.

To view the full product, including the scope and methodology, click on the link above. For more information, contact McCoy Williams at (202) 512-6906 or williamsm1@gao.gov.

What GAO Found

The Secretary of the Interior and the U.S. Fish and Wildlife Service (FWS) have taken a number of actions to formulate, establish, and implement the Klamath River Basin Conservation Area Restoration Program, including designating a conservation area, establishing the management council and the task force, formulating a long-term plan, and funding restoration projects in the Klamath River Basin. The restoration program reports receiving a little over \$9.8 million in cash and noncash contributions during fiscal years 2000 through 2004 from federal and nonfederal sources. The federal portion totaled almost \$6.3 million and consisted of about \$5.1 million from FWS's lump-sum resource management appropriation account, and almost \$1.2 million in cash and noncash contributions from federal entities that participated in restoration projects with FWS, according to FWS records. FWS records also show that the nonfederal portion consisted of almost \$3.6 million in cash and noncash contributions from nonfederal entities that participated in restoration projects.

During the same 5-year period, the restoration program spent about \$7.6 million in cash and noncash contributions for restoration projects, about \$200,000 for travel reimbursements, about \$1.1 million for administrative expenses, and about \$491,000 for overhead, according to information provided by FWS officials. Information was not available on technical support expenses incurred by the restoration program.

The management council and the task force serve solely in an advisory capacity and do not directly select or manage projects. FWS officials told GAO that they paid about \$800,000 to cover operating costs of the management council and the task force for the 5-year period.

Regarding the financial requirements of the Act, FWS officials have correctly identified the need to fund some Restoration Program expenditures from monies that are not subject to the Act's restrictions, and FWS officials told GAO they believe they are in compliance with these provisions. However, FWS has not yet incorporated into their accounting procedures and record-keeping sufficient controls to provide reasonable assurance of compliance with those provisions of the Act.

In addition, the Act requires that half of the restoration program's costs be funded by nonfederal sources. FWS officials collect some information on restoration projects regarding any nonfederal contributions, but they do not distinguish between cash and noncash contributions in project documents, document their valuation decisions regarding the noncash contributions, or take steps to verify that nonfederal contributions meet the Act's criteria. Incorporating these additional controls into the Restoration Program's operations would not be difficult or costly, and would provide reasonable assurance of compliance with those provisions of the Act.