

LEGISLATIVE AUDIT DIVISION

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MEMORANDUM

TO: Legislative Audit Committee Members

FROM: Robert Bannatz, Associate Management & Program Analyst

CC: Department of Fish, Wildlife & Parks
Marina Yoshioka, Acting Director
Robin Graham, Division Administrator - Operations & Financial Services

DATE: November 2024

RE: Performance Audit Follow-up (24SP-26): *Analyzing Bonus Point Accuracy* (orig.23P-01)

Introduction

The *Analyzing Bonus Point Accuracy* (23P-01) report was issued to the Legislative Audit Committee in April 2023. The audit included three recommendations to the Department of Fish, Wildlife & Parks (FWP). In the fall of 2024, we conducted follow up work to assess implementation of the report recommendations. This memorandum summarizes the results of our follow-up work.

Overview

Our original audit found that FWP accurately calculates and consistently applies bonus points, as required by law and rule. However, we had identified improvements in data quality protection, use of historical data, and communications needed to ensure ongoing success. Our report made three recommendations and our follow-up work found that FWP has both made progress towards implementing and not implemented our recommendations. FWP has developed and documented the logic for consistent formatting of manual adjustment remarks with development of this functionality outstanding. Additionally, FWP has developed a bonus point communication plan and multiple new bonus point information materials. However, it did not follow all steps of its plan, such as emailing new information material to all licensed hunters from the previous year. Further, through calling a few FWP staff likely to interact with the public, we found that most but not all resulted in information that would be helpful to the public. Finally, FWP has not implemented our recommendations around developing, documenting, and implementing processes to periodically reconcile bonus point change requests from enforcement; describing all draw code and procedures as part of its ongoing migration process to its new system; and developing, documenting, and implementing processes for review of manual adjustments and identification of risk in bonus point accrual.

Background

FWP manages the state's hunting licensing and permitting functions, including 13 special permit drawings. These limited and often highly sought-after opportunities are obtained through random drawing when the number of applications exceed quota set by the commission. Hunters and anglers may increase their chances of selection by purchasing a species-specific bonus point. Bonus points increase the number of chances a hunter has in the drawing. However, bonus points do not guarantee selection, as the drawings are random. At the time of the audit, we found that bonus points were widely used. In 2022, FWP received more than 314,000 applications for licenses/permits in draws with bonus points. As hunters and anglers commonly apply for more than one species, we estimated the number of individual applicants

using bonus points in 2022 to have been between 275,000 and 300,000. Finally, the number of bonus points used in the 2022 drawings was 936,658 with a value of more than \$4,600,000.

Audit Follow-up Results

The following sections summarize the progress toward implementation of the report recommendations. We interviewed FWP staff; reviewed FWP information resources available online, including materials available through its website, such as a frequently asked questions document and a video explaining bonus points; and reviewed FWP-provided documents, such as its bonus point communication plan and bonus point removal log spreadsheet. FWP has made some progress towards implementing the three recommendations, with one not implemented, one partially implemented, and one being implemented.

Recommendation #1

We recommend that the Department of Fish, Wildlife & Parks improve its bonus point protection structure in the Automated Licensing System by developing, documenting, and implementing:

- A. A process to periodically reconcile bonus point change requests from enforcement and**
- B. A process for describing all draw code and procedures as part of the department's ongoing migration process.**

Implementation Status – Not Implemented

At the time of the original audit, we found that FWP lacked a centralized tracking method and reconciliation process for bonus point change requests. Additionally, we found that the system code FWP uses to conduct license and permit draws contained limited descriptions of its procedures and of the relationships between procedures, and it contained legacy code no longer applicable to draws but kept in case law or rule revert back to a previous version.

Based on our follow-up work, we determined FWP did not implement either part of our first recommendation. FWP's efforts in the two areas are discussed below.

- A. Although FWP developed a process in which bonus point change requests from enforcement staff to licensing staff are recorded by licensing staff in a bonus point removal log spreadsheet, FWP did not develop a process for periodic reconciliation. Additionally, the procedure lives in an Excel spreadsheet and misses important formal elements, such as approval/effective/revision dates and approving/issuing parties. Further, it is high-level and does not require the reason for the bonus point removal be included, which would be important for reconciliations. Finally, FWP's bonus point removal log spreadsheet does not include the reason that led to the change in bonus points, which limits the usefulness of the log as a centralized record.
- B. FWP has made no progress towards implementing the second part of our recommendation. At the time of the original audit and during the follow-up, FWP was in the process of migrating the draw procedure to a new system called Explore Montana. Staff at FWP indicated that they intend to document procedures as business logic is migrated, but there was not yet a specifically defined timeline for implementation. Staff reported working on a plan for a staggered release time for the new system and that they were anticipating implementation of Explore Montana in 2026.

Recommendation #2

We recommend the Department of Fish, Wildlife & Parks increase its risk identification and management in the permit draw and bonus point data structures by developing, documenting, and implementing:

- A. Consistent formatting for manual adjustment remarks,**
- B. A review process for manual adjustments, and**
- C. A process to identify risk in bonus point accrual.**

Implementation Status – Partially Implemented

At the time of the original audit, we found that FWP did not have a consistent format for adjustment remarks when making changes to applicants' bonus points and its system allowed blank remark fields for these manual adjustments to bonus points. Further, we found that FWP did not have a process to review

these bonus point adjustments and, finally, we found that FWP did not have a process for identifying risk in bonus point accrual.

Based on our follow-up work, we determined that FWP was working on one of the three areas of this recommendation but was not working on two of the three areas. FWP's efforts in the three areas are discussed below.

- A. FWP has developed and documented the logic with which it would achieve consistent formatting for manual adjustment remarks but has not developed the technological functionality to carry out this logic. If FWP were to develop the technological functionality as intended, this process should facilitate consistent formatting for manual adjustment remarks. FWP staff estimated to have this functionality developed by the end of 2024.
- B. Although FWP has developed a document that conceptually lays out broad strokes of elements that should be included in a review process, it has not developed a specific review process that includes enough detail to make it actionable and enable a person charged with review responsibility to carry out that responsibility.
- C. Similarly, although FWP has developed a document that conceptually lays out broad strokes of elements that should be included in a risk identification process, it has not developed a specific risk identification process that includes enough detail to make it actionable and enable a person to carry out their responsibility.

Recommendation #3

We recommend the Department of Fish, Wildlife & Parks:

- A. Implement an-ongoing strategy to improve the clarity and consistency of bonus point information available to the public, and**
- B. Distribute new bonus point information to public-facing FWP staff likely to interact with hunters and anglers.**

Implementation Status – Being Implemented

At the time of the original audit, we found that FWP's communication efforts were underdeveloped and resulting in inaccurate understanding of bonus point processes within FWP and among the public. We also found that FWP had not often reviewed its internal and external bonus point communications to determine if there are ways to improve its clarity and consistency.

Based on our follow-up work, we determined both of the areas of the recommendation were being implemented. FWP's efforts in the two areas discussed below.

- A. FWP has developed a bonus point communication plan and developed and published multiple new bonus point information materials. This includes a new bonus point page on its website; an infographic; a PDF with frequently asked questions (FAQ); a video on how bonus points work; and a poster with a QR code to the information on its website. Our review of these materials found them to be clear and consistent.
However, although FWP's bonus point communication plan included approaches of communicating the information both internally and externally, we found that FWP staff did not fully follow this plan. For example, FWP staff did not email bonus point information material to all licensed hunters from the previous year.
Finally, although FWP's plan includes an evaluation component in which FWP intends to monitor public feedback on its outreach and to consider edits to its materials, as of October 2024, it has not performed these steps. FWP reported that is because the license year had not concluded and that it intends to do this at the conclusion of the licensing year.
- B. Our follow-up work found that FWP has used different communications for distributing new bonus point information internally. We called six, randomly selected, FWP staff likely to interact with the public and found that most of these calls resulted in information that would be helpful to members of the public. However, one of these calls did not result in helpful information because for most of our questions we either we did not get a response or responses were vague and missing important details. It will be important for FWP to continue communicating bonus point information to its staff to ensure the public receives clear and consistent bonus point information when interacting with public-facing FWP staff.