

**FISH MANAGEMENT
DIVISION: ACTIVITY AND
COST ANALYSIS**

PROPOSED FINAL REPORT



REPORT DIGEST

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STATE OF WASHINGTON

JOINT LEGISLATIVE AUDIT AND
REVIEW COMMITTEE

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JLARC Study Mandate

In the past, the Legislature and the Office of Financial Management (OFM) have faced challenges in obtaining clear, consistent information from the Department of Fish and Wildlife about its activities and other key management information. In its 2002 Supplemental Operating Budget, the Legislature directed JLARC to identify the Fish Management Division's activities, expenditures, and fund sources.¹ JLARC was also asked to look at how the Division measures performance of its activities and whether Division activities are required, e.g., by federal court order or state statute.

The Fish Management Division

The Fish Management Division within the Department of Fish and Wildlife helps provide the opportunity for recreational and commercial fishing to take place in Washington every year. The Division is one of four divisions within the Fish Program, the largest program in the agency. In the 2001-03 biennium, Fish Management Division expenditures totaled \$39.6 million, representing 14 percent of total Department expenditures for the biennium.

The Department of Fish and Wildlife's Activity-Based Costing Effort

This JLARC review takes place at the same time that the Department is implementing a new activity-based cost accounting system at the agency-wide level. This system will allow the Department to identify its activities and associated costs in a more detailed manner than provided by its current accounting and budgetary systems. **This JLARC study demonstrates how to apply the activity-based cost accounting system at the division level.** The tools developed in this JLARC study are compatible with the Department's new activity-based cost system.

Products of This Study: Two Tools to Explain the Work of the Fish Management Division

JLARC's study yielded a set of tools that can be used to explain the Fish Management Division's activities and expenditures. **The first tool is a pair of activity lists** that identify the various functions performed by Division staff. **The second tool is a database** that combines this activity information with 2001-03 expenditures, staff FTEs, fund sources, fish species groups, and the location of the activities (headquarters or a specific region). These tools will enable the Division to respond to internal management and external requests for information in a more comprehensive and detailed manner. **JLARC will provide this tool kit to the Department, to OFM, and to legislative staff.**

¹ ESSB 6387; C 371 L 02.

Using the Tools: Fish Management Division Major Activities and Fund Sources

The majority of the Division's time and resources are focused on the following major activities: **population data collection** for salmon and steelhead and for other fish and shellfish; **data analysis** for all types of fish and shellfish; **monitoring recreational and commercial harvests** during fishing seasons; and **participating in larger planning umbrellas** where the Department of Fish and Wildlife is one of many players involved with managing a fish species. In the 2001-03 biennium, state dollars funded approximately 60 percent of the Division's activities.

Measuring Performance of Fish Management Division Activities

Neither the agency nor the Division has developed performance measures that specifically relate to the major activities of the Fish Management Division. While the Division has an informal system for assessing performance of its major activities, this system does not allow Department managers outside of the Division or external reviewers to monitor the Division's performance.

The Department of Fish and Wildlife is currently instituting a new performance measurement system throughout the agency. The tools produced by this JLARC study can guide the development of performance measures for the Fish Management Division.

Do the Division's Activities Reflect Statutory and Legal Obligations, Legislative Intent, and Fish and Wildlife Commission Policies?

Some of the Division's activities can be clearly linked to laws and court orders. Additionally, for certain fish species, the Legislature and the Fish and Wildlife Commission have provided specific direction about how the species should be managed. However, for other species, neither the Legislature nor the Commission has weighed in with specific policy direction. In those instances, the Department relies on its very broad mandate to "preserve, protect, perpetuate, and manage" fish and shellfish.² This study identifies three cases where state statutes, Commission policies, and Division activities and expenditures are not aligned.

Recommendations

This JLARC study demonstrates how to apply the agency's new activity-based cost accounting system at the division level. Four recommendations to the Department of Fish and Wildlife should help the Department maximize the use of its new cost accounting and performance measurement systems. A fifth recommendation stems from the study's identification of three cases where state statutes, Fish and Wildlife Commission policies, and Division activities and expenditures are not aligned. In sum, the Department should:

- 1. Define or explain Department activities in terms that are understandable to a general audience;**
- 2. When reporting agency activities and expenditures externally, provide enough context so that a general audience can understand *why* the agency is performing these activities;**
- 3. Identify the distinguishing features the Department wants to track in its activity-based cost system and design its future chart of accounts accordingly;**
- 4. Use the results from its cost accounting system to prioritize and develop performance measures for its major activity expenditures; and**
- 5. Work with the Legislature and OFM to reconcile the three identified cases of differences in state statutes, Fish and Wildlife Commission policies, and Fish Management Division activities and expenditures.**

² RCW 77.04.012.