

Cost-Share File Administrative Audit

District: _____

Review Completed By: _____

Date: _____

Cost Share File Audit Schedule:

Each District will undergo a cost share file audit every other year, in alignment with the District biennial financial audit. Additional audits may be conducted when requested by the District or when determined necessary by the Department, the Audit Subcommittee, or the Virginia Soil and Water Conservation Board. Files selected for an administrative audit should be for practices completed and paid during the previous two fiscal years (i.e. the same two years included in the financial audit). Of the files selected, both structural and agronomic practices should be reflected, as applicable to the District workload. If the District has had approved and paid CREP contracts during the previous two fiscal years, at least one CREP file should also be reviewed. Additionally, two files should be reviewed for each conservation technician. The CDC should review as many cost share files as necessary to accurately assess the District's files. The files reviewed for this administrative audit must be picked at random with no advance notice to the District about the files to be reviewed. The files selected for the administrative audit should not be the same files reviewed during verification inspections or the files selected for review during a financial audit, to the extent possible.

Cost share file audits should be completed between July 1 and March 1 of the fiscal year in which they are being conducted. Results of the file audits will be presented to the Audit Subcommittee of the Virginia Soil and Water Conservation Board in conjunction with the financial audit results.

Technical District Staff Person Responsible for File: _____

Participant/Farm Name: _____ Practice Code: _____

Contract #: _____ Instance #: _____

Is the "General Tab" in the Tracking Program complete and accurate? _____

Part I

Yes No N/A

☐ ☐ ☐ Is applicant information fully completed? If no, describe the missing data.

Missing Data: _____

☐ ☐ ☐ Does Part I accurately reflect information provided on the W-9 completed by the applicant?

☐ ☐ ☐ Is the box related to "funding from other SWCDs" checked?

☐ ☐ ☐ Is the application signed and dated by the participant?

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Part II

Yes No N/A

- ☐ ☐ ☐ Is there a computer-generated copy of the completed Part II?
- ☐ ☐ ☐ Is the contract portion of the application fully completed? If no, describe the missing data.
Missing Data: _____
- ☐ ☐ ☐ Has the District "Amount Approved" been Board approved?
Approved Amount: \$ _____
Date of Board Approval in Minutes: _____
- ☐ ☐ ☐ Has *Statement of Technical Need* been signed by a District employee?
- ☐ ☐ ☐ Has a director signed and dated the technical authorization section?
- ☐ ☐ ☐ Has the participant signed and dated the Part II?
- ☐ ☐ ☐ Is the required completion date noted appropriately on the form?
- ☐ ☐ ☐ Is this a two-program year completion date practice?
- ☐ ☐ ☐ Is there a copy of an approval letter/memo that was sent to the participant and included the date of approval, approval amount, completion deadline, and information regarding the next steps?

Part II Carryover (skip if N/A)

Yes No N/A

- ☐ ☐ ☐ If this practice was carried over, was the carryover section fully completed for each carryover?
Note, a practice may be carried over multiple times and should always be documented. If no, describe the missing data: _____
- ☐ ☐ ☐ Was the completion deadline for the carryover entered in the carryover section for each carryover? Carryover Completion Date(s): _____
- ☐ ☐ ☐ Is approval of each carryover recorded in the minutes?
- ☐ ☐ ☐ Is there a copy of a carryover approval letter for each carryover that was sent to the participant that provides appropriate information and deadlines?

Part III

Yes No N/A

- ☐ ☐ ☐ Is there a computer-generated copy of the completed Part III?
- ☐ ☐ ☐ Is the contract portion of the Part III fully completed? If no, describe the missing data.
Missing Data: _____
- ☐ ☐ ☐ Is the District "Payment Amount" equal to or less than the District "Amount Approved" in Part II?

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- ☐ ☐ ☐ Was there a Board approved increase in “Payment Amount”?
Original Approved Amount: \$_____ Increased Approved Amount: \$_____
Reason for Increase: _____
Date of Board Approval in Minutes: _____
- ☐ ☐ ☐ Did the participant certify that the practice is complete?
- ☐ ☐ ☐ Did District staff certify on the Part III that the practice is complete? Name and title of District staff or engineer: _____
- ☐ ☐ ☐ If a tax credit was provided, is the tax credit appropriate (i.e. 25% or 50%), based on whether the producer has an RMP, of the participant’s out of pocket expenses based?
(If N/A, skip to Conservation Plans)
- ☐ ☐ ☐ Is there a copy of the tax credit certificate(s)?

Transfer Agreement (skip if N/A)

Yes No N/A

- ☐ ☐ ☐ If the contract has transferred ownership, is there a completed transfer agreement with all necessary signatures? Missing information: _____
- ☐ ☐ ☐ Is there a W-9 form on file for the new participant? Does it match the information on the transfer agreement?
- ☐ ☐ ☐ If the practice was transferred **prior to payment**, is there a new Part I, II, and III that reflects the correct participant information and signatures? Note: the updated Part II and III requires all signatures but does not require another approval from the board.
Missing information: _____

Finance Documents

Yes No N/A

- ☐ ☐ ☐ Are copies of the bills/invoices submitted by the participant for payment and/or tax credit included?
- ☐ ☐ ☐ Is payment documentation, like a calculation spreadsheet, copy of issued checks, etc., included? If no, describe the missing data: _____
- ☐ ☐ ☐ If the participant has received a loan through the DEQ Ag BMP Loan program, is there an Assignment of Payment Form (to VRA) in the file and does it include all the proper signatures?

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For Structural Practices:

Yes No N/A

- ☐ ☐ ☐ Are design and related job sheets included with all of the required signatures?
- ☐ ☐ ☐ Are “As Built” designs included with all required signatures?
- ☐ ☐ ☐ Was the bid process followed and a *DCR Bid Solicitation Sheet* filled out for the program years applicable bid threshold requirements? (Example: PY23 and newer contracts, a bid is required for all component costs \geq \$50,000. Prior to PY23, all contracts estimated total costs \geq \$30,000 should have a bid sheet.
- ☐ ☐ ☐ For the WP-4 suite of practices, was the *Risk Assessment for Water Quality Impairment from Heavy Use Areas/Animal Concentrated Areas* utilized in the planning process for this practice?
- ☐ ☐ ☐ For WP-4 dry stack facilities, was the *Dry Manure Storage Structure Agreement* signed?
- ☐ ☐ ☐ For WP-4 suite of practices, was there an *Agricultural Waste Management System Plan* prepared and signed?

Conservation Plans (Skip if N/A)

Yes No N/A

- ☐ ☐ ☐ Is a Conservation Plan required?
- ☐ ☐ ☐ If the practice was approved prior to July 1, 2024, was the conservation plan approved prior to payment being issued to the producer? If the practice was approved after July 1, 2024, was the conservation plan approved prior to the contract being approved?
- ☐ ☐ ☐ Is approval of the Conservation Plan recorded in the minutes?
- ☐ ☐ ☐ Are the necessary BMPs included in the Conservation Plan?
- ☐ ☐ ☐ Are all of the required signatures present and signed by the appropriate people?
- ☐ ☐ ☐ Is there a clear Conservation Plan Map that includes the installed BMPs, field labels, etc.?

Resource Reviews (Skip if N/A)

Yes No N/A

- ☐ ☐ ☐ Is there documentation of a resource review having been completed? A printout of the resource concerns page from the tracking program is required.
- ☐ ☐ ☐ If resources concerns were identified, were they addressed by communications from partner agencies (ex: emails from DCR-DNH, DWR, DHR)?

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Other Items

Yes No N/A

- ☐ ☐ ☐ Have conservation planning notes (Con 6) been initiated and maintained?
- ☐ ☐ ☐ Is there a dropped pin or field outline in CAS?
- ☐ ☐ ☐ If a Nutrient Management Plan was required, is there a copy of the plan or cover page?
- ☐ ☐ ☐ If a Grazing Management Plan was required (i.e. SL-6N/W, SL-7, and SL-10), is there a copy of the plan?

For CREP Practices (see CREP Guidelines pg. VI-2, VI-9, and VACS Manual II-42):

Yes No N/A

- ☐ ☐ ☐ Is there a copy of the CRP-1?
- ☐ ☐ ☐ Is there a copy of the CRP-2C?
- ☐ ☐ ☐ Are there copies of the appropriate 848s?
- ☐ ☐ ☐ Is there a copy of the USDA Conservation Plan?
- ☐ ☐ ☐ Is there a copy of the plan map?
- ☐ ☐ ☐ Is there a copy of the CPA-52 Environmental Evaluation Worksheet?
- ☐ ☐ ☐ Is there a copy of the state resource review query and supporting documentation?
- ☐ ☐ ☐ Is there a copy of the participant's W-9?
- ☐ ☐ ☐ Is there a copy of DCR Form 199-071 or Parts I, II, and III of the Virginia BMP Incentives Program Contract?

Notes about this administrative audit:

Cost-share file administrative audit result should be shared in writing (i.e. email) with all District staff and at least one Director and copied to the SWCD Liaison.