
January 21, 2020

Performance Audit
Recommendations and
Corrective Actions for Audit:
18-03

AGENCY OF AGRICULTURE,
FOOD, AND MARKETS' BEST
MANAGEMENT PRACTICES
PROGRAM

AAFMM Needs to Improve How
They Prioritize Grants and Track
and Compile Data to Calculate
Phosphorus Reduction

Dated: May 21, 2018

Overview

The State Auditor's Office (SAO) makes recommendations designed to improve the operations of state government. For our work to produce benefits, auditees or the General Assembly must implement these recommendations, although we cannot require them to do so. Nevertheless, a measure of the quality and persuasiveness of our performance audits is the extent to which these recommendations are accepted and acted upon. The greater the number of recommendations that are implemented, the more benefit will be derived from our audit work.

In 2010, the SAO began to follow-up on the recommendations issued in our performance audits. Experience has shown that it takes time for some recommendations to be implemented. For this reason, we perform our follow-up activities one and three years after the calendar year in which the audit report is issued. Our annual performance reports summarize whether we are meeting our recommendation implementation targets.

<http://auditor.vermont.gov/about-us/strategic-plans-and-performance-reports>

This report addresses the requirements of Act 155 (2012) to post the results of our recommendation follow-up work on our website. The report does not include follow-up on recommendations issued as part of the state's financial statement audit and the federally mandated Single Audit, which are performed by a contractor. However, our current contract for this work requires the contractor to provide the results of its recommendation follow-up.

Audit Number & Name	Rec #	Recommendation	Follow-Up Date	Status	Review Comments	
18-3 Agency of Agriculture, Food, and Markets' Best Management Practices Program - AAFM Needs to Improve How They Prioritize Grants and Track and Compile Data to Calculate Phosphorus Reduction	1	Revise the Best Management Practices (BMP) Applicant Prioritization Matrix to allow additional weight to be given to 1) priority areas and 2) areas within those priority areas that have the greatest potential for phosphorus reduction.	2019	Implemented	The Agency of Agriculture, Food, and Markets (AAFM) revised the BMP Applicant Prioritization Matrix to allow additional weight to be given to (1) priority areas and (2) areas within those priority areas that have the greatest potential for phosphorus reduction.	
	No further follow-up is required because the recommendation was implemented.					
	2	Document and implement a process to monitor farmers' maintenance of conservation practices funded by the BMP program.	2019	Partially Implemented	An AAFM Financial Manager provided a written explanation of how AAFM monitors farmers' maintenance of BMP funded conservation practices but the agency does not have a documented policy or procedure. According to the Financial Manager, the AAFM staff evaluate conservation practices implemented through the BMP program during their farm inspections and investigations. The AAFM has developed an inspection database and inspectors populate the database with information from farm visits. Identified issues are discussed among the AAFM staff, including the AAFM engineering staff involved in the BMP program.	
				2021		The three-year recommendation follow-up for this audit will be conducted in 2021.
	3	List every conservation practice in the BMP grant documents and the estimated useful life of each, if known.	2019	Implemented	The AAFM's BMP grant agreements list each of the conservation practices the grant is funding. The grant agreements also contain an attachment listing the most commonly funded BMP practices and their respective lifespan. The grant agreements also contain a link to a Natural Resources Conservation Service (NRCS) document that contains the lifespan for each of Vermont's NRCS conservation practices.	
	No further follow-up is required because the recommendation was implemented.					
	4	Change the AAFM's naming conventions for conservation practices documented in the grant agreements to match precisely the NRCS names.	2019	Implemented	The AAFM has changed their naming convention to match the NRCS names for conservation practices.	
	No further follow-up is required because the recommendation was implemented.					
	5	Provide operation and maintenance plans, such as the plans published by the NRCS, to farmers for the conservation practices funded by BMP program grants.	2019	Implemented	The AAFM's BMP grants include a link grantees can use to access operation and maintenance plans published by the NRCS.	
	No further follow-up is required because the recommendation was implemented.					
	6	Track the acreage in the pastureland where livestock is excluded from a waterway as a result of BMP program grants and communicate this data to the Department of Environmental Conservation (DEC).	2019	Implemented	The AAFM tracks the acreage in the pastureland where livestock is excluded from a waterway as a result of BMP program grants and communicates this data to the DEC.	
	No further follow-up is required because the recommendation was implemented.					

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18-3 Agency of Agriculture, Food, and Markets' Best Management Practices Program - AAFM Needs to Improve How They Prioritize Grants and Track and Compile Data to Calculate Phosphorus Reduction	7	Develop a methodology to be used by the enforcement committee to determine and document whether a farm's production area complies with the Required Agricultural Practices (RAPs) and the AAFM's farm permit.	2019	Implemented	The AAFM has developed a methodology to determine whether a farm's production area complies with RAPs and the AAFM's farm permit. The AAFM documents these compliance determinations and reports the results to the DEC.
	No further follow-up is required because the recommendation was implemented.				
	8	Finalize a method for determining production area acreage for purposes of calculating phosphorus reduction impacts for Total Maximum Daily Load (TMDL) tracking.	2019	Implemented	The AAFM has developed a methodology for determining the acreage of a production for purposes of calculating phosphorus reductions impacts for TMDL tracking.
	No further follow-up is required because the recommendation was implemented.				
	9	Develop a process to communicate to the DEC the enforcement committee's determination of whether a farm's production area complies with the RAPs and the AAFM farm permit.	2019	Implemented	The AAFM sends the DEC an Microsoft Excel file that contains data as of whether a farm's production area complies with RAPs and the AAFM's farm permit.
	No further follow-up is required because the recommendation was implemented.				
10	Adopt the NRCS approach to estimating phosphorus reduction for BMP program projects in production areas or adopt an alternative methodology.	2019	Implemented	The AAFM provides the DEC with production area compliance information which is then used by the DEC to calculate estimated phosphorus reductions in production areas.	
No further follow-up is required because the recommendation was implemented.					
11	Expediently update the BMP rules.	2019	Partially Implemented	The AAFM has drafted BMP rules that are awaiting legal counsel review before initiating the rule-making process.	
		2021		The three-year recommendation follow-up for this audit will be conducted in 2021.	
12	Modify the agency's granting plan to include verification that a BMP program grant applicant is in good standing with the AAFM and develop a method to document the verification in the grant file.	2019	Implemented	The AAFM modified their granting plan to include obtaining certification that a BMP program grant applicant is in good standing with the AAFM. These certifications of good standing are maintained in the AAFM's grant files.	
No further follow-up is required because the recommendation was implemented.					

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18-3 Agency of Agriculture, Food, and Markets' Best Management Practices Program - AAFM Needs to Improve How They Prioritize Grants and Track and Compile Data to Calculate Phosphorus Reduction	13	Seek the advice of the Department of Finance and Management and the Attorney General's Office regarding whether the grant provision that allows Department of Taxes to withhold final grant payments to pay taxes owed should be removed from BMP program grant agreements.	2019	Not Implemented	The AAFM has not implemented this recommendation. According to the Agency, Section 16 of Attachment C to the State's standard contract, which relates to withholding final grant payments for taxes owed, cannot be edited.
			2021		The three-year recommendation follow-up for this audit will be conducted in 2021.
	14	Request workers compensation insurance certificates from those farmers who perform work on BMP program project.	2019	Not Implemented	The AAFM has not implemented this recommendation. The AAFM plans to discuss with the Commissioner of the Department of Buildings & General Services whether the AAFM may obtain a waiver for the requirement to obtain certificates of workers' compensation insurance from the farmers.
			2021		The three-year recommendation follow-up for this audit will be conducted in 2021.