

**Audit Subcommittee of the
Virginia Soil and Water Conservation Board
Wednesday, March 20, 2019
Claytor Lake State Park, Dublin, Virginia**

TIME AND PLACE

The meeting of the Audit Subcommittee of the Virginia Soil and Conservation Board convened at 9:00 a.m. in the Water's Edge Meeting Facility at Claytor Lake State Park in Dublin, Virginia.

AUDIT SUBCOMMITTEE MEMBERS PRESENT

Barry L. Marten, Chair
Chuck Arnason
Cindy Smith

ADDITIONAL SOIL AND WATER CONSERVATION BOARD MEMBERS PRESENT

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| Richard A. Street, SWCB Chair | Janette Kennedy |
| Mario Albritton | Charles Newton |
| Gray Coyner | Adam Wilson |

DCR STAFF PRESENT

Russell W. Baxter, Deputy Director, Soil and Water Conservation/Dam Safety and Floodplain Management
Wendy Howard-Cooper, Acting Director of Dam Safety and Floodplain Management
Darryl Glover, Director, Division of Soil and Water Conservation
Christine Watlington, Policy and Regulatory Coordinator
Blair Gordon, SWCD Liaison
Scott Thomas, Dam Safety Engineer
Lisa McGee, Policy Director
Isaac Sarver, Chief Deputy Director for Boards and Constituent Services
Michael Fletcher, Board and Constituent Services Liaison
Matthew Gooch, Office of the Attorney General

CALL TO ORDER

Mr. Marten called the meeting to order at 9:00 a.m. and declared a quorum present. He advised that only subcommittee members would be voting on action items.

APPROVAL OF MINUTES FROM SEPTEMBER 27, 2018

SUBCOMMITTEE ACTION

Mr. Arnason moved that the minutes of the September 27, 2018 meeting of the Audit Subcommittee be approved as submitted by staff. Ms. Smith seconded and the motion carried.

REVIEW OF 2018 AUDIT RESULTS – *Christine Watlington, Policy and Regulatory Coordinator*

Ms. Watlington reviewed the 2018 audit results.

During calendar year 2018, staff from Robinson, Farmer, Cox Associates (RFCA), under contract with the Department of Conservation and Recreation (DCR), completed an audit for twenty-two Districts for the fiscal year(s) that ended on June 30, 2017 and June 30, 2018. RFCA provided their report to the Department on February 7, 2019.

Ms. Watlington reviewed a matrix of audit results. No subcommittee action was required.

APPROVAL OF DISTRICT AUDIT RESULT NOTIFICATION LETTERS – *Christine Watlington*

Ms. Watlington reviewed draft audit result letters for the following four districts: Tri County/City SWCD, Virginia Dare SWCD, Big Walker SWCD, and New River SWCD. She noted that this was the second time that both Virginia Dare and Big Walker had been informed of deficiencies.

SUBCOMMITTEE ACTION

Mr. Marten moved the following:

The Audit Subcommittee of the Virginia Soil and Water Conservation Board directs letters be sent to all Districts audited for the fiscal years that ended on June 30, 2017 and June 30, 2018. The letter must advise the Districts of deficiencies and recurring issues noted by the auditors that must be addressed.

Further, the Subcommittee directs specific letters be sent to both Tri-County/City and Virginia Dare Soil and Water Conservation Districts directing each District to submit a corrective plan of action to the Department no later than June 1, 2019. The Districts are advised to be prepared to present the plans and actions taken by the District to date to the Audit Subcommittee at the September Subcommittee meeting. Both Districts will be required to undergo a special one-year audit for the period ending June 30, 2019. The cost of the 2019 audit will be at the expense of the Districts and will be reduced from their 2020 administration and operations allocations.

Finally, the letters are to be sent to both Big Walker and New River Soil and Water Conservation Districts directing each District to provide copies of the approved policies and procedures, as well as the appropriate Board meeting minutes approving the policies and procedures, to the Department by June 1, 2019. The Subcommittee commends each District on the prompt response to the audit results and will not require the attendance of either District at the September Audit Subcommittee meeting if all documentation is submitted as requested. However, due to the scope of the findings at the Big Walker Soil and Water Conservation District, the District will be required to undergo a special one-year audit for the period ending June 30, 2019. The cost of the 2019 audit will be at the expense of the District and will be reduced from the 2020 administration and operation allocations.

Mr. Arnason seconded and the motion carried.

NEXT MEETING

The Audit Subcommittee will meet in September 2019. The specific date and location will be determined at a later date.

ADJOURN

There was no further business and the meeting adjourned at 9:16 a.m.