

**Audit Subcommittee of the
Virginia Soil and Water Conservation Board
Friday, March 20, 2026, 9:00 a.m.
Green Bay, Virginia**

DRAFT AGENDA

- A. Call to Order and Introductions
- B. Approval of Minutes from September 16, 2025
- C. Review and discussion of 2025 Audit and Cost-Share File Administrative Audit Results
 - 1. General overview of audit results
 - 2. Recommendations regarding certain Districts
 - i. Big Sandy
 - ii. Halifax
 - iii. Henricopolis
 - iv. Holston River
 - v. Lord Fairfax
 - vi. Mountain
 - vii. Mountain Castles
 - viii. Natural Bridge
 - ix. Prince William
 - x. Robert E. Lee
 - xi. Shenandoah Valley
 - xii. Skyline
 - xiii. Southside
 - xiv. Tazewell
 - xv. Three Rivers
- D. Use of Funds Withheld from Soil and Water Conservation Districts
- E. Public Comment
- F. Next Meetings
 - September 2026
 - December 2026
- G. Adjourn

For copies of the Virginia Soil and Water Conservation Board meeting materials contact Breanne Lindsey, Senior Policy Analyst at 804.864.8940 or by email at breanne.lindsey@dcr.virginia.gov.

Audit Subcommittee of the Virginia Soil and Water Conservation Board

John Schick, Chair
Adam Wilson

Virginia Soil and Water Conservation Board
Audit Subcommittee
AGENDA

Nicholas Thomas

Virginia Soil and Water Conservation Board
Audit Subcommittee
AGENDA

**Virginia Soil and Water Conservation Board
Audit Subcommittee
Tuesday, September 16, 2025
Southwest Higher Education Center
Abingdon, Virginia**

TIME AND PLACE

The meeting of the Audit Subcommittee of the Virginia Soil and Water Conservation Board took place at 9:30 a.m. on Tuesday, September 16, 2025, at Southwest Higher Education Center in Abingdon, Virginia.

VIRGINIA SOIL AND WATER CONSERVATION BOARD AUDIT SUBCOMMITTEE MEMBERS PRESENT

Adam D. Wilson, Chair
John Schick

VIRGINIA SOIL AND WATER CONSERVATION BOARD AUDIT SUBCOMMITTEE MEMBERS NOT PRESENT

Charles A. Arnason

DCR STAFF PRESENT

Matthew S. Wells, DCR Director
Christine Watlington Jones, Policy and District Services Manager
Darryl Glover, Deputy Director, Soil and Water Conservation, Dam Safety and Floodplain Management
James Martin, Director, Division of Soil and Water Conservation
Breanne Lindsey, Board and Constituent Liaison
Paul G. Saunders, III, Senior Policy Analyst
Blair Gordon, District Operations Coordinator

OTHERS PRESENT

Angela Ball, DSWC
Matt Wood, Scott County SWCD
Isaac Stanley, Scott County SWCD
Kendall Tyree, VASWCD
David Massie, Culpeper SWCD
Hunter Wyatt, Holston River SWCD
Morgan Short, Hoston River SWCD
Amanda Pennington, DCR Engineering
Benjamin Chester, DCR Engineering
Sara Bottenfield, DCR Ag Incentives Program Manager
Lorie Stevens, Abingdon CDC

ESTABLISHMENT OF A QUORUM

With two (2) members of the Audit Subcommittee present, a quorum was established.

CALL TO ORDER AND INTRODUCTIONS

Mr. Wilson called the meeting to order at 9:30 a.m. and asked for introductions.

APPROVAL OF MINUTES FROM MARCH 19, 2025

ACTION

Mr. Schick moved that the minutes from the March 19, 2025, meeting of the Virginia Soil and Water Conservation Board Audit Subcommittee be approved as submitted. Mr. Wilson seconded, and the motion carried.

REVIEW AND DISCUSSION OF 2024 AUDIT RESULTS – *Christine Watlington Jones, Policy and District Services Manager*

Ms. Watlington Jones presented the subcommittee with a review of the audit results. She recognized the Districts for their efforts and indicated they did well during their assessments for grant deliverables. Clinch Valley was the only District to receive a C rating for deliverable fifteen, which requires a District's Records Officer to complete the Library of Virginia Record Retention Course within the first year of being hired and once every three years after being hired. Ms. Watlington Jones informed the Subcommittee that the Records Officer for Clinch Valley has completed the necessary training since the assessment was completed.

Ms. Watlington Jones continued with an overview of the 2025 cost-share and technical assistance grant deliverables. She informed the subcommittee that there was one correction needed on the information provided; the Hanover-Caroline District received an A for deliverable nine. The subcommittee was informed that there were several Districts that received Cs on their deliverables, specifically for deliverables two, three, and five.

Ms. Watlington Jones informed the subcommittee that she received questions regarding deliverable nine, which refers to the requirement for the Districts to have a Board-approved DCR Conservation Plan in the Conservation Application Suite (CAS) or from NRCS on file prior to contract approval. She continued by indicating that deliverable nine this was the baseline year for this deliverable and no corrective actions were being recommended for Districts. There were two Districts that received Cs for deliverable nine, Southside District and Scott County District. DCR staff have reached out to each District to provide additional assistance to the District staff. Additional training opportunities related to conservation plans are being discussed by the Department and will be offered to all Districts.

Ms. Watlington Jones stated there have been some Districts who reached out to DCR staff for additional information regarding deficiencies and the specific results found in the conservation plans were provided back to the Districts. After the overview was presented, the Board members in attendance

discussed the feedback provided by DCR staff to the Districts and ways to improve the communication between the Department and Districts on the results of the reviews.

Ms. Watlington Jones then reviewed specific recommendations for four Districts:

Culpeper

- Received a C on deliverable five on the FY2025 Cost-Share and Technical Assistance Support Grant Agreement, which is regarding Engineering Job Approval Authority (EJAA).
- DCR staff held a training with Culpeper Staff, District Engineering staff, and Agricultural Incentives Program Manager on September 10th through September 11th. The topics covered included EJAA overview, animal waste engineering process, VACS program rules and requirements, stream crossings, and watering systems. Staff were engaged and asked relevant questions during the training. Additionally, five invitations were sent for District staff to attend the ICE Engineering training. This training will focus on EJAA and operating under the limits of the authority that has been delegated to the District.

ACTION

Mr. Schick moved to adopt the following:

The Audit Subcommittee of the Virginia Soil and Water Conservation Board directs the Department to send a Letter of Notice (LON) to the Culpeper Soil and Water Conservation District for receiving one "C" score on the FY2025 Cost-Share and Technical Assistance Support Grant Agreement.

Culpeper Soil and Water Conservation District (District) will receive a LON for not fulfilling the following Deliverable:

Cost-Share and Technical Assistance Grant Deliverable

Deliverable 5 (If applicable, did District staff implementing the VACS Program obtain and maintain the appropriate level of Engineering Job Approval Authority (EJAA) for components of the BMPs installed within District boundaries? Did District staff follow EJAA requirements and applicable standards and specifications at all times?)

The Audit Subcommittee directs the following actions to be taken:

1. The District will ensure that all engineering training provided to District staff is conducted by an individual with the applicable level of engineering job approval authority (EJAA) for the practice or procedures being examined.
2. The District must adhere to all limitations for EJAA that are established by the Department's District Engineering Service. These limitations may include Department review of final as-builts prior to payment being made to the producer for a practice.
3. All District staff with EJAA or working towards EJAA must attend at least one engineering training a year, when training is provided by the Department.
4. The Department will review a portion of the District's cost-share files for practices that are approved or designed during FY2026. Cost-share files will be reviewed at least twice during the

year and will be reviewed for all District staff that maintain some level of EJAA. These reviews will be conducted by the Department's District Engineering Service and the Agricultural Incentives Program Manager.

Mr. Wilson seconded the motion and the motion carried.

Prince William

- Received Cs in deliverable two and deliverable five. Deliverable two is in reference to VACS implementation and deliverable five is in reference to EJAA.
- These deficiencies found during this overview are similar to concerns the subcommittee had at the September 2024 meeting. The Department is recommending the subcommittee adopt a similar motion as was done at the September 2024 meeting. If the District does not improve, then further action may be recommended at a future meeting.

ACTION

Mr. Schick moved to adopt the following:

The Audit Subcommittee of the Virginia Soil and Water Conservation Board directs the Department to send a Letter of Notice (LON) to the Prince William Soil and Water Conservation District for receiving two "C" scores on the *FY2025 Cost-Share and Technical Assistance Support Grant Agreement*.

Prince William Soil and Water Conservation District (District) will receive a LON for not fulfilling the following Deliverables:

Cost-Share and Technical Assistance Grant Deliverables

Deliverable 2 (*Did the District implement VACS in accordance with the Program Year 2025 Virginia Agricultural Cost-Share (VACS) BMP Manual, including but not limited to the provisions on approval and payment of cost-share, working within District boundaries, bid process, and other administrative guidelines established in the Manual*).

Deliverable 5 (*If applicable, did District staff implementing the VACS Program obtain and maintain the appropriate level of Engineering Job Approval Authority (EJAA) for components of the BMPs installed within District boundaries. Did District staff follow EJAA requirements and applicable standards and specifications at all times?*)

The Audit Subcommittee directs the District to continue implementing the conditions from the September 18, 2024, motion.

Additionally, the Department will reassess the implementation of the VACS Program by the District and, if warranted, will bring additional actions to be taken by the District to future Audit Subcommittee meetings for consideration.

Mr. Wilson seconded the motion and the motion carried.

Robert E. Lee

- Received a B for deliverable one and a C for deliverable six. Deliverable one is related to implementation of the Virginia Agricultural BMP Cost-Share program and deliverable six is related to submission of secondary considerations to DCR with approval from DCR.
- The District did not follow the secondary considerations they submitted to DCR. Additionally, the District only approved applications for cover crops; no applications for structural practices were acted on by the District Board.
- On August 26, 2025, a joint training was held with District Directors, District staff, Department engineering staff, conservation planning staff, and CDC. During the training, discussion was held regarding development of an appropriate ranking system to determine how to split funding between structural and agronomic practices. They also discussed the development of a schedule to ensure the District has a timeframe to complete actions for the structural practices.

ACTION

Mr. Schick moved to adopt the following:

The Audit Subcommittee of the Virginia Soil and Water Conservation Board directs the Department to send a Letter of Notice (LON) to the Robert E. Lee Soil and Water Conservation District for receiving one "B" score and one "C" score on the FY2025 Cost-Share and Technical Assistance Support Grant Agreement.

Robert E. Lee Soil and Water Conservation District (District) will receive a LON for not fulfilling the following Deliverables:

Cost-Share and Technical Assistance Grant Deliverables

Deliverable 1 (*Did the District implement the Virginia Agricultural BMP Cost-Share program (§10.1-546.1 Code of Virginia) in accordance with the provisions of: The POLICY AND PROCEDURES ON SOIL AND WATER CONSERVATION DISTRICT COST-SHARE AND TECHNICAL ASSISTANCE FUNDING ALLOCATIONS (FISCAL YEAR 2025); this Grant Agreement; all state laws and regulations.*)

Deliverable 6 (*Prior to the District approving cost-share applications, did the District submit secondary considerations and receive Department approval of those considerations?)*

The Audit Subcommittee directs the following actions to be taken:

1. *Related to the implementation of the Virginia Agricultural Cost-Share (VACS) Program:*
 - The District must accept applications from any interested producers as required by the 2026 VACS Program Manual (II-16), regardless of the practice being requested. A waiting list is not an acceptable mechanism to manage application submittals or the District's workload associated with the received applications.
 - The District must finalize and approve the ranking and scoring sheet that will be used to rank applications received once initial sign-up period is closed.
 - The District Board must approve a task-oriented schedule that will ensure that applications are processed in a timely manner and that all site visits and engineering

requirements are completed appropriately. The Department strongly recommends that the District Board adopt the schedule that was developed during the Robert E. Lee SWCD Joint Staff and Director Engineering and Conservation Planning Training held on August 26, 2025. Any deviations from the schedule below must be agreed to by the Department.

Task	Date
Signup period ends	Mid September
Complete all initial site visits	End October
Have EJAA (investigation and evaluation) approval based on plan maps	End November
Go for Board Approvals	January Board Meeting
Completed Approved Designs (3 for each technician – Department to assist/complete any approved projects beyond the 3 per technician)	End March

- The District shall report to the Department the status of the tasks outlined in the schedule at the next District Board meeting.
2. Training of existing technical staff
- District technical employees must attend ICE (engineering training) on September 29 – October 2.

The District must provide monthly status updates to the Department regarding the implementation of the action items and the tasks included in the District approved schedule. A District Director will not be required to be present at an Audit Subcommittee meeting if the status updates provided are sufficient to demonstrate improvement in the implementation of the VACS Program and the training of existing technical staff.

Mr. Wilson seconded the motion and the motion carried.

Holston River, Natural Bridge, and Tazewell

- All three Districts received a C for deliverable three, which is related to the maintenance of cost-share files. When there is a cost-share issue, there can be problems when it is time for financial audit and the appropriate documentation is not present.
- The Department is recommending the cost-share files for these Districts receive an additional review during FY2026.
- Ms. Watlington Jones informed the subcommittee that she received a letter from the Tazewell District Manager outlining the steps they have taken to address the issues, and they have agreed with the additional cost-share review. Further, Ms. Watlington Jones spoke with the District Manager the week prior to this meeting and informed the District that if they have made the necessary corrections, then the additional cost-share review would be utilized to review the procedures they have implemented and confirm they are working appropriately.

ACTION

Mr. Schick moved to adopt the following:

The Audit Subcommittee of the Virginia Soil and Water Conservation Board directs the Department to send a Letter of Notice (LON) to the Holston River, Natural Bridge, and Tazewell Soil and Water Conservation Districts for receiving one "C" score on the FY2025 Cost-Share and Technical Assistance Support Grant Agreement.

Holston River, Natural Bridge, and Tazewell Soil and Water Conservation Districts (Districts) will receive a LON for not fulfilling the following Deliverable:

Cost-Share and Technical Assistance Grant Deliverable

Deliverable 3 (*Did the District properly maintain cost-share files in accordance with the Program Year 2025 Virginia Agricultural Cost-Share (VACS) BMP Manual Guidelines and the Cost-Share File Administrative Review Form?*).

The Audit Subcommittee directs the appropriate Conservation District Coordinator to review additional cost-share files for practices that are completed and paid during fiscal year 2026 to ensure complete and accurate cost-share files are maintained moving forward.

Mr. Wilson seconded the motion and the motion carried.

REVIEW OF PREVIOUS ACTION TAKEN REGARDING VIRGINIA DARE SOIL AND WATER CONSERVATION DISTRICT– *Christine Watlington Jones, Policy and District Services Manager*

Ms. Watlington Jones provided the following update:

- At the March meeting, the subcommittee directed that Virginia Dare undergo a special audit. The District provided additional information and after verification of the information provided with Robinson, Farmer, and Cox Associates, it was determined that the issues occurred as the District was transitioning to VRS. The District addressed the issues within the first three months and there have been no reoccurring issues.

ACTION

Mr. Schick moved to adopt the following:

The Audit Subcommittee of the Virginia Soil and Water Conservation Board removes the requirement that Virginia Dare Soil and Water Conservation District undergo a special audit in FY2026.

Mr. Wilson seconded the motion and the motion carried.

PUBLIC COMMENT

Mr. Newton inquired about the requirements necessary for Districts when it comes to EJAA training and whether regular conversations between the District staff with EJAA and the Department's Engineering Services staff would be beneficial. Ms. Watlington Jones indicated that some Districts have determined that it is best to have regularly scheduled calls regarding structural practices that are being designed or reviewed by the Department. These calls can be scheduled quarterly, monthly, or other amount depending on the District.

Mr. Massie, with the Culpeper District provided a comment indicating their District does approximately \$6 million dollars in cost-sharing and they are trying to do a good job. Additionally, Mr. Massie, stated they are working with DCR engineering to remediate any issues and the District appreciates the training provided. The District staff who have received training are working closely with DCR engineering to earn their EJAA. At this time, the District is receiving adequate training, but they will call if their staff need any additional assistance.

NEXT MEETING

The next Audit Subcommittee meeting is scheduled for December 10, 2025, in Williamsburg, VA.

ADJOURN

ACTION

Mr. Schick moved that the meeting be adjourned. Mr. Wilson seconded, and the meeting adjourned at 10:06 a.m.

Results of the 2025 Financial Audits and Cost Share File Administrative File Audits

Recommended Motion:

The Audit Subcommittee of the Virginia Soil and Water Conservation Board directs the Department to send letters to all Districts audited for the fiscal years that ended on June 30, 2024 and June 30, 2025. The letter must advise the Districts of deficiencies and recurring issues noted by the auditors that must be addressed.



COMMONWEALTH of VIRGINIA
DEPARTMENT OF CONSERVATION AND RECREATION

March 20, 2026

MEMORANDUM

TO: Soil and Water Conservation District Chairpersons

FROM: John Schick, Chairman, Audit Subcommittee

SUBJECT: District Audit Results with Comments and Recommendations

Under contract with the Department of Conservation and Recreation (DCR), staff from Robinson, Farmer, Cox Associates (RFC) completed an audit for twenty-three Districts for the fiscal year(s) that ended on June 30, 2024, and June 30, 2025. Additionally, three one-year audits were completed due to employee turnover. RFC should have provided you a copy of the results of your District's audit already. Additionally, DCR staff completed Cost-Share File Administrative Audits for Districts that had a financial audit completed.

There continue to be several repeat issues noted by the auditors and DCR staff across most Districts including the lack of documented approvals for checks and accounts payable disbursements, SPDA verifications, and cost-share conservation notes, and the failure to use the bid process for cost share components over \$50,000. While these issues have not generated significant findings for most Districts, they continue to need further attention. Repeat comments in future audits will generate findings.

Furthermore, any specific area(s) of concern identified in your District audit should be addressed immediately. Repeat comments found in the next audit cycle will likely result in additional actions being directed by the Subcommittee and potential financial penalties. I cannot over-emphasize the importance of sound fiscal and cost-share management. We are all entrusted with public monies so the careful management of these funds is paramount to our success and in maintaining the public confidence in our organizations.

As a reminder, the Soil and Water Conservation *District Desktop Procedures for Operations* is being updated for fiscal year 2027. Copies of the final approved procedures will be provided to each District Treasurer and administrative staff person later this summer and an electronic version of the procedures will be available on the DCR website. It is imperative that every District Director familiarizes themselves with the procedures and ensures that they are implemented correctly.

Your CDC is available should you have any questions or comments concerning the audits and to assist with further discussions and corrective actions related to the audit comments and recommendations.

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DATE: March 9, 2026

MEMORANDUM TO: Virginia Department of Conservation and Recreation
Division of Soil and Water Conservation

FROM: Robinson, Farmer, Cox Associates (RFC)

REGARDING: FY24 and FY25 Audits

We were engaged by the Virginia Department of Conservation and Recreation (DCR) to audit the statements of cash receipts and disbursements for twenty-five Soil and Water Conservation Districts (the Districts) in Virginia. In planning and performing our audits of the statements of cash receipts and disbursements of the Districts, we considered the Districts' internal control structure to plan our auditing procedures for the purpose of expressing our opinions on the statements of cash receipts and disbursements and not to provide assurance on the internal control structure.

However, during our audits, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our twenty-four reports on the statements of cash receipts and disbursements of the Districts. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies.

Insured Bank Accounts

Effective July 1, 2023, the Commonwealth of Virginia's amended Security for Public Deposits Act ("SPDA") regulations *require* Virginia public depositors to use the Treasury web-based Public Funds Search feature to ensure the banks they use are accurately reporting their public funds to the Treasury Board. DCR has made it a requirement that all Districts confirm their bank balances quarterly on the SPDA web site. There were several Districts that were not confirming all of their bank balances. Some failed to confirm their CD balances, and some failed to do it every quarter. We recommend that Districts perform this task every quarter for all bank accounts.

Dual Approvals on Disbursements

There were several districts where we observed disbursements that were made without obtaining two signatures of approval. We recommend compliance with the Desktop Guide that requires two signatures of approval on all payment invoices.

Travel Reimbursements

We noticed an increase in travel reimbursements being paid that were over 60 days from the date of the original purchases by the recipient of the reimbursements. We recommend that all costs being reimbursed by a District be done within 60 days.

Cost Shares - Part II Signatures

Carryover signatures and project completion dates were not always appropriately filled out on the Part II Form stored in the project folder despite being approved in other places. Project completion dates should also be appropriately entered on the Part II to ensure that project carryover approvals are appropriately received in a timely manner. Updating Part II Forms when new project estimates are done or additional funding becomes available also helps to create a clear audit trail and supports the amounts paid on the Part III Form. Part II Forms should also be approved by all applicable individuals, including the applicant if the project did not previously require the applicant's signature when the project was originally approved.

Department of Conservation and Recreation, Division of Soil and Water Conservation

Matrix of Internal Control Recommendations by District

For the two years ended June 30, 2025

District	No Comments	Attachment E	Accounting System	Bank Recon.	SPDA	Check Issuance	Check Signatures	Insured Bank Accts	A/P Items	Payroll items	VRS items	Cost Share	Travel Reimb.	Sales Tax	Credit Cards	Count
1 Big Sandy									✓				✓	✓	✓	4
2 Chowan Basin*		✓				✓						✓				3
3 Clinch Valley	✓															0
4 Colonial	✓															0
5 Daniel Boone*	✓															0
6 Halifax					✓				✓			✓	✓			4
7 Henricopolis					✓	✓			✓			✓			✓	5
8 Holston River					✓				✓							2
9 James River				✓					✓							2
10 John Marshall	✓															0
11 Lake Country					✓				✓				✓			3
12 Lonesome Pine					✓								✓			2
13 Lord Fairfax			✓						✓			✓				3
14 Mountain						✓	✓					✓				3
15 Mountain Castles					✓							✓				2
16 Natural Bridge					✓							✓				2
17 Peanut				✓	✓				✓							3
18 Peter Francisco		✓	✓	✓	✓								✓			5
19 Prince William	✓															0
20 Robert E. Lee*				✓					✓			✓	✓			4
21 Shen. Valley									✓			✓	✓			3
22 Skyline*			✓													1
23 Southside		✓			✓				✓			✓	✓			5
24 Tazewell					✓				✓							2
25 Three Rivers												✓				2
26 Tri-County/City	✓															0
Count	6	3	3	4	12	3	1	-	12	-	-	11	8	1	2	

* Indicates a one year audit only.

Recommendations related to individual District financial audits and Cost Share Administrative File Audits Recommended Motion:

The Audit Subcommittee of the Virginia Soil and Water Conservation Board directs the Department to provide letters, as approved by the Subcommittee, to the following Soil and Water Conservation Districts: Big Sandy, Halifax, Henricopolis, Holston River, Lord Fairfax, Mountain, Mountain Castles, Natural Bridge, Prince William, Robert E. Lee, Shenandoah Valley, Skyline, Southside, Tazewell, and Three Rivers outlining the actions that must be taken by the Districts to address the findings identified during the financial audits conducted by Robinson, Farmer and Cox Associates and the Cost Share File Administrative Audits conducted by the Department.

The letters must also contain any actions and penalties approved by the Virginia Soil and Water Conservation Board, upon the recommendation of the Subcommittee.

David L. Bulova
Secretary of Natural and Historic Resources

Frank N. Stovall
Deputy Director
for Operations

Nikki Rovner
Director



Darryl Glover
Deputy Director for
Dam Safety,
Floodplain Management and
Soil and Water Conservation

Sarah Spota
Deputy Director

COMMONWEALTH of VIRGINIA
DEPARTMENT OF CONSERVATION AND RECREATION

Laura Ellis
Deputy Director for
Administration and Finance

March 20, 2026

Mr. Josh McGlothlin, Chair
Big Sandy Soil and Water Conservation District
1236 Almarine Drive
Grundy, Virginia 24614

Re: District Audit Results and Payments of Sales Tax

Dear Mr. McGlothlin:

Earlier this calendar year, staff from Robinson, Farmer, Cox Associates (RFCA), under contract with the Department of Conservation and Recreation (Department), completed an audit for your District for the fiscal year(s) that ended on June 30, 2024, and June 30, 2025. During the audit, it was noted that the District paid sales tax to the Virginia Department of Motor Vehicles for the purchase of a vehicle.

Per section § 58.1-609.1(16) of the *Code of Virginia*, Soil and Water Conservation Districts are exempt from paying sales and use tax. The *Desktop Procedures for District Fiscal Operations* cites that all Districts should apply for sales tax exemptions at stores which they frequent more than 3 times in a fiscal year or where any one purchase is \$100 or greater. It was noted by RFCA that the District improperly paid sales tax on multiple occasions.

As this is the third time sales tax has been identified as an issue for the District, the Virginia Soil and Water Conservation Board, at the recommendation of the Audit Subcommittee, directs the Department to withhold \$2,000 of the District's FY2027 administration and operations allocation.

Your Department Conservation District Coordinator, Lorie Stevens, is available should you have any questions or comments concerning this audit and to assist with further discussion and corrective actions related to the audit findings.

Sincerely,

John Schick, Chair
Audit Subcommittee
Virginia Soil and Water Conservation Board

cc: Taylor Burgess, Treasurer, Big Sandy Soil and Water Conservation District
Jeanne Presley, District Manager, Big Sandy Soil and Water Conservation District
Lorie Stevens, Department of Conservation and Recreation

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COMMONWEALTH of VIRGINIA
DEPARTMENT OF CONSERVATION AND RECREATION

March 20, 2026

Mr. Steve Bowen, Chair
Halifax Soil and Water Conservation District
Post Office Box 247
Halifax, Virginia 24558

Re: District Audit Results, Significant Findings Memo, SPDA, Invoice Approvals, and Cost Share Contract Signatures

Dear Mr. Bowen:

Earlier this calendar year, staff from Robinson, Farmer, Cox Associates (RFCA), under contract with the Department of Conservation and Recreation (Department), completed an audit for your District for the fiscal year(s) that ended on June 30, 2024, and June 30, 2025. During the audit, deficiencies were found concerning the Virginia Security for Public Deposits Act (SPDA) verifications, dual approval of invoices, and, of most concern, missing signatures on Part IIs and Part IIIs of VACS contracts.

In accordance with the Virginia Security for Public Deposits Act, §2.2-4400 et seq. of the *Code of Virginia*, state and local public entities, including Soil and Water Conservation Districts, are required to verify all bank account information through the Virginia Department of Treasury SPDA Account Balance Search system on a quarterly basis. It was noted by RFCA that Halifax District has not verified bank accounts for any quarters of FY 2025. Therefore, the District is directed to verify all bank balances through the required SPDA system each quarter by the deadline established by SPDA. Quarterly SPDA verifications will be examined during a special audit of the District.

As noted in the Memo, significant findings regarding dual approvals of invoices require the District's immediate attention. The *Desktop Procedures for District Fiscal Operations* cites that prior to payment, all invoices must be endorsed by two individuals. It was noted by RFCA that several invoices reviewed were missing the proper approvals, with only one endorsement being recorded. The District is directed to comply with the *Desktop Procedures* to obtain two approvals on invoices before payments are made, and invoices will be examined during a special audit of the District.

It was noted by RFCA that three contracts reviewed (#33-22-0040, #33-23-0029, and #33-23-0004) did not have all required signatures on the Part IIs of the contract and one contract (#33-24-0034) did not have all required signatures on the Part III.

Section 12 of the *FY2025 Policy and Procedures on Soil and Water Conservation District Cost-Share and Technical Assistance Funding Allocations* and Section 16 of the *FY2025 Cost-share and Technical Assistance grant agreement* state:

For any practice funded in whole or in part by the VACS Program, a VACS contract must be completed and signed in its entirety by both the appropriate District staff, District Director, and the participant. For any practice marked complete and issued payment on or after July 1, 2022, failure to obtain the appropriate signatures on a VACS contract in its entirety will result in the amount provided in VACS cost-share funding for the practice, including the associated technical assistance funding, being withheld from the District's cost-share and technical assistance allocation for the next fiscal year by the Department. VACS cost-share files will be examined during financial audits, administrative cost share file reviews, and verifications to ensure the appropriate signatures have been obtained.

The Virginia Soil and Water Conservation Board, at the recommendation of the Audit Subcommittee, directs the Department to withhold \$2,000 of the District's FY2027 administration and operations allocation as penalties for the incomplete Part II contracts, rather than requiring full repayment of the cost-share funding and technical assistance for these practices. Furthermore, the Board directs the Department to withhold \$80,819.92 of cost share funding and \$10,506.59 of technical assistance funding from the District's FY2027 allocations for the incomplete Part III contract.

Your Department Conservation District Coordinator, Denney Collins, is available should you have any questions or comments concerning this audit and to assist with further discussion related to the audit findings.

Sincerely,

John Schick, Chair
Audit Subcommittee
Virginia Soil and Water Conservation Board

cc: Adam Davis, Treasurer, Halifax Soil and Water Conservation District
Justin Smith, District Manager, Halifax Soil and Water Conservation District
Wanda Gille, Administrative Specialist, Halifax Soil and Water Conservation District
Denney Collins, Department of Conservation and Recreation



DATE: March 9, 2026
MEMORANDUM TO: Halifax Soil and Water Conservation District
FROM: Robinson, Farmer, Cox Associates (RFC)
REGARDING: FY25 Audit

We were engaged by the Virginia Department of Conservation and Recreation (DCR) to audit the statements of cash receipts and disbursements for Halifax Soil and Water Conservation District (the District). In planning and performing our audits of the statements of cash receipts and disbursements of the Districts, we considered the Districts' internal control structure to plan our auditing procedures for the purpose of expressing our opinions on the statements of cash receipts and disbursements and not to provide assurance on the internal control structure.

However, during our audits, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report on the statements of cash receipts and disbursements of the Districts. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies.

Cash

During our examination of the bank records, we noted that SPDA verifications were on file for FY24, however, no SPDA verifications were on file for FY25. We recommend that all bank balances be verified with the SPDA once a quarter.

Disbursements

During our test of disbursements, we noted that four invoices were only approved by one person. We recommend compliance with the Desktop Guide that requires two signatures of approval on all payment invoices.

During our test of disbursements, we noted that one travel reimbursement was paid outside of the 60 days allowed by the Desktop Guide. We recommend compliance with the Desktop Guide.

Cost Shares

During our test of cost shares, we noted three practices had Part II Forms that did not have a carryover approval signature. Of those, one practice had no project completion date listed. The practices were all listed as approved to be carried over in Tracking, however, this approval did not make it to the Part II Form. We recommend that all Part I, II, and III Forms be appropriately filled out and retained in the cost share folder.

During our test of cost shares, we noted one practice had two Part III Forms that did not include the Conservation Tech's signature on them. We recommend that all Part I, II, and III Forms be appropriately filled out and retained in the cost share folder.

Cost Shares (Continued)

During our test of cost shares, we noted one practice that had a Part III Form that did not match the total paid on the check. There appears to be some sort of issue in Tracking with an instance that seems split from the rest. The amount paid is less than the Part II Form approved, however, the Part III Form is meant to be used as the invoice to approve payment of cost share checks. We recommend that care be taken to ensure that Part III Forms are appropriately printing out of Tracking before signing and retaining the forms.



COMMONWEALTH of VIRGINIA
DEPARTMENT OF CONSERVATION AND RECREATION

March 20, 2026

Ms. Becky Lakin, Chair
Henricopolis Soil and Water Conservation District
3978 New Market Road
Henrico, Virginia 23231

Re: District Audit Results, Significant Findings Memo, and Invoice Approvals

Dear Ms. Lakin:

Earlier this calendar year, staff from Robinson, Farmer, Cox Associates (RFCA), under contract with the Department of Conservation and Recreation (Department), completed an audit for your District for the fiscal year(s) that ended on June 30, 2024, and June 30, 2025. During the audit, deficiencies were found concerning the approval of invoices for expenditures.

As noted in the Memo, significant findings regarding dual approvals of invoices require the District's immediate attention. The *Desktop Procedures for District Fiscal Operations* cites that prior to payment, all invoices must be endorsed by two individuals. It was noted by RFCA that none of the invoices had approvals noted. The District is directed to comply with the *Desktop Procedures* to obtain two approvals on all invoices before payments are made.

The District will be required to undergo a special financial audit for the time period of April 1, 2026 – December 31, 2026. The cost of this special audit will be at the expense of the District and will be reduced from the District's FY2027 administration and operations allocations.

Furthermore, as this is a repeat finding for the District and as this is the fourth time the District's performance has been brought to the attention of the Board, the Virginia Soil and Water Conservation Board, at the recommendation of the Audit Subcommittee, directs the following:

1. 20% of the District's total administration and operations allocation established under the ***Virginia Soil and Water Conservation Board Policy on Soil and Water Conservation District Administration and Operations Funding Allocations for Fiscal Year 2027*** will be withheld from the District.
2. 10% of the funds being withheld will be provided to the District either through the regular fourth quarter disbursement of FY2027 or through a special disbursement during the fourth quarter of FY2027 contingent on no new findings or concerns being identified during the special audit.

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Natural Heritage • Dam Safety and Floodplain Management • Land Conservation • Public Safety and Law Enforcement*

Your Department Conservation District Coordinator, Denney Collins, is available should you have any questions or comments concerning this audit and to assist with further discussion related to the audit findings.

Sincerely,

John Schick, Chair
Audit Subcommittee
Virginia Soil and Water Conservation Board

cc: Brittany Rose, Treasurer, Henricopolis Soil and Water Conservation District
Glenn Mitchell, District Manager, Henricopolis Soil and Water Conservation District
Rey Blevins, Operations Specialist, Henricopolis Soil and Water Conservation District
Denney Collins, Department of Conservation and Recreation



DATE: March 9, 2026
MEMORANDUM TO: Henricopolis Soil and Water Conservation District
FROM: Robinson, Farmer, Cox Associates (RFC)
REGARDING: FY25 Audit

We were engaged by the Virginia Department of Conservation and Recreation (DCR) to audit the statements of cash receipts and disbursements for Henricopolis Soil and Water Conservation District (the District). In planning and performing our audits of the statements of cash receipts and disbursements of the Districts, we considered the Districts' internal control structure to plan our auditing procedures for the purpose of expressing our opinions on the statements of cash receipts and disbursements and not to provide assurance on the internal control structure.

However, during our audits, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report on the statements of cash receipts and disbursements of the Districts. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies.

Administration

The District has been without a District Manager for quite some time (estimated June 2024). The current staff report directly to Board members. It would be recommended to add emphasis on getting this position filled.

During our review of minutes, we noted that there were overdraft fees of \$324.00 that the District's accountant will reimburse to the District. We recommend that care be taken that enough funds are available in the account to cover all checks being written.

Disbursements

During our test of disbursements, we noted that there is no approval of invoices shown on the invoice. The Desktop Guide states that all invoices should have two approvals noted before being paid. While copies of the invoices are retained, they need to have physical signatures on them moving forward.

During our test of disbursements, we noted that the June 2024 credit card statement was missing one receipt of \$75.00 with no missing receipt form filled out. We recommend that all credit receipts be retained on file.

During our test of disbursements, we noted that check number 5677 was paid without an invoice to support the expense. We recommend that all checks have an invoice to support them.

Cash

During our audit of cash, we noted that the SPDA confirmations were not done for Q2 of 2025. We recommend that the bank accounts be confirmed each quarter through the SPDA.

Cost Shares

During our test of cost shares, we noted a FY24 practice that did not have a Part II Form in the folder. We recommend that all cost shares have all Part I, II, and III Forms signed and retained in the folder.

During our test of cost shares, we noted that three Part II and two Part III Forms did not include a District employee's signature due to a lack of technical staff. However, if an employee was overseeing the practice, then that employee should still sign the Part II and Part III Form.



COMMONWEALTH of VIRGINIA
DEPARTMENT OF CONSERVATION AND RECREATION

March 20, 2026

Mr. Michael Countiss, Chair
Holston River Soil and Water Conservation District
448 Commerce Drive
Abingdon, Virginia 24211-3829

Re: District Audit Results, Significant Findings, Invoice Approvals, SPDA, and Minutes

Dear Mr. Countiss:

Earlier this calendar year, staff from Robinson, Farmer, Cox Associates (RFCA), under contract with the Department of Conservation and Recreation (Department), completed an audit for your District for the fiscal year(s) that ended on June 30, 2024, and June 30, 2025. Attached is a copy of the Significant Findings Memo we received from RFCA as well as a copy of the overall audit results report.

As noted in the Memo, significant findings were noted by RFCA that require the District's immediate attention. Deficiencies noted relate to invoice approvals and the Virginia Security for Public Deposits Act.

In accordance with the Virginia Security for Public Deposits Act, §2.2-4400 et seq. of the *Code of Virginia*, state and local public entities, including Soil and Water Conservation Districts, are required to verify all bank account information through the Virginia Department of Treasury SPDA Account Balance Search system on a quarterly basis. It was noted by RFCA that Holston River District's bank balances have not been verified for either FY 2024 or FY2025. Therefore, the District is directed to verify all bank balances through the required SPDA system each quarter by the deadline established by SPDA.

Additionally, it was noted that 16 of the 25 payments reviewed only contained one signature of approval. *The Desktop Procedures for District Fiscal Operations* prescribes that all invoices must be endorsed by two individuals prior to issuing payments.

Due to the severity of the findings by RFCA:

1. 7% of the District's administration and operations allocation established under the ***Virginia Soil and Water Conservation Board Policy on Soil and Water Conservation District Administration and Operations Funding Allocations for Fiscal Year 2027*** will be withheld from the District.

2. 5% of the funds being withheld will be provided to the District either through the regular fourth quarter disbursement of FY2027 or through a special disbursement during the fourth quarter of FY2027 contingent on no new findings being identified during the special financial audit.
3. The District will undergo a special audit. The special audit will focus on verification of accounts in the SPDA system and dual approval of invoices; it will not be a full financial audit. The expense of the audit will be reduced from the District's FY2027 administrative and operations allocation.

Furthermore, during the Cost Share File Administrative Audit conducted by the Department, it was found that the District's board meeting minutes did not accurately reflect cost share contract numbers, instance numbers, or approved cost estimates. Accurate approvals of cost share contracts are critical to the success of the Virginia Agricultural Cost-Share (VACS) program. It is of utmost importance that cost share contract and amounts be documented correctly.

As this is the second time District board meeting minutes have been identified as an issue for the District, and in recognition of how critically important accurate meeting minutes are not only for the approval of cost share contracts but also for proper documentation of a public meeting in accordance with the Virginia Freedom of Information Act, the Virginia Soil and Water Board, at the recommendation of the Audit Subcommittee, directs the Department to withhold \$4,000 of the District's FY2027 administration and operations allocation. An additional Cost Share File Administrative Audit will be conducted by the Department with a close examination of the District's board meeting minutes for accurate cost share approval documentation.

Your Department Conservation District Coordinator, Becky Hubble, is available should you have any questions or comments concerning this audit and to assist with further discussion and corrective actions related to the audit findings.

Sincerely,

John Schick, Chair
Audit Subcommittee
Virginia Soil and Water Conservation Board

cc: Adam A. Wilson, Treasurer, Holston River Soil and Water Conservation District
Hunter Wyatt, Conservation Grants Manager, Holston River Soil and Water Conservation District
Becky Hubble, Department of Conservation and Recreation



DATE: March 9, 2026
MEMORANDUM TO: Holston River Soil and Water Conservation District
FROM: Robinson, Farmer, Cox Associates (RFC)
REGARDING: FY25 Audit

We were engaged by the Virginia Department of Conservation and Recreation (DCR) to audit the statements of cash receipts and disbursements for Holston River Soil and Water Conservation District (the District). In planning and performing our audits of the statements of cash receipts and disbursements of the Districts, we considered the Districts' internal control structure to plan our auditing procedures for the purpose of expressing our opinions on the statements of cash receipts and disbursements and not to provide assurance on the internal control structure.

However, during our audits, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report on the statements of cash receipts and disbursements of the Districts. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies.

Disbursements

During our test of disbursements, we noted a lack of dual approval on invoices. Of the 25 checks tested, 16 of them did not have two signatures of approval. The Desktop Guide requires all disbursements have dual approvals before the check is written. We recommend compliance with the Desktop Guide moving forward.

Cash

The District did not confirm SPDA balances during the two years under audit. The District was able to search the balances while performing audit fieldwork, so we could verify that they were all held as public deposits. We recommend that the balances be confirmed quarterly.

Nikki Rovner
Director



Darryl Glover
Deputy Director for
Dam Safety,
Floodplain Management and
Soil and Water Conservation

Sarah Spota
Deputy Director

COMMONWEALTH of VIRGINIA
DEPARTMENT OF CONSERVATION AND RECREATION

Laura Ellis
Deputy Director for
Administration and Finance

March 20, 2026

Ms. Joan Comanor, Chair
Lord Fairfax Soil and Water Conservation District
722-B East Queen Street
Strasburg, Virginia 22657

Re: District Audit Results and VACS Contract Part II

Dear Ms. Comanor:

Earlier this calendar year, staff from Robinson, Farmer, Cox Associates (RFCA), under contract with the Department of Conservation and Recreation (Department), completed an audit for your District for the fiscal year(s) that ended on June 30, 2024, and June 30, 2025. During the audit, a revised Part II of a VACS contract was missing from a cost-share file.

During the audit, a revised Part II of a VACS contract was missing from a cost-share file. The increase for the cost estimate was approved by the District and documented in the minutes. Section 12 of the *FY2025 Policy and Procedures on Soil and Water Conservation District Cost-Share and Technical Assistance Funding Allocations* and Section 16 of the *FY2025 Cost-share and Technical Assistance grant agreement* states:

For any practice funded in whole or in part by the VACS Program, a VACS contract must be completed and signed in its entirety by both the appropriate District staff, District Director, and the participant. For any practice marked complete and issued payment on or after July 1, 2022, failure to obtain the appropriate signatures on a VACS contract in its entirety will result in the amount provided in VACS cost-share funding for the practice, including the associated technical assistance funding, being withheld from the District's cost-share and technical assistance allocation for the next fiscal year by the Department. VACS cost-share files will be examined during financial audits, administrative cost share file reviews, and verifications to ensure the appropriate signatures have been obtained.

The Virginia Soil and Water Conservation Board, at the recommendation of the Audit Subcommittee, directs the Department to withhold \$500 of the District's FY2027 administration and operations allocation as a penalty for the incomplete Part II, rather than requiring full repayment of the cost-share funding and technical assistance for this practice.

Your Department Conservation District Coordinator, Debbie Cross, is available should you have any questions or comments concerning this audit and to assist with further discussion related to the audit findings.

Sincerely,

John Schick, Chair
Audit Subcommittee
Virginia Soil and Water Conservation Board

cc: Sarah Fleming, Treasurer/Administrative Manager, Lord Fairfax Soil and Water Conservation District
Dana Gochenour, Conservation Program Manager, Lord Fairfax Soil and Water Conservation District
Debbie Cross, Department of Conservation and Recreation

Nikki Rovner
Director



Darryl Glover
Deputy Director for
Dam Safety,
Floodplain Management and
Soil and Water Conservation

Sarah Spota
Deputy Director

COMMONWEALTH of VIRGINIA
DEPARTMENT OF CONSERVATION AND RECREATION

Laura Ellis
Deputy Director for
Administration and Finance

March 20, 2026

Ms. Ellen Ford, Chair
Mountain Soil and Water Conservation District
Post Office Box 310
Warm Springs, Virginia 24484

Re: District Audit Results, Significant Findings, Check Signatures, SPDA, and Cost Share Files

Dear Ms. Ford:

Earlier this calendar year, staff from Robinson, Farmer, Cox Associates (RFCA), under contract with the Department of Conservation and Recreation (Department), completed an audit for your District for the fiscal year(s) that ended on June 30, 2024, and June 30, 2025. Attached is a copy of the Significant Findings Memo we received from RFCA as well as a copy of the overall audit results report.

As noted in the Memo, significant findings were noted by RFCA that require the District's immediate attention. Deficiencies noted relate to invoice approvals, the Virginia Security for Public Deposits Act, and cost share contract signatures.

In accordance with the Virginia Security for Public Deposits Act, §2.2-4400 et seq. of the *Code of Virginia*, state and local public entities, including Soil and Water Conservation Districts, are required to verify all bank account information through the Virginia Department of Treasury SPDA Account Balance Search system on a quarterly basis. It was noted by RFCA that Mountain District's bank balances have not been verified in either FY 2024 or FY2025. Therefore, the District is directed to verify all bank balances through the required SPDA system each quarter by the deadline established by SPDA. Bank balance verifications will be closely examined during the next regularly scheduled audit of the District.

Additionally, it was noted that two checks only contained one signature. Although both checks were under the \$1,000 threshold required by *The Desktop Procedures for District Fiscal Operations*, the District's internal policy requires all checks to have dual signatures. Districts are expected to follow their own procedures at all times. RFCA also noted that one other check, over \$1,000, did not have the required dual signatures and the check signer was the recipient of the funds. An individual should never sign their own check to maintain sound financial controls. Check signatures will be closely examined during the next regularly scheduled audit of the District.

During their test of cost share files, RFCA found one cost share contract missing the participant signature from the Part II of the VACS contract. Additionally, the Cost Share File Administrative Audit conducted by the Department found numerous deficiencies including three more cost-share files with missing participant signatures on the Part IIs of the contract; one file with a missing conservation technician signature on the Part III; and a cost-share payment amount missing on a Part III. Section 12 of the *FY2025 Policy and Procedures on Soil and Water Conservation District Cost-Share and Technical Assistance Funding Allocations* and Section 16 of the *FY2025 Cost-share and Technical Assistance grant agreement* states:

For any practice funded in whole or in part by the VACS Program, a VACS contract must be completed and signed in its entirety by both the appropriate District staff, District Director, and the participant. For any practice marked complete and issued payment on or after July 1, 2022, failure to obtain the appropriate signatures on a VACS contract in its entirety will result in the amount provided in VACS cost-share funding for the practice, including the associated technical assistance funding, being withheld from the District's cost-share and technical assistance allocation for the next fiscal year by the Department. VACS cost-share files will be examined during financial audits, administrative cost share file reviews, and verifications to ensure the appropriate signatures have been obtained.

The Virginia Soil and Water Conservation Board, at the recommendation of the Audit Subcommittee, directs the Department to withhold the following:

1. \$285,840.52 from the District's FY2027 cost share allocation for the failure to obtain signatures on the Part IIs of the reviewed VACS contract (#16-25-0013, #16-25-0010, #16-25-0022, and #16-24-0004);
2. \$3,450 from the District's FY2027 cost share allocation for the failure to obtain all signatures on the Part III contract (#16-25-0005); and
3. \$37,607.77 from the District's FY2027 technical assistance allocation, determined to be 13% of the cost share funds to be withheld.

Additional findings during the Cost Share File Administrative Audit included resource reviews not conducted or not followed up on when concerns were identified; the bid process for components over \$30,000 not completed; and none of the risk assessments, manure storage agreements, waste management plans, or nutrient management plans included in the required cost share contract files.

Due to the significant file deficiencies noted by the Department, the Virginia Soil and Water Conservation Board, at the recommendation of the Audit Subcommittee, directs the Department to conduct a special one-year Cost Share File Administrative Audit and the following:

1. 7% of the District's total base technical assistance allocation established under the *Virginia Soil and Water Conservation Board Policy on Soil and Water Conservation District Cost Share and Technical Assistance Funding Allocations for Fiscal Year 2027* will be withheld from the District.
2. 5% of the administration and operations funds being withheld will be provided to the District either through the regular fourth quarter disbursement of FY2027 or through a special disbursement during the fourth quarter of FY2027 contingent on no new findings or concerns

being identified during a special Cost Share File Administrative Audit conducted by the Department.

Your Department Conservation District Coordinator, Tad Williams, is available should you have any questions or comments concerning this audit and to assist with further discussion and corrective actions related to the audit findings.

Sincerely,

John Schick, Chair
Audit Subcommittee
Virginia Soil and Water Conservation Board

cc: Ryan Hodges, Treasurer, Mountain Soil and Water Conservation District
Lorie Baldwin, Office Administrator, Mountain Soil and Water Conservation District
Chris Swecker, Conservation Specialist, Mountain Soil and Water Conservation District
Tad Williams, Department of Conservation and Recreation



DATE: March 9, 2026
MEMORANDUM TO: Mountain Soil and Water Conservation District
FROM: Robinson, Farmer, Cox Associates (RFC)
REGARDING: FY25 Audit

We were engaged by the Virginia Department of Conservation and Recreation (DCR) to audit the statements of cash receipts and disbursements for Mountain River Soil and Water Conservation District (the District). In planning and performing our audits of the statements of cash receipts and disbursements of the Districts, we considered the Districts' internal control structure to plan our auditing procedures for the purpose of expressing our opinions on the statements of cash receipts and disbursements and not to provide assurance on the internal control structure.

However, during our audits, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report on the statements of cash receipts and disbursements of the Districts. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies.

Disbursements

During our test of disbursements, we noted that three checks only had one signature. While two of those checks (check numbers 2593 and 2618) were under \$1,000, the District's policy requires dual signatures on all checks. Check number 2647 was signed by only one person even though the check amount was greater than \$1,000 and that the individual to whom the check was made out was the check signer. We recommend that no individual sign their own check, and that the District comply with their check signing policy by having dual signatures on all checks.

During our test of disbursements, we were unable to examine one check voucher. We recommend that all check vouchers be retained on file.

Cost Shares

During our test of cost shares, we noted that one practice had a Part II Form that did not include the applicant's signature. We recommend that all Part I, II, and III Forms be appropriately signed by all parties and retained on file.

Cash

The District was not able to confirm SPDA balances during the years under audit. Per the client, there were issues with being able to login successfully. We recommend that the District work with the Virginia Treasury Board to activate their account successfully and begin confirming the SPDA balances on a quarterly basis.



COMMONWEALTH of VIRGINIA
DEPARTMENT OF CONSERVATION AND RECREATION

March 20, 2026

Mr. Jeffrey Henderson, Chair
Mountain Castles Soil and Water Conservation District
36 Executive Circle, Suite 1
Roanoke, Virginia 24012

Re: District Cost Share File Administrative Audits Results and Cost Share Contract Part II

Dear Mr. Henderson:

Earlier this calendar year, staff from Robinson, Farmer, Cox Associates (RFCA), under contract with the Department of Conservation and Recreation (Department), completed an audit for your District for the fiscal year(s) that ended on June 30, 2024, and June 30, 2025.

During the audit, a revised Part II of a VACS contract was missing from a cost-share file. The increase for the cost estimate was approved by the District and documented in the minutes. Section 12 of the *FY2025 Policy and Procedures on Soil and Water Conservation District Cost-Share and Technical Assistance Funding Allocations* and Section 16 of the *FY2025 Cost-share and Technical Assistance grant agreement* states:

For any practice funded in whole or in part by the VACS Program, a VACS contract must be completed and signed in its entirety by both the appropriate District staff, District Director, and the participant. For any practice marked complete and issued payment on or after July 1, 2022, failure to obtain the appropriate signatures on a VACS contract in its entirety will result in the amount provided in VACS cost-share funding for the practice, including the associated technical assistance funding, being withheld from the District's cost-share and technical assistance allocation for the next fiscal year by the Department. VACS cost-share files will be examined during financial audits, administrative cost share file reviews, and verifications to ensure the appropriate signatures have been obtained.

The Virginia Soil and Water Conservation Board, at the recommendation of the Audit Subcommittee, directs the Department to withhold \$500 of the District's FY2027 administration and operations allocation as a penalty for the incomplete Part II, rather than requiring full repayment of the cost-share funding and technical assistance for this practice.

Your Department Conservation District Coordinator, Stacy Horton, is available should you have any questions or comments concerning this audit and to assist with further discussion related to the audit findings.

Sincerely,

John Schick, Chair
Audit Subcommittee
Virginia Soil and Water Conservation Board

cc: Michael Beahm, Treasurer, Mountain Castles Soil and Water Conservation District
Tim Miller, District Coordinator, Mountain Castles Soil and Water Conservation District
Stacy Horton, Department of Conservation and Recreation

Nikki Rovner
Director



Darryl Glover
Deputy Director for
Dam Safety,
Floodplain Management and
Soil and Water Conservation

Sarah Spota
Deputy Director

COMMONWEALTH of VIRGINIA
DEPARTMENT OF CONSERVATION AND RECREATION

Laura Ellis
Deputy Director for
Administration and Finance

March 20, 2026

Mr. Robert Deyo, Chair
Natural Bridge Soil and Water Conservation District
40 Magnolia Square Way, Suite 5
Lexington, Virginia 24450

Re: District Financial and Cost Share File Administrative Audit Results and Cost Share File Issues

Dear Mr. Deyo:

Earlier this calendar year, staff from Robinson, Farmer, Cox Associates (RFCA), under contract with the Department of Conservation and Recreation (Department), completed an audit for your District for the fiscal year(s) that ended on June 30, 2024, and June 30, 2025. Additionally, an administrative audit of District cost share files was conducted by the Department.

During both audit procedures, RFCA and the Department had difficulty correlating the invoices from the cost share files to the amount paid to the producers by the District. In most cases, the invoices submitted by the producers or contractors for eligible component expenses were less than the payment made by the District. Other significant deficiencies were identified by the Department including one cost share file with no payment documentation; one file with no resource review documentation; two files were missing practice approval letters; eight cost share Part IIs were missing the completion dates; and six contracts had differing information on the Part II of the VACS contract and the general tab of the Conservation Application Suite.

Due to the significant cost share invoice discrepancies and file deficiencies noted by RFCA and the Department, the Virginia Soil and Water Conservation Board, at the recommendation of the Audit Subcommittee, directs the Department to conduct a special one-year Cost Share File Administrative Audit and the following:

1. 7% of the District's total base technical assistance allocation established under the ***Virginia Soil and Water Conservation Board Policy on Soil and Water Conservation District Cost Share and Technical Assistance Funding Allocations for Fiscal Year 2027*** will be withheld from the District.
2. 5% of the funds being withheld will be provided to the District either through the regular fourth quarter disbursement of FY2027 or through a special disbursement during the fourth quarter of FY2027 contingent on no new findings or concerns being identified during a special cost share file administrative audit conducted by the Department.

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Natural Heritage • Dam Safety and Floodplain Management • Land Conservation • Public Safety and Law Enforcement*

Your Department Conservation District Coordinator, Tad Williams, is available should you have any questions or comments concerning this audit and to assist with further discussion and corrective actions related to the audit findings.

Sincerely,

John Schick, Chair
Audit Subcommittee
Virginia Soil and Water Conservation Board

cc: Charles Winder, Treasurer, Natural Bridge Soil and Water Conservation District
Robert Hickman, District Manager, Natural Bridge Soil and Water Conservation District
Jennifer Huffman, Office Administrator, Natural Bridge Soil and Water Conservation District
Tad Williams, Department of Conservation and Recreation



COMMONWEALTH of VIRGINIA
DEPARTMENT OF CONSERVATION AND RECREATION

March 20, 2026

Mr. John Price, Chair
Prince William Soil and Water Conservation District
8850 Rixlew Lane
Manassas, Virginia 20109

Re: District Cost Share File Administrative Audit Findings and Minutes Issues

Dear Mr. Price:

Earlier this calendar year, DCR conducted a Cost Share File Administrative Audit for cost share practices that were completed and paid during FY2024 and FY2025. Significant findings were noted by the Department that require the District's immediate attention. Deficiencies noted that the District board meeting minutes did not accurately reflect cost share contract numbers, instance numbers, or approved cost estimates.

Accurate approvals of cost share contracts are critical to the success of the Virginia Agricultural Cost-Share (VACS) Program. It is of utmost importance that cost share contract and amounts be documented correctly not only for the legitimate approval of cost share contracts but also for proper documentation of a public meeting in accordance with the Virginia Freedom of Information Act. It was noted by the Department that many of the discrepancies were the direct result of typographical errors in an Access database used by conservation staff to manage cost share practices. The District has been strongly encouraged by the Department to cease use of the Access database and to instead utilize the data from the Conservation Application Suite and Logi reporting system.

Due to the deficiencies noted, the Virginia Soil and Water Board, at the recommendation of the Audit Subcommittee, directs the Department to withhold \$2,000 of the District's FY2027 administration and operations allocation as a penalty for the inaccurate minutes and cost share approvals. The District Board must take action to correct the inaccuracies previously recorded in District minutes no later than September 15, 2026. Additionally, the Department will conduct a Cost Share File Administrative Audit with a close examination of the District Board meeting minutes for accurate cost share approval documentation.

Further, the District will continue to address concerns regarding the District's implementation of the VACS Program by implementing the following:

1. Providing detailed, written monthly updates to the Department's Agricultural Incentives Program Manager and Department BMP Engineering Services Program staff. These updates must include the actions taken by District staff to ensure practices reach completion;
2. Conducting quarterly monthly update sessions with Department BMP Engineering Services Program staff and, if available, the Agricultural Programs Incentive Manager and the Conservation District Coordinator; and
3. Ensuring communication with the appropriate Department staff occurs as needed to effectively and appropriately implement the VACS Program.

These directives will supersede the previous actions required by the Audit Subcommittee on September 18, 2024 and September 16, 2025.

Your Department Conservation District Coordinator, Debbie Cross, is available should you have any questions or comments concerning this audit and to assist with further discussion and corrective actions related to the audit findings.

Sincerely,

John Schick, Chair
Audit Subcommittee
Virginia Soil and Water Conservation Board

cc: Will Lintner, Treasurer, Prince William Soil and Water Conservation District
Jay Yankey, District Manager, Prince William Soil and Water Conservation District
Linda Dunn, Office Manager, Prince William Soil and Water Conservation District
Debbie Cross, Department of Conservation and Recreation

Nikki Rovner
Director



Darryl Glover
Deputy Director for
Dam Safety,
Floodplain Management and
Soil and Water Conservation

Sarah Spota
Deputy Director

COMMONWEALTH of VIRGINIA
DEPARTMENT OF CONSERVATION AND RECREATION

Laura Ellis
Deputy Director for
Administration and Finance

March 20, 2026

Ms. Joetricia Humbles, Chair
Robert E. Lee Soil and Water Conservation District
6969 Richmond Highway
Appomattox, Virginia 24522

Re: District Financial and Cost Share File Administrative Audits and Cost Share Contract Signatures

Dear Ms. Humbles:

Earlier this calendar year, staff from Robinson, Farmer, Cox Associates (RFCA), under contract with the Department of Conservation and Recreation (Department), completed an audit for your District for the fiscal year(s) that ended on June 30, 2024, and June 30, 2025. Additionally, the Department conducted a Cost Share File Administrative Audit. During the audits, several cost share files were discovered to be missing signatures on Part IIs of the contracts.

It was noted by RFCA that two contracts (#10-23-0055 and #10-23-0010) did not have all required signatures on carryover section of the Part II. Additionally, an additional contract (#10-25-0016) did not have the required conservation technician signature for the certification of technical need on the Part II.

Section 12 of the *FY2025 Policy and Procedures on Soil and Water Conservation District Cost-Share and Technical Assistance Funding Allocations* and Section 16 of the *FY2025 Cost-share and Technical Assistance grant agreement* states:

For any practice funded in whole or in part by the VACS Program, a VACS contract must be completed and signed in its entirety by both the appropriate District staff, District Director, and the participant. For any practice marked complete and issued payment on or after July 1, 2022, failure to obtain the appropriate signatures on a VACS contract in its entirety will result in the amount provided in VACS cost-share funding for the practice, including the associated technical assistance funding, being withheld from the District's cost-share and technical assistance allocation for the next fiscal year by the Department. VACS cost-share files will be examined during financial audits, administrative cost share file reviews, and verifications to ensure the appropriate signatures have been obtained.

The Virginia Soil and Water Conservation Board, at the recommendation of the Audit Subcommittee, directs the Department to withhold \$1,000 of the District's FY2027 administration and operations allocation as penalties for the incomplete Part II contracts, rather than requiring full repayment of the cost-share funding and technical assistance for these practices. Furthermore, the Board directs the Department to withhold \$5,950.00 of cost share funding and \$773.50 of technical assistance funding from the District's FY2027 allocation for the incomplete certification of technical need on a Part II contract.

Your Department Conservation District Coordinator, Tad Williams, is available should you have any questions or comments concerning this audit and to assist with further discussion related to the audit findings.

Sincerely,

John Schick, Chair
Audit Subcommittee
Virginia Soil and Water Conservation Board

cc: Doug Perrow, Treasurer, Robert E. Lee Soil and Water Conservation District
Cindy Miller, District Operations Manager, Robert E. Lee Soil and Water Conservation District
Tad Williams, Department of Conservation and Recreation

David L. Bulova
Secretary of Natural and Historic Resources

Nikki Rovner
Director

Sarah Spota
Deputy Director



Frank N. Stovall
*Deputy Director
for Operations*

Darryl Glover
*Deputy Director for
Dam Safety,
Floodplain Management and
Soil and Water Conservation*

Laura Ellis
*Deputy Director for
Administration and Finance*

COMMONWEALTH of VIRGINIA
DEPARTMENT OF CONSERVATION AND RECREATION

March 20, 2026

Mr. Charles Newton, Chair
Shenandoah Valley Soil and Water Conservation District
1934 Deyerle Avenue, Suite B
Harrisonburg, Virginia 22801

Re: District Audit Results and Cost Share Contract Signatures

Dear Mr. Newton:

Earlier this calendar year, staff from Robinson, Farmer, Cox Associates (RFCA), under contract with the Department of Conservation and Recreation (Department), completed an audit for your District for the fiscal year(s) that ended on June 30, 2024, and June 30, 2025. During the audit, deficiencies were found concerning missing signatures on a revised cost share contract Part II.

It was noted by RFCA that one cost share contract cost estimate was increased and the revised Part II of the contract did not have all required signatures. The Virginia Soil and Water Conservation Board, at the recommendation of the Audit Subcommittee, directs the Department to withhold \$500 of the District's FY2027 administration and operations allocation as penalties for the incomplete Part II contract, rather than requiring full repayment of the cost-share funding and technical assistance for these practices.

Your Department Conservation District Coordinator, Tad Williams, is available should you have any questions or comments concerning this audit and to assist with further discussion related to the audit findings.

Sincerely,

John Schick, Chair
Audit Subcommittee
Virginia Soil and Water Conservation Board

cc: Keith Sheets, Treasurer, Shenandoah Valley Soil and Water Conservation District
Megen Dalton, District Manager, Shenandoah Valley Soil and Water Conservation District
Becky Leland, Administrative Coordinator, Shenandoah Valley Soil and Water Conservation District
Tad Williams, Department of Conservation and Recreation

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David L. Bulova
Secretary of Natural and Historic Resources

Nikki Rovner
Director

Sarah Spota
Deputy Director



COMMONWEALTH of VIRGINIA
DEPARTMENT OF CONSERVATION AND RECREATION

March 20, 2026

Frank N. Stovall
*Deputy Director
for Operations*

Darryl Glover
*Deputy Director for
Dam Safety,
Floodplain Management and
Soil and Water Conservation*

Laura Ellis
*Deputy Director for
Administration and Finance*

Mr. Charles Shorter, Chair
Skyline Soil and Water Conservation District
75 Hampton Boulevard, Suite C
Christiansburg, Virginia 24073

Re: District Audit Results and VRS Contribution Errors

Dear Mr. Shorter:

Earlier this calendar year, staff from Robinson, Farmer, Cox Associates (RFCA), under contract with the Department of Conservation and Recreation (Department), completed an audit for your District for the fiscal year(s) that ended on June 30, 2024 and June 30, 2025. Attached is a copy of the Findings Memo we received from RFCA as well as a copy of the overall audit results report.

As noted in the Memo, errors were found in the District's VRS match contributions and the employee voluntary contributions for VRS. The District must coordinate with VRS to ensure calculations are made appropriately to ensure there are no overpayments to the VRS contributions. Additionally, the District must ensure that payments are made appropriately. In order to avoid future penalties, the District must provide documentation to the Department by September 15, 2026 demonstrating that all issues have been satisfactorily addressed.

Your Department Conservation District Coordinator, Becky Hubble, is available should you have any questions or comments concerning this audit and to assist with further discussion related to the audit findings.

Sincerely,

John Schick, Chair
Audit Subcommittee
Virginia Soil and Water Conservation Board

cc: Alan Leet, Treasurer, Skyline Soil and Water Conservation District
Rachel Saville, Administrative Assistant, Skyline Soil and Water Conservation District
Becky Hubble, Department of Conservation and Recreation

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DATE: March 9, 2026
MEMORANDUM TO: Skyline Soil and Water Conservation District
FROM: Robinson, Farmer, Cox Associates (RFC)
REGARDING: FY25 Audit

We were engaged by the Virginia Department of Conservation and Recreation (DCR) to audit the statements of cash receipts and disbursements for Skyline River Soil and Water Conservation District (the District). In planning and performing our audits of the statements of cash receipts and disbursements of the Districts, we considered the Districts' internal control structure to plan our auditing procedures for the purpose of expressing our opinions on the statements of cash receipts and disbursements and not to provide assurance on the internal control structure.

However, during our audits, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report on the statements of cash receipts and disbursements of the Districts. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies.

Revenues

During our test of receipts, we noted that the MVP funding was buried in the State revenue lines instead of being recorded in its own revenue line. We recommend creating a separate revenue line specifically for MVP funding.

VRS

During our reconciliation of the retirement expense, we noted that the Hybrid portion of VRS for the employer 401(A) plan for all employees was being incorrectly sent to Mission Square and VOYA, with all amounts being sent being over the required 1% match. We also noted that the employee 457 voluntary contribution for Wells do not appear to have been sent in for the month of February or March.

Nikki Rovner
Director



Darryl Glover
Deputy Director for
Dam Safety,
Floodplain Management and
Soil and Water Conservation

Sarah Spota
Deputy Director

COMMONWEALTH of VIRGINIA
DEPARTMENT OF CONSERVATION AND RECREATION

Laura Ellis
Deputy Director for
Administration and Finance

March 20, 2026

Mr. James “Buck” Tharpe, Chair
Southside Soil and Water Conservation District
250 LeGrande Avenue, Suite F
Charlotte Courthouse, Virginia 23923

Re: District Audit Results and Cost Share Contract Signatures

Dear Mr. Tharpe:

Earlier this calendar year, staff from Robinson, Farmer, Cox Associates (RFCA), under contract with the Department of Conservation and Recreation (Department), completed an audit for your District for the fiscal year(s) that ended on June 30, 2024, and June 30, 2025. During the audit, deficiencies were found concerning signatures on Part III of several VACS contracts. It was noted by RFCA that two contracts (#03-24-0003 and #03-25-0027) did not have all required signatures on the Part IIIs.

Section 12 of the *FY2025 Policy and Procedures on Soil and Water Conservation District Cost-Share and Technical Assistance Funding Allocations* and Section 16 of the *FY2025 Cost-share and Technical Assistance grant agreement* states:

For any practice funded in whole or in part by the VACS Program, a VACS contract must be completed and signed in its entirety by both the appropriate District staff, District Director, and the participant. For any practice marked complete and issued payment on or after July 1, 2022, failure to obtain the appropriate signatures on a VACS contract in its entirety will result in the amount provided in VACS cost-share funding for the practice, including the associated technical assistance funding, being withheld from the District’s cost-share and technical assistance allocation for the next fiscal year by the Department. VACS cost-share files will be examined during financial audits, administrative cost share file reviews, and verifications to ensure the appropriate signatures have been obtained.

The Virginia Soil and Water Conservation Board, at the recommendation of the Audit Subcommittee, directs the Department to withhold \$173,829.45 of cost share funding and \$22,597.93 of technical assistance funding from the District’s FY2027 allocations for the incomplete Part IIIs.

Your Department Conservation District Coordinator, Denney Collins, is available should you have any questions or comments concerning this audit and to assist with further discussion related to the audit findings.

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Natural Heritage • Dam Safety and Floodplain Management • Land Conservation • Public Safety and Law Enforcement*

Sincerely,

John Schick, Chair
Audit Subcommittee
Virginia Soil and Water Conservation Board

cc: Tricia Mays, District Manager, Southside Soil and Water Conservation District
Vanessa Waddell, Administrative Program Technician, Southside Soil and Water Conservation
District
Denney Collins, Department of Conservation and Recreation

Nikki Rovner
Director



Darryl Glover
Deputy Director for
Dam Safety,
Floodplain Management and
Soil and Water Conservation

Sarah Spota
Deputy Director

COMMONWEALTH of VIRGINIA
DEPARTMENT OF CONSERVATION AND RECREATION

Laura Ellis
Deputy Director for
Administration and Finance

March 20, 2026

Mr. Jack Asbury, Chair
Tazewell Soil and Water Conservation District
202 Campbell Lane
Tazewell, Virginia 24651

Re: District Audit Results and SPDA Reporting

Dear Mr. Asbury:

Earlier this calendar year, staff from Robinson, Farmer, Cox Associates (RFC), under contract with the Department of Conservation and Recreation (Department), completed an audit for your District for the fiscal year(s) that ended on June 30, 2024 and June 30, 2025. During the audit, it was noted that the District has not verified publicly held bank accounts with the Virginia Security for Public Deposits Act (SPDA).

In accordance with the Virginia Security for Public Deposits Act, §2.2-4400 et seq. of the *Code of Virginia*, state and local public entities, including Soil and Water Conservation Districts, are required to verify all bank account information through the Virginia Department of Treasury SPDA Account Balance Search system on a quarterly basis. It was noted by RFCA that Tazewell District has not logged in to the reporting system and that bank balances have not been verified for FY 2024 and FY 2025. Therefore, the District is directed verify bank balances through the required SPDA system each quarter by the deadline established by SPDA. Quarterly SPDA verifications will be closely examined during the next regularly scheduled financial audit of the District.

Your Department Conservation District Coordinator, Lorie Stevens, is available should you have any questions or comments concerning this audit and to assist with further discussion regarding the audit findings.

Sincerely,

John Schick, Chair
Audit Subcommittee
Virginia Soil and Water Conservation Board

cc: Eddie Rhudy, Treasurer, Tazewell Soil and Water Conservation District
Elizabeth Bennett, District Manager, Tazewell Soil and Water Conservation District
Lorie Stevens, Department of Conservation and Recreation

Nikki Rovner
Director



Darryl Glover
Deputy Director for
Dam Safety,
Floodplain Management and
Soil and Water Conservation

Sarah Spota
Deputy Director

COMMONWEALTH of VIRGINIA
DEPARTMENT OF CONSERVATION AND RECREATION

Laura Ellis
Deputy Director for
Administration and Finance

March 20, 2026

Mr. Robert Bland, Chair
Three Rivers Soil and Water Conservation District
Post Office Box 832
Tappahannock, Virginia 22560

Re: District Financial Audit and Cost Share File Administrative Audit Results, and Cost Share Contracts

Dear Mr. Bland:

Earlier this calendar year, staff from Robinson, Farmer, Cox Associates (RFCA), under contract with the Department of Conservation and Recreation (Department), completed an audit for your District for the fiscal year(s) that ended on June 30, 2024, and June 30, 2025. Additionally, the Department conducted a Cost Share File Administrative Audit. During both audits, deficiencies were found concerning missing signatures on the revised Part IIs of the VACS contracts.

It was noted by RFCA and the Department that three cost share contracts had approved cost estimate increases documented in District board minutes and in the Conservation Application Suite, but revised contract Part II forms were not generated and signed.

Section 12 of the *FY2025 Policy and Procedures on Soil and Water Conservation District Cost-Share and Technical Assistance Funding Allocations* and Section 16 of the *FY2025 Cost-share and Technical Assistance grant agreement* state:

For any practice funded in whole or in part by the VACS Program, a VACS contract must be completed and signed in its entirety by both the appropriate District staff, District Director, and the participant. For any practice marked complete and issued payment on or after July 1, 2022, failure to obtain the appropriate signatures on a VACS contract in its entirety will result in the amount provided in VACS cost-share funding for the practice, including the associated technical assistance funding, being withheld from the District's cost-share and technical assistance allocation for the next fiscal year by the Department. VACS cost-share files will be examined during financial audits, administrative cost share file reviews, and verifications to ensure the appropriate signatures have been obtained.

The Virginia Soil and Water Conservation Board, at the recommendation of the Audit Subcommittee, directs the Department to withhold \$1,500 of the District's FY2027 administration and operations

allocation as penalties for the incomplete Part II contracts, rather than requiring full repayment of the cost-share funding and technical assistance for these practices.

Your Department Conservation District Coordinator, Olivia Leatherwood, is available should you have any questions or comments concerning this audit and to assist with further discussion related to the audit findings.

Sincerely,

John Schick, Chair
Audit Subcommittee
Virginia Soil and Water Conservation Board

cc: Bruce Taylor, Treasurer, Three Rivers Soil and Water Conservation District
Michelle Carter, District Manager, Three Rivers Soil and Water Conservation District
Anne Davis, Administrative Coordinator, Three Rivers Soil and Water Conservation District
Olivia Leatherwood, Department of Conservation and Recreation

Authorization to Use Funds Withheld from Soil and Water Conservation Districts for Training Purposes

Action taken by the Board – September 25, 2023

The Virginia Soil and Water Conservation Board (Board) directed the Department of Conservation and Recreation (Department), to the extent allowable, to utilize administration and operations funds withheld from a Soil and Water Conservation District (District) to provide for training or learning opportunities for Districts. Trainings should be focused on addressing audit findings, best financial practices, and other items that are routinely found deficient on the yearly assessments conducted by the Department or financial audits.

Recommended Motion:

The Virginia Soil and Water Conservation Board, at the recommendation of the Audit Subcommittee, authorizes the Department, to the extent allowable, to utilize administration and operations funds and base technical assistance funds withheld from a Soil and Water Conservation District (District) in response to deficiencies found during yearly grant deliverable assessments, cost share file administrative audits, or financial audits to provide for training and learning opportunities for Districts. Trainings and learning opportunities should focus on common deficiencies noted during financial audits and the cost share file administrative audits and should assist Districts with achieving the requirements established in the yearly grant deliverable assessments.

SWCD	Sales tax	Invoice approvals	Check signing	SPDA	VRS	Minutes	Part II carryover	Part II revised	Part II no signature	Part III missing signature	Cost-share documentation	Financial audit results	Repeat finding(s) on either financial audit or cost-share file audit	Suggested consequences			
														Financial penalties	Funding source	Special audit financial recommended	Special cost-share file audit recommended
Big Sandy	1												3/23/2023; 3/27/2024 (both instances of payment of sales tax).	\$2,000	Operations		
Halifax		1		1			3			1		Several invoices missing one approval signature. No SPDA verifications for FY2025.	3/27/2024 (previous instance of lack of signatures).	\$1,500	Operations	Yes	Yes
														\$80,819.92	Cost-share		
														\$10,506.59	Technical assistance		
														\$92,826.51	Total		
Henricopolis		10										No approvals on any invoices reviewed.	8/23/2020 (performance improvement plan for deficient financial reports); 3/22/2022 (correction action plan to address loss of financial records, VRS contributions, and employee timesheets); 06/24/2024 (payments for ineligible cover crop practices).	20% (NOTE: Based on FY2026 allocations, this would be \$38,532.)	Operations (may earn back 10% of the funds if the special financial audit has no findings or comments)	Yes	
Holston River		16 of 25 invoices missing dual approvals		1		1						Minutes contain errors related to cost-share contracts. Invoices were missing dual approvals and have failed to confirm balances through SPDA for at least two years.	08/18/2024 (inadequate minutes).	\$4,000	Operations	Yes	
														7% (NOTE: Based on FY2026 allocations, this would be \$12,502.)	Operations (may earn back 5% of the funds if the special financial audit has no findings or comments)		
Lord Fairfax								1						\$500	Operations		Yes
Mountain			1	1					4	1	Missing multiple assessment and plans in animal waste storage facility contract.	Several checks only had 1 signature for approval. One check greater than \$1,000 was missing dual approvals and the individual approving the payment was the same individual the check was providing payment too.		\$285,840.52	Cost-share		Yes
														\$3,450.00	Cost-share		
														\$37,607.77	Technical assistance		
														\$326,898.29	Total		
													7% (NOTE: Based on FY2026 allocations, this would be \$11,000.)	Base technical assistance (may earn back 5% of the funds if the cost-share file audit has no findings or comments)			
Mountain Castles								1						\$500.00	Operations		

SWCD	Sales tax	Invoice approvals	Check signing	SPDA	VRS	Minutes	Part II carryover	Part II revised	Part II no signature	Part III missing signature	Cost-share documentation	Financial audit results	Repeat finding(s) on either financial audit or cost-share file audit	Suggested consequences			
														Financial penalties	Funding source	Special audit financial recommended	Special cost-share file audit recommended
Natural Bridge											Multiple issues with invoices and documentation related to cost-share payments were found. Additional concerns raised by the Department during a meeting with the District Board in January.			7% (NOTE: Based on FY2026 allocations, this would be \$15,183.)	Base technical assistance (may earn back 5% of the funds if the cost-share file audit has no findings or comments)		Yes
Prince William						1						Minutes contain errors related to cost-share contracts.		\$2,000	Operations		Yes
R.E. Lee							2		1					\$1,000	Operations		Yes
													\$5,950	Cost-share			
													\$774	Technical assistance			
													\$7,724	Total			
Shenandoah Valley								1						\$500	Operations		
Skyline					1							VRS contributions were overpaid, benefitting employees. The District needs to work with VRS to ensure payments are made correctly.					
Southside										2				\$173,829	Cost-share		Yes
													\$22,598	Technical assistance			
													\$196,427	Total			
Tazewell			1	1								One check was missing one approval signature. No SPDA verifications for either year.					
Three Rivers								3						\$1,500	Operations		Yes