

**Virginia Soil and Water Conservation Board
Audit Subcommittee
Electronic Meeting
June 3, 2020**

TIME AND PLACE

The meeting of the Virginia Soil and Water Conservation Board Audit Subcommittee was an electronic meeting that took place via GoToMeeting on Wednesday, June 3, 2020.

VSWCB AUDIT SUBCOMMITTEE MEMBERS PARTICIPATING

Adam Wilson, Chair
Cindy Smith
Charles Newton

DCR STAFF PARTICIPATING IN THE MEETING

Clyde Cristman, Director, DCR
Russell W. Baxter, Deputy Director, Soil and Water Conservation/Dam Safety and Floodplain Management
Darryl Glover, Director, Division of Soil and Water Conservation
Wendy Howard Cooper, Director, Division of Dam Safety and Floodplain Management
Christine Watlington, Policy and Regulator Coordinator
Michael Fletcher, Board and Constituent Services Liaison
Blair Gordon, SWCD Liaison

OTHER DCR STAFF IN ATTENDANCE

Rochelle Altholz, Deputy Director for Administration and Finance
Lisa McGee, Policy Director
Kimberly Freiberger, Policy Analyst
Angela Ball, Conservation District Coordinator
David Bryan, Agricultural Incentives Program Manager
Debbie Cross, Conservation District Coordinator
Denny Collins, Conservation District Coordinator
Jaclyn Friedman, Conservation District Coordinator
Amy Walker, Eastern Area Regional Manager

OTHERS PARTICIPATING

Dr. Kendall Tyree, Virginia Association of Soil and Water Conservation Districts
Edna Justis

ESTABLISHMENT OF A QUORUM

With three (3) members of the Audit Subcommittee participating, a quorum was established.

CALL TO ORDER

Chairman Wilson called the meeting to order at 9:10 a.m.

DETERMINATION BY SUBCOMMITTEE THAT HOLDING AN ELECTRONIC MEETING IS APPROPRIATE

Chairman Wilson read the following statement:

Good morning, I would like to call this virtual meeting of the Virginia Soil and Water Conservation Board Audit Subcommittee to order. As you are aware, our scheduled meetings for this spring were canceled due to COVID-19 restrictions.

Generally, public bodies are prohibited from meeting electronically under the provisions of the Freedom of Information Act (FOIA). However, emergency language approved by the Governor and General Assembly in April allows us to move forward with certain restrictions that I will outline below.

Before I review those provisions, please let me take a moment to review how this meeting will work. We want to allow for participation by Board members, staff, and members of the public who wish to comment. However, it is essential that we are able to manage the conversation effectively.

I am chairing this meeting today from my home in Abingdon. In the Virginia Association of Soil and Water Conservation District offices in Mechanicsville are Christine Watlington and Michael Fletcher. They will assist with presentations, responding to comments, and the overall coordination of the meeting. Dr. Kendall Tyree is also assisting with the meeting.

Please be patient with all of us as we work through this. We understand and appreciate the challenges.

Chapter 1283 of the 2020 Acts of Assembly, also known as the “Caboose Bill,” includes language addressing the ability of public bodies to conduct electronic meetings without the need for a quorum being present in a single physical location (“Electronic Meeting”).

This language was submitted as an amendment by the Governor and approved by the General Assembly at their April 22, 2020 reconvened Session. The Governor subsequently signed the Caboose Bill and the Bill was effective as of April 24, 2020.

The Caboose Bill allows public bodies to hold Electronic Meetings when the Governor has declared a state of emergency pursuant to §44-146.17 if:

“(i) the nature of the declared emergency makes it impracticable or unsafe for the public body or governing board to assemble in a single location;

(ii) the purpose of the meeting is to discuss or transact the business statutorily required or necessary to continue operations of the public body...and the discharge of its lawful purposes, duties, and responsibilities...” §4-0.01(g).

The Caboose Bill also has language regarding recordings and transcriptions of Electronic Meetings. Please be advised that this meeting is being recorded. This recording will be available to the public through the

DCR website. The comments in the chat room will also be preserved as a public record. Official minutes of this meeting will be drafted and posted in accordance with regular procedures.

The Caboose Bill does not allow the Board to hold an Electronic Meeting to discuss or transact business for *any purpose*. Rather, they may do so as long as the agenda items that the public body plans to take up are: (a) statutorily required or (b) necessary to continue operations and discharge lawful purposes, duties and responsibilities.

You will note that the original agenda was amended to comply with this language.

It is the Subcommittee's responsibility to determine whether "the nature of the declared emergency makes it impracticable or unsafe for the public body or governing board to assemble in a single location."

At the conclusion of my remarks, I will ask for a motion for the subcommittee to make this determination. If that motion fails, this electronic meeting will end at that point.

The Caboose Bill requires compliance with the provisions of § [2.2-3708.2](#). Therefore, in accordance with § 2.2-3708.2.D.2, public bodies must include a telephone number that may be used to notify the public body of any interruption in the telephonic or video broadcast of the meeting.

In the event that a disruption occurs, participants should contact Mr. Fletcher by phone or text at 804-317-8934.

Additionally, if there is an interruption in the broadcast, the meeting must be suspended until public access is restored.

Those provisions of the Virginia Freedom of Information Act not addressed by the Caboose Bill remain in effect.

Before we continue with the business portion of the meeting, I will ask Mr. Fletcher to call the roll for Subcommittee members and anticipated staff. Other participants will be recorded through the chat window. If you are participating by phone and your name is not called, please call or text Mr. Fletcher at 804-317-8934.

In addition, if at any time you lose connection and are unable to reconnect, please contact Mr. Fletcher at the same number.

I will now turn to Mr. Fletcher for the calling of the roll:

In attendance were:

Subcommittee Members

Adam Wilson, Chair

Cindy Smith

Charles Newton

DCR Staff
Christine Watlington
Michael Fletcher
Russell Baxter

Chairman Wilson called for a motion to certify the electronic meeting.

SUBCOMMITTEE ACTION

Mr. Newton moved the following:

The Audit Subcommittee of the Virginia Soil and Water Conservation Board certifies that the nature of the declared COVID-19 emergency makes it impracticable or unsafe for the Board to assemble in a single location and further that the agenda items to be taken up at this meeting are necessary to continue operations and discharge lawful purposes, duties, and responsibilities of the Board.

Ms. Smith seconded.

Chairman Wilson called for a roll call vote:

Ayes
Mr. Wilson
Ms. Smith
Mr. Newton

The motion carried unanimously.

I want to explain further how we will handle participation by subcommittee members, staff, and the public. Everyone, except the individual presenting materials for an agenda item, will be muted. Once the presentation is completed, the board members, and only board members, will be unmuted for discussion. Michael, Christine, and Dr. Tyree will assist me with ensuring members are recognized when they have questions or comments. As needed, staff will be unmuted to address questions or concerns. Members of the public will be able to ask questions and provide input by utilizing the chat box function only. As time allows, we will respond to those questions and comments.

We will now proceed with the business of the Subcommittee as outlined in the agenda.

APPROVAL OF MINUTES FROM DECEMBER 11 2019

SUBCOMMITTEE ACTION

Ms. Smith moved that the minutes from the December 11, 2019 meeting of the Virginia Soil and Water Conservation Board Audit Subcommittee be approved as submitted. Mr. Newton seconded.

Chairman Wilson called for a roll call vote:

Ayes
Mr. Wilson
Ms. Smith
Mr. Newton

The motion carried unanimously.

REVIEW OF 2019 AUDIT RESULTS – *Christine Watlington*

Ms. Watlington reviewed the results of the 2019 Audits.

DCR contracted with Clifton Larson Allen LLP (CLA) to conduct audits for twenty-five Soil and Water Conservation Districts during program year 2020. Districts have been provided copies of their respective audits.

Ms. Watlington noted that there had been overall improvement but noted that the audits showed the following concerns:

- Districts are tax exempt but some are paying unnecessary sales tax.
- Proper signatures on the Virginia Agricultural Cost-share (VACS) Contract Part III are not always obtained.
- Proper reconciliation of accounts is not always occurring.

Two Districts had more specific findings.

Clinch Valley SWCD's credit card was charged an annual fee, which is considered a finding.. This has been addressed by the company issuing the credit card and a refund has been issued. The SWCD's card has also been re-categorized so no annual fee is charged.

There were more findings regarding the Mountain Castles SWCD. Deficiencies specific to Mountain Castle included:

- Bank reconciliations;
- Expenditure approvals;
- Cash receipt documentation; and
- Obtaining proper signatures on the Virginia Agricultural Cost Share Program Contract Part III.

Because of the timing of this subcommittee meeting as well as the timing of a special audit at this time, staff recommended that CLA be directed to review the deficient areas with greater scrutiny during the next scheduled two-year audit. This will be conducted in the fall of 2021. If any of these findings are repeated, the District will be directed to prepare a performance improvement plan.

SUBCOMMITTEE ACTION

Mr. Newton moved the following:

The Audit Subcommittee of the Virginia Soil and Water Conservation Board directs the Department to send letters to all Soil and Water Conservation Districts (Districts) for the fiscal years that ended on June 30, 2018 and June 30, 2019. The letter must advise the Districts of deficiencies and recurring issues noted by the auditors that must be addressed.

Further, the Subcommittee directs the Department to send a specific letter to Mountain Castles Soil and Water Conservation District outlining the specific observations and findings from the audit undertaken by Clifton Lawson Allen (CLA). The Subcommittee will not require a special audit of the District this fall. However, the letter will notify the District that at their next scheduled two-year audit, to be conducted in the fall of 2021, the deficient areas noted by CLA will be reviewed with greater scrutiny. The District will also be notified that should any of these findings be repeated at that time, the District will have to prepare a performance improvement plan, present it to the audit subcommittee in-person, and have a special audit conducted at the District's expense.

The motion was seconded by Ms. Smith.

Chairman Wilson called for a roll call vote:

Ayes
Mr. Wilson
Ms. Smith
Mr. Newton

The motion carried unanimously.

PUBLIC COMMENT

There was no public comment.

NEXT MEETING

Ms. Watlington advised that the Audit Subcommittee would likely need to meet in September, 2020, however no specific date was proposed at this time.

ADJOURN

There was no further business and the meeting adjourned at 9:30 a.m.

Respectfully submitted,

Adam W. Wilson
Subcommittee Chair

Clyde E. Cristman
DCR Director