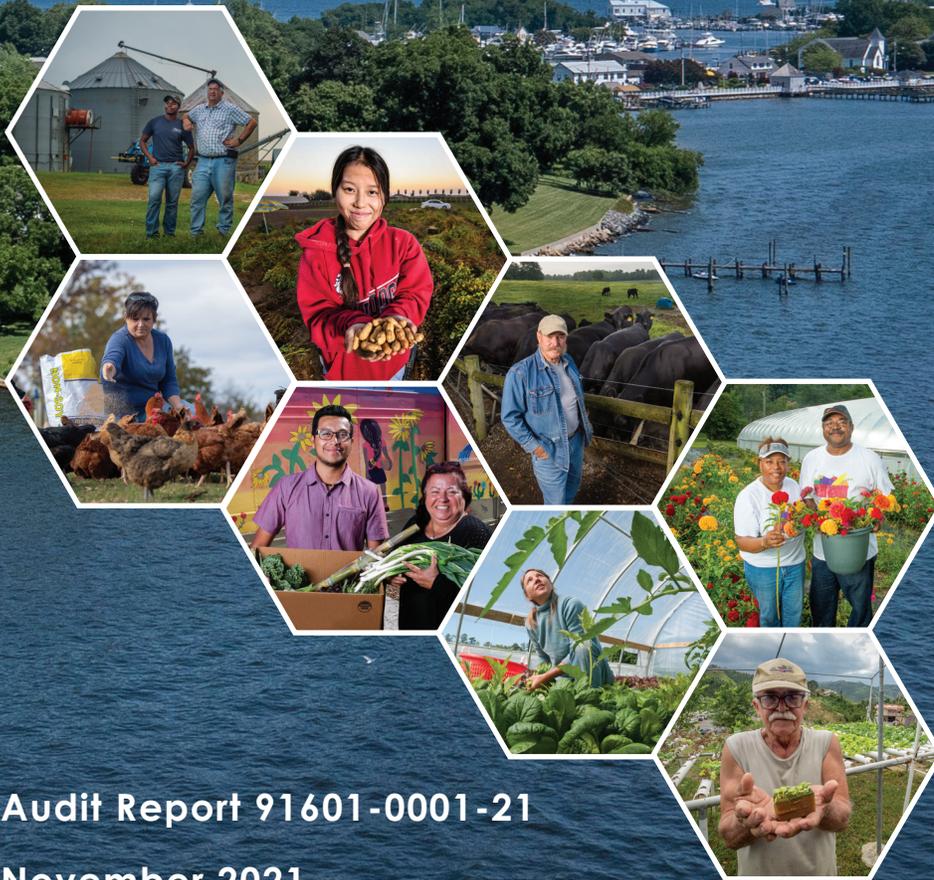




Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers Program (2501 Program) in Fiscal Years 2018 and 2019



Audit Report 91601-0001-21

November 2021

Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers Program (2501 Program) in Fiscal Years 2018 and 2019

Audit Report 91601-0001-21

We reviewed and evaluated OPPE's policies, procedures, and internal controls related to OPPE's 2501 Program. We also reviewed OPPE's implementation of recommendations from prior audits.

OBJECTIVE

Our audit objectives were to review and evaluate OPPE's policies, procedures, and internal controls related to the 2501 Program's grant management process and the 2501 Program grants awarded in FY 2018 and FY 2019. Additionally, we reviewed the implementation of recommendations from prior audits.

REVIEWED

To accomplish our objectives, we reviewed a non-statistical sample of 18 applications and 6 grants for FY 2018 and FY 2019. We also reviewed the implementation of recommendations from prior Office of Inspector General audits issued in 2013 and 2015.

RECOMMENDS

We recommend that OPPE develop, implement, and establish oversight controls over the 2501 Program; develop and provide training to both 2501 Program personnel and the independent review panel on the grant award and management process; and establish and implement performance goals and measures that OPPE can use to evaluate the 2501 Program's performance and progress each year.

WHAT OIG FOUND

The Office of Partnerships and Public Engagement (OPPE) accomplishes its mission of improving access to United States Department of Agriculture (USDA) programs and enhancing the viability and profitability of small farms and ranches, beginning farmers and ranchers, and socially disadvantaged farmers and ranchers through its grant programs, including the Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers Program, hereafter known as the 2501 Program. The 2501 Program provides eligible organizations with grant funds for outreach, training, education, and technical assistance.

We identified that 6 of the 18 applications we reviewed were not eligible to receive grant funds; as a result, OPPE awarded a total of more than \$1.1 million in grant funds to 3 of the 6 ineligible entities. We also determined that the independent review panel did not follow established guidance and did not apply a consistent methodology to award points; as a result, OPPE cannot ensure it awarded fiscal year (FY) 2018 and FY 2019 grants—totaling more than \$25 million—to the worthiest applicants. In addition, we determined that program personnel did not follow procedures OPPE established to monitor and evaluate grantee performance effectively; as a result, OPPE cannot assess whether it achieved the objectives of the 2501 Program and whether program resources are protected. Finally, we determined that OPPE did not establish a performance plan and set performance goals and indicators to measure and assess its progress towards achieving the 2501 Program's purpose. As a result, OPPE cannot meet its requirement to report annually on its accomplishments and evaluate if the grants awarded were successful in meeting the objectives of the 2501 Program. Furthermore, by not establishing performance goals, OPPE cannot determine if improvements are needed to meet the objectives of the 2501 Program.

OPPE officials agreed with our findings and recommendations, and we accepted management decision on all 16 recommendations.



OFFICE OF INSPECTOR GENERAL

United States Department of Agriculture



DATE: November 10, 2021

AUDIT

NUMBER: 91601-0001-21

TO: Lisa Ramirez, Ed.D.
Director
Office of Partnerships and Public Engagement

ATTN: Phyllis Holmes
Chief Operating Officer (Acting)
Office of Partnerships and Public Engagement

FROM: Gil H. Harden
Assistant Inspector General for Audit

SUBJECT: Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers Program (2501 Program) in Fiscal Years 2018 and 2019

This report presents the results of the subject review. Your written response to the official draft is included in its entirety at the end of the report. We have incorporated excerpts from your response, and the Office of Inspector General's (OIG) position, into the relevant sections of the report. Based on your written response, we are accepting management decision for all 16 audit recommendations in the report, and no further response to this office is necessary. Please follow your internal agency procedures in forwarding final action correspondence to the Office of the Chief Financial Officer (OCFO).

In accordance with Departmental Regulation 1720-1, final action needs to be taken within 1 year of each management decision to prevent being listed in the Department's annual Agency Financial Report. For agencies other than OCFO, please follow your internal agency procedures in forwarding final action correspondence to OCFO.

We appreciate the courtesies and cooperation extended to us by members of your staff during our audit fieldwork and subsequent discussions. This report contains publicly available information and will be posted in its entirety to our website (<http://www.usda.gov/oig>) in the near future.

Table of Contents

Background and Objectives	1
Finding 1: OPPE Needs to Strengthen Controls Over the Eligibility Review Process	4
Recommendation 1	5
Recommendation 2	6
Recommendation 3	6
Recommendation 4	7
Finding 2: OPPE Should Strengthen Its 2501 Program Application Evaluation and Scoring Process	8
Recommendation 5	11
Recommendation 6	11
Recommendation 7	11
Recommendation 8	12
Recommendation 9	12
Finding 3: OPPE 2501 Program Personnel Need to Follow Procedures Established to Monitor and Evaluate Grantee Performance	13
Recommendation 10	17
Recommendation 11	18
Recommendation 12	18
Recommendation 13	18
Finding 4: OPPE Needs to Establish Performance Goals for the 2501 Program	20
Recommendation 14	21
Recommendation 15	22
Recommendation 16	22
Scope and Methodology	23
Abbreviations	26
Exhibit A: Summary of Monetary Results	27
Exhibit B: Prior Audit Recommendations	28
Agency’s Response	33

Background and Objectives

Background

The Office of Advocacy and Outreach (OAO) was established by the Food, Conservation, and Energy Act of 2008¹ with the mission of improving access to United States Department of Agriculture (USDA) programs and enhancing the viability and profitability of small farms and ranches, beginning farmers and ranchers, and socially disadvantaged farmers and ranchers.² In 2014, with the passage of the Agricultural Act of 2014, Congress expanded OAO's mission to include veterans.³ Through the Agricultural Improvement Act of 2018, Congress renamed OAO to the Office of Partnerships and Public Engagement (OPPE).⁴ OPPE accomplishes its mission through its grant programs, including the Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers Program, also known as the 2501 Program.⁵

The 2501 Program provides eligible organizations with grant funds for training and technical assistance projects designed to assist socially disadvantaged and veteran farmers and ranchers in owning and operating viable agricultural enterprises. Eligible organizations shall use grant funds exclusively to enhance the coordination of outreach, technical assistance, and education efforts authorized under agriculture programs and to assist the Secretary of Agriculture in reaching current and prospective socially disadvantaged farmers or ranchers and veteran farmers or ranchers while improving their participation in USDA programs. Examples of outreach efforts initiated by grants funded under the 2501 Program include conferences, workshops, and demonstrations of various farming techniques.

In fiscal year (FY) 2018, through the Agricultural Act of 2014, Congress authorized \$10 million for the 2501 Program.⁶ Additionally, through the Consolidated Appropriations Act of 2018,⁷ Congress provided an additional \$3 million in discretionary funds to OPPE, of which OPPE used \$950,000 to fund additional 2501 Program grants. In FY 2019, through the Agricultural Improvement Act of 2018, Congress increased annual funding for the 2501 Program to \$15 million.⁸ Congress also provided OPPE, through the Consolidated Appropriations Act

¹ Food, Conservation and Energy Act of 2008, Pub. L. No. 110-234, 122 Stat. 923.

² 7 C.F.R. § 2500.103 defines a "socially disadvantaged group" as a group whose members have been subjected to racial or ethnic prejudice without regard to their individual qualities.

³ Agricultural Act of 2014, Pub. L. No. 113-79, 128 Stat. 649.

⁴ Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 12406, 132 Stat. 4490, 4975.

⁵ The 2501 Program was authorized by the Food, Agriculture, Conservation, and Trade Act of 1990 (Pub. L. No. 101-624) to support entities, such as institutions of higher education and community based organizations that provide outreach, technical assistance, and education to socially disadvantaged farmers and ranchers. A "community based organization" is a public or private nonprofit organization of demonstrated effectiveness that: (a) is representative of a community or significant segments of a community; and (b) provides educational or related services to individuals in the community.

⁶ The Agricultural Act of 2014 authorized \$10 million (each fiscal year) for FYs 2014 through 2018 for outreach and assistance for socially disadvantaged farmers and ranchers and veteran farmers and ranchers. Pub. L. No. 113-79, § 12201, 128 Stat. 649, 983.

⁷ Consolidated Appropriations Act, 2018, Pub. L. No. 115-141, 132 Stat. 348.

⁸ Agricultural Act of 2018, Pub. L. No. 115-334, § 12301, 132 Stat. 4490, 4950.

of 2019,⁹ an additional \$3 million to be used for expenses the office determined necessary. OPPE used \$2.8 million of these funds to fund additional 2501 Program grants.

In FY 2018, OPPE awarded 52 grants for the 2501 Program¹⁰—totaling over \$9.4 million—to 29 States and Puerto Rico.¹¹ In FY 2019, OPPE awarded 32 grants for the 2501 Program—totaling over \$15.6 million—to 21 States and Puerto Rico.¹² Grants were distributed to a variety of minority-serving higher education institutions, Hispanic-serving institutions, community-based organizations, and nonprofits within the United States and territories.

OPPE is required to use a competitive process to award grants and to administer all grant phases of the 2501 Program. Additionally, OPPE must review financial and performance progress reports submitted by grantees.¹³

The grant award and management process includes the steps illustrated in Figure 1, below.

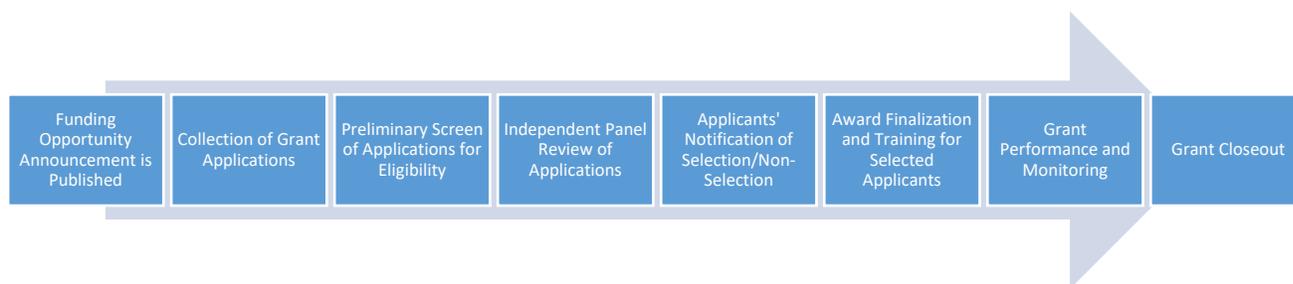


Figure 1. The Eight Steps of the Grant Process

Prior Audits

Within the last decade, we have conducted two audits that identified significant issues with the office’s administration of the 2501 Program.¹⁴ These audits have reported persistent problems with internal controls, compliance, and oversight.

In 2013,¹⁵ we reported on the office’s procedures used to select grant recipients. We determined that the applicants the office initially selected to receive FY 2012 grants through the

⁹ Consolidated Appropriations Act, 2019, Pub. L. No. 116-6, 133 Stat. 13, 45.

¹⁰ OPPE awarded \$400,000 in FY 2018 and \$525,000 in FY 2019 to fund the Socially Disadvantaged Policy Research Center. The center’s purpose was to research issues and provide recommendations in collaboration with USDA agencies to develop agricultural policies impacting socially disadvantaged farmers and ranchers.

¹¹ In FY 2018, grant awards were limited to \$200,000.

¹² In FY 2019, grant awards were awarded up to a maximum of \$750,000, with a maximum project period of 3 years. OPPE officials confirmed that the decrease in the number of grants awarded in 2019 was due to the increase of the annual funding amount from \$200,000 to \$250,000, and the increase of the funding term from a 1-year grant to a 3-year grant.

¹³ 7 C.F.R. § 2500, § 2500.003, § 2500.011, and §2500.045-.047.

¹⁴ OIG conducted both prior audits before the passage of the Agricultural Improvement Act of 2018, when OPPE was formerly known as OAO.

¹⁵ Audit Report 91099-0001-21, *Controls Over the Grant Management Process of the Office of Advocacy and Outreach*, Feb. 2013.

2501 Program may not have been the most meritorious and deserving candidates. This audit resulted in 2 findings and 10 recommendations. In 2015,¹⁶ we issued a report on the office's management of the grant award and management process for 2501 Program grants awarded in FYs 2010–2011. Our audit disclosed a pattern of broad and pervasive mismanagement of 2501 Program grant funds. This audit resulted in three findings and nine recommendations. In both audits, the agency agreed with all of our recommendations, and we accepted the agency's planned corrective actions to address these recommendations.

As part of this audit, we followed up on OPPE's administration of the 2501 Program to ensure that prior audit recommendations were implemented (see Exhibit B: Prior Audit Recommendations).

Objectives

Our audit objectives were to review and evaluate OPPE's policies, procedures, and internal controls related to the 2501 Program's grant management process and 2501 Program grants awarded in FY 2018 and FY 2019. Additionally, we reviewed the office's implementation of recommendations from our 2013 and 2015 audits.

We determined that OPPE implemented all prior audit recommendations from our 2013 and 2015 audits. However, we also determined that OPPE stopped fully performing monitoring procedures which were implemented as part of Recommendation 7 from our 2015 audit report. We incorporated this issue into Finding 3 (see Exhibit B: Prior Audit Recommendations).

¹⁶ Audit Report 91099-0003-21, *Section 2501 Program Grants Awarded FYs 2010-2011*, Mar. 2015.

Finding 1: OPPE Needs to Strengthen Controls Over the Eligibility Review Process

We identified that 6 of the 18 applications we reviewed in our sample were not eligible to receive 2501 Program grant funds. This occurred because tight deadlines caused 2501 Program officials to forward applications for scoring to the independent review panel while 2501 Program officials simultaneously verified that applicants were eligible. Additionally, OPPE does not have oversight controls to ensure its personnel follow the procedures established to confirm eligibility. Further, OPPE relied on the independent review panel to assess eligibility as part of its process. However, the scoring document the independent review panel used did not include questions to evaluate an applicants' eligibility. As a result, between FY 2018 and FY 2019, OPPE awarded a total of more than \$1.1 million in grant funds to 3 of the 6 ineligible entities we identified in our sample, funds that could have gone to qualified applicants.

In FY 2018 and FY 2019, OPPE published a funding opportunity announcement (FOA) that announced the availability of funds for the 2501 Program. The FOA described OPPE's criteria to evaluate applications. The FOA required that, for an application to be eligible for evaluation, the application must include documentary evidence that the applicant worked with socially disadvantaged farmers and ranchers or veteran farmers and ranchers during the 3 years preceding the submission of their application for assistance under the 2501 Program. The FOA also stated that only applications that met all eligibility requirements would be evaluated; incomplete or partial applications would not be eligible for review.

We identified that, although OPPE established a process to determine eligibility, 6 of the 18 applications we reviewed were ineligible to be considered for funding and reviewed by the independent review panel. Of the six ineligible applications, five did not have evidence documenting the applicant's experience working with socially disadvantaged and/or veteran farmers or ranchers during the 3-year period before submitting the application. The sixth ineligible application did not include documentation of its previously approved indirect cost rate. While these applications lacked documentation required to be considered eligible for review, the applications were nonetheless provided to the independent review panel to be scored and ranked to receive funding. Three of the six ineligible applications that the independent review panel scored fell within the criteria OPPE established to fund applications.¹⁷ OPPE awarded grant funds totaling more than \$1.1 million to three of the six ineligible applications we reviewed.

OPPE's standard operating procedures (SOPs) require OPPE 2501 Program personnel to pre-screen applications for eligibility before providing applications to an independent review panel to score and rank the applications. However, OPPE did not adequately review applications to ensure that grantees provided all required documentation, which included evidence to support that they had experience working with socially disadvantaged and/or veteran farmers or ranchers during the 3-year period before submitting the application. Additionally, OPPE's policy and training guidance requires the independent review panel to make a second determination of

¹⁷ According to the FOA, OPPE reserves discretion to allocate funding based upon the number and quality of applications received. There is no commitment by OPPE to fund any particular application or to select a specific number of recipients.

eligibility. However, OPPE did not have sufficient oversight controls to ensure its personnel and the independent review panel completed their eligibility reviews.

We identified that OPPE personnel provided the independent review panel with FY 2018 and FY 2019 applications to rank and score while simultaneously evaluating the eligibility of each application.¹⁸ However, this review should have occurred sequentially. When we discussed this with OPPE personnel, they stated that the simultaneous review occurred due to limited staff and tight deadlines. In addition to the eligibility review conducted by OPPE personnel, OPPE stated that the independent review panel should have also reviewed the applicant's eligibility as part of its process to score and rank each application. However, the score sheet the independent review panel used to score and rank applications did not include questions to evaluate the applicants' eligibility.

Without oversight controls, OPPE cannot ensure that its 2501 Program personnel and independent review panel follow established policies and procedures and evaluate the eligibility of all applicants. As a result, ineligible entities received more than \$1.1 million in grant funds that could have otherwise gone to qualified applicants.

In addition to the above issue, we concluded that OPPE 2501 Program personnel did not perform a required System for Awards Management (SAM) check for all key personnel and entities for 7 of the 18 applications reviewed. OPPE's SOPs state that OPPE 2501 Program personnel will check the SAM before both the review and the obligation of the grant to confirm the eligibility of each applicant and to ensure that other Federal agencies have not excluded the applicant from participating in Federal programs. When we asked OPPE 2501 Program personnel why these SAM checks were not conducted, the personnel stated that, due to tight deadlines and staff shortages, the checks were missed. Although we did not identify any exclusions in SAM for the seven entities missing SAM checks, if OPPE 2501 Program personnel do not conduct these checks, it is possible that the agency will issue grant funds to entities ineligible to participate in Federal programs.

Since 2013, OIG has issued audit reports on the 2501 Program that have consistently identified cases where the most meritorious and deserving applicants may not have received funds from the program. Although OPPE has implemented recommendations from prior OIG audits to prevent ineligible applicants from receiving program funds, we continue to find that OPPE has ineffective oversight controls over OPPE's eligibility review process. Without implementing oversight controls, OPPE may continue to award grant funds to ineligible applicants, funds that could have otherwise gone to qualified applicants.

Recommendation 1

Develop and implement pre-screening controls, such as an eligibility review checklist, to ensure eligibility requirements are verified by OPPE personnel before applications are submitted to the independent review panel for review.

¹⁸ During our review, we did not identify any applications from our sample that were denoted as ineligible by OPPE personnel.

Agency Response

In its October 11, 2021, response, OPPE stated it agreed with this recommendation and has taken the steps necessary to implement pre-screening controls. In a subsequent response, OPPE provided a completion date of August 31, 2021, for this action.

OIG Position

We accept management decision for this recommendation.

Recommendation 2

Modify the independent review panel score sheet to include questions that evaluate an applicant's eligibility. Require the independent review panel to document its conclusions on the score sheet.

Agency Response

In its October 11, 2021, response, OPPE stated it has taken the steps necessary to revise the panel score sheet to include questions to evaluate an applicant's eligibility. In a subsequent response, OPPE informed us that it would require the independent review panel to document its conclusions on the score sheet. OPPE provided a completion date of August 31, 2021, for this action.

OIG Position

We accept management decision for this recommendation.

Recommendation 3

Develop and implement pre-screening controls to ensure all SAM checks are conducted and documented.

Agency Response

In its October 11, 2021, response, OPPE stated it has taken the steps necessary to implement pre-screening controls to ensure that SAM checks are conducted on organizations and documented by the Grants Staff. In a subsequent response, OPPE provided a completion date of August 31, 2021 for this action.

OIG Position

We accept management decision for this recommendation.

Recommendation 4

Provide training on the new controls established in Recommendations 1–3.

Agency Response

In its October 11, 2021, response, OPPE stated it has taken the steps necessary to develop, implement, and train the staff on the new controls established in Recommendations 1-3. In a subsequent response, OPPE provided a completion date of August 31, 2021, for this action.

OIG Position

We accept management decision for this recommendation.

Finding 2: OPPE Should Strengthen Its 2501 Program Application Evaluation and Scoring Process

We found that the independent review panel¹⁹ (reviewers) did not follow the guidance OPPE established to evaluate and score applications. Additionally, we found that reviewers did not apply a consistent methodology to award points. This occurred because OPPE had not established oversight controls or provided sufficient training to ensure that the reviewers scored each application consistently and followed established guidance. As a result, OPPE cannot ensure that it awarded FY 2018 and FY 2019 grants—totaling more than \$25 million—to the worthiest applicants.

Federal regulations require that OPPE review and evaluate each application consistently and fairly.²⁰ In addition, the Office of Management and Budget (OMB) Circular A-123 states that OPPE should design controls to evaluate and monitor program performance effectively, support management decisions, protect program resources, and achieve its objectives.²¹

OPPE instructs reviewers to use a point system to rate each proposal, awarding a maximum of 100 points (80 points towards five criteria elements, plus an additional 20 discretionary points for Secretarial priorities).²² Reviewers score applications using an OPPE-provided reviewer score sheet. Within this score sheet, each reviewer evaluates the application package as a whole and scores the five criteria outlined in the FOA. The five criteria consist of: (1) project narrative (40 points); (2) programmatic capability (10 points); (3) financial management experience (5 points); (4) tracking and measuring (15 points); and (5) budget (10 points).²³

During our audit, we identified systemic issues with how reviewers scored applications that caused us to question all applications' scoring, not just the 18 within our sample. To determine the most meritorious applicants for the 2501 Program, OPPE instructs reviewers to score applications competing for grant funds based on the five criteria listed above. At least two reviewers score each application using an OPPE-provided reviewer score sheet and their scores are averaged together for an overall score. OPPE then uses the reviewers' averaged top scores to determine which applicants receive grant funds. Due to the competitiveness of applications submitted, generally whether or not applications are funded comes down to less than a point. Therefore, accuracy is a critical element of the process, as inaccurate scoring can greatly impact who receives funding. We found that reviewers did not follow instructions OPPE established to score each application. Specifically, we found that reviewers did not: (1) provide sufficient comments to support scores, (2) consistently conduct third reviews, and (3) perform adequate reviews of the budget section.

¹⁹ As defined by OPPE's SOPs, the independent review panel is composed of external eligible evaluators who are nominated based on their knowledge, skills, and abilities. These individuals are independent of OPPE and review, score, and rank 2501 Program applications.

²⁰ 7 C.F.R. § 2500.021, "Guiding Principles."

²¹ OMB, *Establishing and Operating an Effective System of Internal Control*, Circular A-123, Section III (July 2016).

²² In FY 2018, the 100 points consisted of 90 points towards the five criteria elements, plus an additional 10 discretionary points for Secretarial priorities.

²³ In FY 2018, the budget criterion was worth 15 points and tracking and measuring was worth 20 points.

Insufficient Comments to Support Scores

We identified that, for all 18 applications, reviewers did not consistently document their justification for points awarded. When evaluating and scoring applications, OPPE requires reviewers to document their justification for the points they award for each section of the reviewer's score sheet. OPPE requires reviewers to use these justifications to describe how they arrived at their score for all sections of the reviewer score sheet. For the applications we reviewed, the reviewers did not consistently document their score justifications for each section of the score sheet; therefore, we could not determine if the reviewers considered all scoring criteria when they awarded points. As a result, we could not determine the rationale for the scores reviewers awarded.

Reviewers Did Not Consistently Conduct Third Reviews

OPPE's SOP requires applications to be initially scored by two reviewers and, if the difference between reviewers' scores is greater than 10 points, another reviewer scores the application in a third review. We found that 40 of 329 applications reviewers scored during our scope period required a third review. However, we identified that 9 of these 40 applications did not have a third review conducted.²⁴ This occurred because OPPE personnel did not ensure that the independent review panel assigned a third reviewer when a 10 point difference existed between the two scores. For example, the maximum score value an application can receive is 100. Six of the nine applications had a score in the 90s by one of the two reviewers, but did not receive a third review. Because of these high scores and because applications not funded are generally within a point of receiving funding, these applications would have benefited from a third review. As noted earlier, inaccurate scoring can greatly impact who receives funding.

Inadequate Reviews of the Budget Section

We found that, in 17 of the 18 applications we reviewed, the budget narratives did not include enough detailed information to determine if the costs were reasonable, allowable, allocable, and necessary. The application's budget narrative section is the main opportunity for applicants to describe how and for what purpose the grant funds will be used. The independent review panel is required to review the budget narrative to determine if the budgeted cost and its use is reasonable, allowable, allocable, and necessary.²⁵ Since the applications included very few details for the more than \$5.9 million in proposed costs to make a determination of whether costs were reasonable, allowable, allocable, and necessary, we question the basis for the scores the reviewers awarded.

²⁴ Three of the nine applications should have been denoted as "third review not necessary." The evaluation panel lead stated that when there are two low scores with more than a 10 point difference, they marked them as "third review not necessary." They stated that even if a third review were done and scored high, the low average would prevent the application from being funded.

²⁵ 2 C.F.R. § 200, Subpart E—Cost Principles.

Additionally, we determined that when reviewing applications, reviewers did not apply a consistent methodology to award points in the project narrative section of the score sheet. Within this section of the score sheet, the maximum number of points the reviewers can award is 40. Reviewers are required to consider two factors. First, the application must include a well-conceived strategy for addressing the requirements and objectives in the FOA. Second, the project narrative must identify a minimum of two priority areas described in the FOA.²⁶ We interviewed four reviewers that scored applications. All four reviewers described a different methodology for awarding the 40 points assigned to the project narrative section of the reviewer score sheet. For example, one reviewer stated that they distributed 20 points to each of the two factors. Another reviewer stated that they evenly spread the 40 points per priority area met, placing the basis of its score mainly on the second factor. We concluded that when reviewers use different methodologies to score applications, this could result in applications not being reviewed in a fair and consistent manner.

This occurred for two reasons. First, OPPE had not established oversight controls to evaluate the independent review panel's reviews to ensure that the panelists scored each application consistently and resolved discrepancies between reviewers' scoring methodologies before final scores were submitted. Second, training was not adequate to ensure reviewers scored applications consistently. While OPPE established guidance and provided instruction on the criteria reviewers should use to evaluate applications, OPPE did not provide guidance on the methodology to award points consistently and fairly. Additionally, OPPE did not provide training on how to apply the scoring criteria listed within the FOA consistently. The reviewers stated that the primary guidance given on scoring was to refer to the FOA. However, the FOA does not give guidance on awarding or deducting points when reviewing the project narrative.

OPPE officials stated they are in the process of updating their SOPs and training program and developing a training plan to be implemented in the summer of 2021. OPPE officials believe these changes will alleviate the systemic issues with how reviewers scored applications. Additionally, OPPE stated they solicited feedback from the reviewers in FY 2018 and FY 2019 and have incorporated changes into the FY 2020 program.

OPPE officials stated that, based on the reviewers' scores, they have assurance that they funded the worthiest projects. However, solely relying on the reviewers' scores—without oversight controls, such as supervisory reviews, to ensure reviewers follow the scoring methodology established and scoring is consistent—is not an effective process to ensure OPPE funded the worthiest projects. Small differences in scoring can significantly affect the average score of an application. Because OPPE bases the selection of grants to award on the reviewers' scores, the lack of oversight to ensure reviewers score applications consistently and in accordance with OPPE guidance does not provide reasonable assurance that OPPE awarded FY 2018 and

²⁶ Priority areas in the FOA include the following: (1) assist socially disadvantaged or veteran farmers and ranchers in owning and operating successful farms and ranches; (2) improve participation among socially disadvantaged or veteran farmers and ranchers in USDA programs; (3) build relationships between current and prospective farmers and ranchers who are socially disadvantaged or veterans and USDA's local, State, regional, and National offices; (4) introduce agriculture-related information to socially disadvantaged or veteran farmers and ranchers through innovative training and technical assistance techniques; and (5) introduce agricultural education targeting socially disadvantaged youth, and/or socially disadvantaged beginning farmers and ranchers, in rural and persistent poverty communities.

FY 2019 grants—totaling more than \$25 million—to the worthiest applicants. During previous audits, we recommended that OPPE strengthen its policies and procedures to develop a consistent and competitive process to select proposed recipients. Although we identified that OPPE established these policies, we found that OPPE did not always follow them. We recommend that OPPE develop and implement oversight controls to evaluate reviewers’ performance to ensure the reviewers score all applications fairly and consistently.

Recommendation 5

Develop and implement oversight controls, such as supervisory reviews of score sheets, to evaluate the performance of the independent review panel to ensure guidance OPPE established to score and rank applications is followed.

Agency Response

In its October 11, 2021, response, OPPE stated it has taken the steps necessary to develop oversight controls to evaluate the performance of the independent review panel to ensure guidance OPPE established to score and rank applications is followed. In a subsequent response, OPPE provided a completion date of August 31, 2021, for this action.

OIG Position

We accept management decision for this recommendation.

Recommendation 6

Develop and provide training to OPPE 2501 Program personnel to ensure Recommendation 5 is understood and followed.

Agency Response

In its October 11, 2021, response, OPPE stated it has taken the steps necessary to provide training to OPPE 2501 Program personnel to ensure Recommendation 5 is understood and followed. In a subsequent response, OPPE provided a completion date of August 31, 2021, for this action.

OIG Position

We accept management decision for this recommendation.

Recommendation 7

Develop and implement a consistent methodology for the independent review panel to apply when assessing and scoring the project narrative.

Agency Response

In its October 11, 2021, response, OPPE stated it has taken the steps necessary to develop and implement a consistent methodology for the independent review panel to apply when assessing and scoring the project narrative. In a subsequent response, OPPE provided a completion date of August 31, 2021, for this action.

OIG Position

We accept management decision for this recommendation.

Recommendation 8

Develop additional guidance that specifically addresses how to score applications, how to apply scoring criteria to each section, and how to adhere to OPPE established guidance.

Agency Response

In its October 11, 2021, response, OPPE stated it has taken the steps necessary to develop additional guidance that specifically addresses how to score applications, how to apply scoring criteria to each section, and how to adhere to OPPE established guidance. In a subsequent response, OPPE provided a completion date of August 31, 2021, for this action.

OIG Position

We accept management decision for this recommendation.

Recommendation 9

Include the new guidance developed in Recommendation 8 into the training provided to the independent review panel each year.

Agency Response

In its October 11, 2021, response, OPPE stated it has taken the steps necessary to include the new guidance developed in Recommendation 8 into the training provided to the independent review panel each year. In a subsequent response, OPPE provided a completion date of August 31, 2021, for this action.

OIG Position

We accept management decision for this recommendation.

Finding 3: OPPE 2501 Program Personnel Need to Follow Procedures Established to Monitor and Evaluate Grantee Performance

OPPE 2501 Program personnel did not follow procedures OPPE established to monitor and evaluate grantee performance effectively. This occurred because OPPE does not have controls to ensure its personnel perform the procedures OPPE established to monitor and evaluate grantee performance. Additionally, OPPE 2501 Program personnel did not use OMB-approved forms to collect data on the financial and performance progress of 2501 Program grantees. This occurred because OPPE did not establish controls to verify that all forms used to collect data were current and OMB-approved. As a result, OPPE cannot assess whether it achieves the objectives of the 2501 Program and protects program resources from fraud, waste, and mismanagement.

OMB Circular A-123²⁷ states that management:

- Should design and implement internal controls that provide reasonable assurance that entities achieve their objectives;
- Should continually monitor, assess, and improve the effectiveness of controls to ensure the safeguarding of assets and the effective fiscal management of Federal grants; and
- Should document the operating effectiveness of these controls.

Federal regulations²⁸ state that Federal awarding agencies must require recipients to use OMB-approved, Governmentwide, standard information collections when providing financial and performance information.

Although OPPE designed controls to monitor grantee performance, OPPE 2501 Program personnel did not perform steps outlined within its policy to effectively monitor grantee performance. Specifically, OPPE 2501 Program personnel did not:

- (1) Conduct advanced monitoring activities since 2016.
- (2) Ensure grantees submitted complete financial and performance reports.
- (3) Ensure grantees submitted financial and performance reports timely.
- (4) Effectively evaluate grantees' use of funds.

In addition, OPPE did not ensure that financial and performance forms were current and approved by OMB.

Advanced Monitoring Activities Have Not Been Conducted Since 2016

OPPE's Post-Award Management Plan established advanced grant monitoring activities that OPPE 2501 Program personnel are required to perform to ensure grantees comply

²⁷ OMB, *Management's Responsibility for Enterprise Risk Management and Internal Control*, Circular A-123 (Jul. 15, 2016).

²⁸ 2 C.F.R. 200 § 200.301.

with program requirements.²⁹ In our prior 2015 audit,³⁰ OIG determined that OPPE did not follow its monitoring procedures and require its program personnel to perform monitoring activities—such as onsite reviews or desk audits—to ensure grantees adhered to regulations and the terms and conditions of the grant agreement. During our current audit of the 2501 Program, we determined that this issue still exists.

We identified that, for all six grantees in our sample, OPPE 2501 Program personnel did not perform advanced monitoring activities—such as onsite reviews or desk audits—to verify grantee compliance with program requirements.³¹ After the issuance of our 2015 report, OPPE provided evidence that it conducted onsite reviews in 2016 to ensure grantees adhered to regulations and the grant’s terms and conditions. However, OPPE officials stated that, in 2016, they stopped these reviews due to insufficient resources (funds and staff). In our 2015 audit report, OPPE noted the same limitations prevented them from performing these monitoring activities.

However, OPPE’s SOPs allow alternative means to perform advanced monitoring activities when resources are not available. These alternative means include requesting liaisons and other field office personnel within USDA to conduct onsite reviews when funding is unavailable for OPPE 2501 Program personnel to travel to grantee locations. Instead of performing advanced monitoring activities, OPPE 2501 Program personnel limited their activities to reviews of grantee-reported performance and financial information. OPPE personnel stated they performed these activities to ensure that grantees complied with reporting requirements.³² Although we agree that these monitoring activities are important, these activities alone are not adequate in ensuring that grantees comply with program requirements and effectively manage grants. Advanced monitoring techniques, such as onsite reviews and desk audits that verify grant funds expenditures, are necessary to provide OPPE with reasonable assurance that program resources are protected from fraud, waste, and mismanagement. OPPE officials agreed that their personnel should perform advanced monitoring activities in accordance with OPPE’s Post-Award Management Plan and stated they have begun to train liaisons from within USDA to help OPPE 2501 Program personnel conduct onsite reviews.

Incomplete Financial and Performance Progress Reports

OPPE requires grantees to submit performance progress and financial reports quarterly and submit final performance progress and financial reports upon a project’s

²⁹ Advanced monitoring takes place through the use of onsite evaluations or offsite desk audits and is a process used to validate compliance with applicable programmatic and financial status, regulations, conditions, and policies.

³⁰ See Audit Report 91099-0003-21, *Section 2501 Program Grants Awarded FYs 2010-2011*, Mar. 2015.

³¹ OPPE 2501 Program SOPs state that, based upon funding availability, onsite reviews or desk audits are required at least every 3 years on at least 20 percent of the grantee population per fiscal year.

³² OPPE requires grantees to submit performance progress and financial reports quarterly and submit final performance progress and financial reports upon a project’s completion.

completion.³³ We determined that all six grantees in our sample submitted quarterly reports; however, the grantees did not address all of the reporting requirements within the reports. For example, five of the six grantees expended grant funds for indirect costs during the quarter. However, the grantees did not report the amount of indirect costs they spent during the quarter on their quarterly financial reports as required.³⁴ Grantees are generally allowed to spend no more than 10 percent of their funds on indirect costs.³⁵ However, because these five grantees did not report indirect cost expenditures, OPPE could not evaluate the financial reports to determine if the grantees spent more than 10 percent of their funds on indirect costs.

Our review found no evidence that OPPE 2501 Program personnel identified that grantee quarterly reports were incomplete. We asked OPPE personnel if they use a tool, such as a checklist, to document the review results. OPPE stated they do not use a checklist to document their reviews. Although OPPE has procedures to review grantee reports to ensure that grantees complete all reporting requirements, OPPE has not established oversight controls to confirm that OPPE personnel performed the review and documented their results.

Grantee Progress Reports Were Not Submitted Timely

Our review of grantee reports determined that four of the six grantees in our sample did not submit quarterly and/or final reports timely.³⁶ For example, the four grantees' report submissions were 42 days late on average, with one grantee not submitting its final report until 119 days after it was due. Furthermore, OPPE 2501 Program personnel did not contact the grantee about this late submission until approximately two months after its due date. OPPE 2501 Program personnel stated that extensions past the grace period are only allowed when extenuating circumstances occur. Otherwise, according to OPPE 2501 personnel, OPPE will deny any future request for funding until a grantee submits the overdue reports.³⁷ During our review, we determined that one of the four grantees with overdue reports requested funds, and OPPE did not approve the request made by the grantee until the grantee had submitted their quarterly report. Although

³³ OPPE uses performance progress reports to collect performance information from grantees, such as grantee improvements in program outcomes and activities throughout the quarter. OPPE uses Federal financial reports to collect financial information about grant awards, such as cash receipts and disbursements, indirect costs, expenditures, and program income. Final performance progress reports include a summary of the project or activity throughout the funding period, achievements of the project or activity, and a discussion of overall successes and issues experienced in conducting the project or project activities. Final financial reports include a summary of the total costs of the project.

³⁴ Indirect costs are costs that are common to all budget categories and cannot be expensed to one particular budget category.

³⁵ According to the FOA, in FY 2018, OPPE officials evaluated indirect costs to ensure that grantees did not charge an indirect cost rate of over 10 percent, unless a negotiated indirect cost rate agreement was provided. According to the FOA for FY 2019, OPPE officials evaluated indirect costs to ensure that grantees did not charge an indirect cost rate of over 10 percent.

³⁶ OPPE 2501 Program personnel allow a grace period of 30 days after the end of a calendar year quarter for grantees to submit their quarterly reports without repercussion. Final reports are to be submitted within 90 calendar days of the date of completion of the award performance period.

³⁷ OPPE 2501 Program personnel stated that, if a report is not filed timely, the grantee's next request for funding is put on hold until the previous report filing is cured and grantees cannot obtain further funding on EzFed Grants.

OPPE has procedures to ensure that funding requests are not approved until grantees submit reports, there are no controls to ensure that its personnel performs monitoring and oversight activities to ensure grantees' required reports are timely submitted.

Ineffective Review of Grantee Use of Funds

Quarterly, OPPE 2501 Program personnel review grantees' requests for advance of funds and expenditures of funds to confirm that the purpose of funds requested and expended match the approved use of the funds described in the grantees' initial budget. However, we determined that grantees' request for advanced funds and justifications for funds already spent did not include enough information that detailed how grantees used the funds for OPPE to evaluate if their use complied with program requirements.³⁸ This occurred because OPPE 2501 Program personnel did not require grantees to provide detailed information in their advanced funds requests to explain how the grantee planned to use the funds. For example, one grantee submitted quarterly requests for an advance of funds equal to one-quarter of the initial budget OPPE approved. Other than salary expenses, the grantee did not provide information on how it planned to use the funds requested for the quarter. OPPE 2501 Program personnel did not request detailed information that would enable OPPE to verify how the grantee planned to spend the funds. Although OPPE has procedures and controls in place during the initial application review process to verify that project costs are necessary, reasonable, allowable, and allocable,³⁹ OPPE should establish controls to verify funds expended throughout the life of the grant are necessary, reasonable, allowable, and allocable.

Financial and Performance Progress Forms Were Not OMB-approved

Program recipients are required to use OMB-approved forms to report financial and performance progress information. We identified that all six grantees in our sample submitted expired or outdated Federal financial report forms and requests for advance or reimbursement forms. We also determined that all six grantees submitted an alternate performance progress report in place of the OMB-approved performance progress report form.⁴⁰ This occurred because OPPE oversight activities do not include controls to verify that all forms used to collect data are current and are OMB-approved.

OPPE 2501 Program personnel stated that they provide grantees with the most current versions of financial and performance reporting forms each grant year; however, grantees sometimes submit expired versions of the forms, rather than submitting the most current versions. We evaluated the FY 2018 and FY 2019 financial reports grantees were required to submit. We determined that, while most of the information had not changed

³⁸ OPPE requires grantees to submit a quarterly written justification for the previously advanced funds that were expended during the current quarter. The program SOP states that, on a quarterly basis, the program director, and/or assignee reviews, documents, and monitors the financial and performance reporting requirements to ensure all requested amounts are in compliance.

³⁹ As described in the FY 2018 and FY 2019 FOAs, reviewers are required to determine whether costs are reasonable, allowable, allocable, and necessary and assign a score based on their review.

⁴⁰ 2 C.F.R. 200 § 200.328(b)(2) requires that non-Federal entities submit performance reports using the OMB-approved, Governmentwide standard information collections when providing performance information. Further, the FY 2018 and FY 2019 FOAs state that grantees are to report performance progress on an OMB-approved Standard Form—Performance Progress Report, with 12 mandatory elements.

from year to year, the certification language that lists the civil and criminal penalties grantees are subject to if they provide false or fictitious information had changed. OPPE 2501 Program personnel stated that, as long as the information reported on the submitted form is correct, the version of the form does not matter. However, OPPE personnel did acknowledge that there could be issues in the enforcement of civil and criminal penalties if the grantee did not certify to penalties that were currently in effect.

In addition, we reviewed the performance progress reports that grantees are required to submit. OPPE 2501 Program personnel stated that the OMB-approved performance progress report form expired in 2012, and OMB had not approved a new form. In the absence of an OMB-approved form, program personnel created an alternate performance progress report for grantees to submit. We concluded that OPPE should develop and implement internal controls to ensure grantees comply with 2501 Program reporting requirements and that the most current OMB-approved forms are used.

As a result of the control weaknesses noted above, OPPE cannot provide reasonable assurance that the office is protecting program resources from fraud, waste, and mismanagement. OPPE officials agreed with our recommendations and have begun work to address the issues OIG identified. Additionally, OPPE officials stated that, through conversations with the Office of the Chief Financial Officer officials, the offices decided that OPPE officials would contact OMB to ensure all 2501 Program forms are valid and up to date. OPPE 2501 Program personnel stated that they have begun providing grantees with training and guidance to ensure that the correct forms are filed.

Recommendation 10

Develop and implement monitoring controls to ensure that established oversight and monitoring activities are performed as prescribed in the guidance.

Agency Response

In its October 11, 2021, response, OPPE stated it agreed with this recommendation and it will develop and implement monitoring controls to ensure that established oversight and monitoring activities are performed as prescribed in the guidance. The 2501 staff will be expanded in FY 2022 with the hiring of two additional Grant Management Specialists. One specialist will have, as a focus, grant monitoring development, training, and oversight. The second specialist will have, as a focus, grant regulations and policy development, training, and oversight. OPPE provided a completion date of September 30, 2022, for this action.

OIG Position

We accept management decision for this recommendation.

Recommendation 11

Develop and implement controls to ensure grantees provide enough detail in their funds requests and expense justifications to allow OPPE to verify that USDA funds are used for their intended purpose and that project costs are necessary, reasonable, allowable, and allocable.

Agency Response

In its October 11, 2021, response, OPPE stated it has developed and implemented controls to ensure grantees provide enough detail in their funds requests and expense justifications to allow OPPE to verify that USDA funds are used for their intended purpose and that project costs are necessary, reasonable, allowable, and allocable. In a subsequent response, OPPE provided a completion date of January 31, 2021, for this action.

OIG Position

We accept management decision for this recommendation.

Recommendation 12

Establish controls to ensure grantee advanced monitoring activities are performed or if resources are not available, that alternative means to perform advanced monitoring activities are used.

Agency Response

In its October 11, 2021, response, OPPE stated it agreed with this recommendation and will establish controls to ensure grantee advanced monitoring activities are performed or if resources are not available, that alternative means to perform advanced monitoring activities are used. The 2501 staff will be expanded in FY 2022 with the hiring of two additional Grant Management Specialists. One specialist will have, as a focus, grant monitoring development, training, and oversight. The second specialist will have, as a focus, grant regulations and policy development, training, and oversight. OPPE provided a completion date of September 30, 2022, for this action.

OIG Position

We accept management decision for this recommendation.

Recommendation 13

Establish internal controls to verify that grantees submit OMB-approved performance progress reports, financial reports, and advance or reimbursement requests that are not expired and that contain the newer required certification language.

Agency Response

In its October 11, 2021, response, OPPE stated it agreed with this recommendation and has established controls to verify that grantees submit OMB-approved performance progress reports, financial reports, and advance or reimbursement requests that are not expired and that contain the newer required certification language. In a subsequent response, OPPE provided a completion date of January 31, 2021, for this action.

OIG Position

We accept management decision for this recommendation.

Finding 4: OPPE Needs to Establish Performance Goals for the 2501 Program

We determined that OPPE did not establish a performance plan and set performance goals and performance indicators to measure and assess its progress towards achieving the purpose of the 2501 Program.⁴¹ This occurred because OPPE found it challenging to set goals and establish performance indicators⁴² to measure and assess the level of performance the program should accomplish each year. As a result, OPPE did not report annually on its accomplishments and evaluate if the grants they awarded were successful in meeting the objectives of the 2501 Program. Furthermore, by not establishing performance goals, OPPE cannot determine if improvements are needed to meet the objectives of the 2501 Program.

Under the Government Performance and Results Act (GPRA) Modernization Act of 2010, program officials are required to establish a performance plan to help set performance goals and annually report on the program's success in meeting the goals established.⁴³ The GPRA Modernization Act of 2010 also requires agencies to use performance indicators to measure or assess progress toward set goals. Similarly, the United States Government Accountability Office (GAO) states that management should establish activities to monitor performance measures and indicators.⁴⁴

OPPE currently requires grantees to set performance goals and report quarterly and annually on the outputs and outcomes of their activities conducted to achieve their grant objectives. Currently, each grantee decides what it wants to track, rather than OPPE requesting and collecting information from the grantees that would help OPPE measure and report on the effectiveness of the 2501 Program. For example, OPPE could require all grantees to report on the number of socially disadvantaged veterans, farmers, and ranchers that participate in their outreach activities—this is known as a measurable output. In addition, OPPE could ask the grantees to follow up with the participants to determine the outcome of those interactions—for example, how many farmers applied for a USDA loan. The establishment of these types of performance indicators would allow OPPE to determine ways in which the interaction was successful.

This occurred because OPPE did not develop a performance plan and found it challenging to set performance goals to evaluate the program's success and use it for reporting. As a result, OPPE was unable to report program accomplishments towards achieving the purposes of the 2501 Program—to assist socially disadvantaged and veteran farmers and ranchers to own and operate farms and ranches and increase their participation in agricultural programs and services provided by USDA.⁴⁵ For example, in FY 2018 and FY 2019, OPPE reported a list of grants

⁴¹ The purpose of the 2501 Program is to assist socially disadvantaged and veteran farmers and ranchers in owning and operating farms and ranches while increasing their participation in agricultural programs and services provided by USDA.

⁴² The GPRA Modernization Act of 2010 defines a performance indicator as a particular value or characteristic used to measure output or outcome.

⁴³ GPRA Modernization Act of 2010, Pub. L. No. 111-352, 124 Stat. 3868 and 3871.

⁴⁴ GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Sept. 2014).

⁴⁵ 7 U.S.C. § 2279.

awarded, grant recipients and dollar amounts awarded, and the grantees' geographical location as comprising its accomplishments toward meeting the purposes of the 2501 Program. Although the data shared was informative, it did not demonstrate if OPPE's outreach efforts helped increase the participation of socially disadvantaged and veteran farmers and ranchers in USDA programs. Particularly, OPPE did not report the office's achievements towards goals OPPE should have established to evaluate its success in assisting socially disadvantaged and veteran farmers and ranchers, as required by GPRA.

We discussed the requirement to set performance goals and establish performance indicators with OPPE 2501 Program personnel. OPPE stated that it did not set performance goals and establish performance indicators because it was challenging. Specifically, OPPE noted that it was difficult to compile data reported by grantees to determine if grants it awarded increased socially disadvantaged and/or veteran farmer and ranchers' participation in USDA programs. OPPE 2501 Program personnel stated that, although 2501 Program grantees receive funding, they are not the end beneficiaries who apply to participate in a USDA program. For example, a grantee may provide a workshop for potential participants to obtain information on USDA programs. However, the participant may contact a USDA agency on their own and apply for a USDA program or service without OPPE or the grantee being made aware.

However, if OPPE set performance goals and provided grantees instructions on how to report on these goals, grantees could implement processes necessary to report performance information that OPPE could use to measure grantees' progress toward achieving the goals OPPE established. Further, OPPE could use the performance information grantees report to evaluate OPPE's overall performance in achieving the goals OPPE set and effectively report on its own accomplishments.

We determined that setting goals and establishing performance indicators is necessary to assess the impact of grantee activities. Without goals and performance indicators, OPPE has reduced assurance that the grants it awards effectively accomplish the purposes of the 2501 Program—to assist socially disadvantaged and veteran farmers and ranchers in owning and operating farms and ranches while increasing their participation in agricultural programs and services provided by USDA.

Recommendation 14

Establish and implement 2501 Program performance goals and performance indicators.

Agency Response

In its October 11, 2021, response, OPPE stated it agreed with this recommendation and it will establish and implement performance goals and performance indicators. OPPE will be hiring a Performance Improvement Officer in FY 2022. Additionally, the 2501 staff will be expanded in FY 2022 with the hiring of two additional Grant Management Specialists. One specialist will have, as a focus, grant monitoring development, training, and oversight. The second specialist will have, as a focus, grant regulations and policy development, training, and oversight. The hiring of these positions will ensure the

implementation of the performance goals and indicators. OPPE provided a completion date of September 30, 2022, for this action.

OIG Position

We accept management decision for this recommendation.

Recommendation 15

Inform grantees of the established performance goals and performance indicators from Recommendation 14 and require grantees to address these in their grantee performance progress reports.

Agency Response

In its October 11, 2021, response, OPPE stated it agreed with this recommendation and it will revise terms and conditions on all grant agreements to reflect the new requirement. OPPE provided a completion date of September 30, 2022, for this action.

OIG Position

We accept management decision for this recommendation.

Recommendation 16

Report on the overall performance and progress of the 2501 Program, using grantee information from Recommendation 15, to measure and assess the level of performance the 2501 Program accomplished.

Agency Response

In its October 11, 2021, response, OPPE stated it agreed with this recommendation and is currently working with a contractor to develop a dashboard to capture the grantees' progress based on their performance reporting. The information from the dashboard will be used in the annual report to Congress. OPPE provided a completion date of September 30, 2022, for this action.

OIG Position

We accept management decision for this recommendation.

Scope and Methodology

We conducted an audit to evaluate OPPE's policies, procedures, and internal controls related to the 2501 Program's grant management process. The scope of our audit covered grants awarded in FY 2018 and FY 2019. Additionally, we evaluated OPPE's implementation of recommendations from OIG's 2013 and 2015 audits.⁴⁶ We began audit fieldwork in January 2020 at OPPE's national office in Washington, D.C., and completed audit fieldwork in August 2021.

We requested and obtained data from OPPE on all 2501 Program applications received in FY 2018 and FY 2019⁴⁷ and non-statistically selected 18 applications (9 from each FY) for review to determine compliance with program requirements. We non-statistically selected these applications based on applications OPPE awarded within each of the three eligible categories, applications that OPPE did not award but were on the verge of having a score high enough for being awarded, and applications that OPPE did not award due to low scores.⁴⁸ Using OPPE-published data of all 2501 Program grants awarded during this period and obtained from OPPE's public website and data provided by OPPE, we non-statistically selected six grants (four from FY 2018 and two from FY 2019) for review to determine compliance with program requirements.⁴⁹ We non-statistically selected these grants based on applications OPPE awarded within each of the three eligible categories from grantees that received an award in both FYs.

We worked with OPPE officials throughout the audit to ensure that the weaknesses we identified were valid and that we correctly understood the agency's policies, procedures, and positions regarding those weaknesses.

To accomplish our audit objectives, we:

- Interviewed OPPE officials responsible for the administration and oversight of the 2501 Program's application, grant, and regulatory compliance process;
- Interviewed the independent review panel lead to gain an understanding of the 2501 Program's process for overseeing the review of applications by the independent review panel;
- Interviewed independent review panelists responsible for the evaluation and scoring of 2501 Program applications;

⁴⁶ Audit Report 91099-0001-21, *Controls Over the Grant Management Process of the Office of Advocacy and Outreach*, Feb. 2013 and Audit Report 91099-0003-21, *Section 2501 Program Grants Awarded FYs 2010-2011*, Mar. 2015.

⁴⁷ OPPE received 169 applications in FY 2018, and 160 applications in FY 2019.

⁴⁸ 2501 Program grants are awarded based on peer competition within three categories: (1) 1890 Land Grant colleges and universities, 1994 Alaska Native and American Indian Tribal colleges and universities, and Hispanic-serving institutions of higher education; (2) nonprofit organizations, community-based organizations, including a network or a coalition of community-based organizations, and Indian Tribes; and (3) all other institutions of higher education including 1862 colleges, nonprofit organizations without a 501(C)(3) status certification from the Internal Revenue Service, and other organizations or institutions, including those that received funding under this program before January 1, 1996.

⁴⁹ In FY 2018, OPPE awarded 52 grants for the 2501 Program. In FY 2019, OPPE awarded 32 grants for the 2501 Program.

- Obtained and reviewed laws, regulations, and directives that provide requirements and guidance for the 2501 Program;
- Reviewed 18 applications to determine compliance with 2501 Program requirements for applicant eligibility, application evaluation, and application scoring;
- Reviewed 6 grants awarded to determine compliance with 2501 Program grant terms and conditions, OPPE oversight, and grantee performance; and
- Reviewed OPPE’s implementation of recommendations from OIG’s 2013 and 2015 audits⁵⁰ (see Exhibit B: Prior Audit Recommendations).

To assess the reliability of data, we interviewed agency officials knowledgeable about 2501 Program data collection, validation, and reliability. Through these interviews, we gained an understanding of the existence, relationship, impact, and pervasiveness of information systems used to administer OPPE’s 2501 Program. We determined that, although OPPE uses the General Services Administration (GSA) and USDA information systems to collect 2501 Program applications and grantee reports, computer processed data is not used by OPPE in its administration and oversight of 2501 Program grants. We did not review any GSA or USDA electronic information system OPPE used to determine the reliability of the information we obtained. During the course of our audit, we did not solely rely on information from any agency information system. Therefore, we make no representation regarding the adequacy of any agency computer system or the information generated from it.

We assessed internal controls that were deemed significant to our audit objectives, including, but not limited to, controls defined in GAO Standards for Internal Control in the Federal Government. For specific controls we reviewed, see the table below.⁵¹

⁵⁰ Audit Report 91099-0001-21, *Controls Over the Grant Management Process of the Office of Advocacy and Outreach*, Feb. 2013 and Audit Report 91099-0003-21, *Section 2501 Program Grants Awarded FYs 2010-2011*, Mar. 2015.

⁵¹ GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Sept. 2014).

Internal Control Standard**GAO Definition****Environment Principle 3**

Management should establish an organizational structure, assign responsibility, and delegate authority to achieve its objectives.

Risk Assessment Principle 6

Management should define objectives clearly to enable the identification of risks and define risk tolerances.

Control Activities Principle 10

Management should design control activities to achieve objectives and respond to risks.

Control Activities Principle 11

Management should design the information systems and controls to achieve objectives and respond to risks.

Monitoring Principle 16

Management should establish and operate monitoring activities to monitor internal controls and evaluate the results.

However, because our review was limited to these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Abbreviations

C.F.R.	Code of Federal Regulations
FOA	funding opportunity announcement
FY	fiscal year
GAO	Government Accountability Office
GSA	General Services Administration
GPRA	Government Performance and Results Act of 1993
OAO	Office of Advocacy and Outreach
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPPE	Office of Partnerships and Public Engagement
SAM	System for Award Management
SOP	standard operating procedures
U.S.C.	United States Code
USDA	United States Department of Agriculture

Exhibit A: Summary of Monetary Results

This exhibit summarizes the monetary results of our audit by finding and recommendation number.

Finding	Recommendation	Description	Category	Amount
1	1	OPPE awarded funds to ineligible entities.	Questioned Costs, Recovery not Recommended	\$1,155,960
2	5	OPPE's oversight was not effective to ensure the worthiest applicants were awarded.	Questioned Costs, Recovery not Recommended	\$23,958,536 ⁵²
TOTAL MONETARY RESULTS				\$25,114,496

⁵² The total amount of \$25,114,496 referenced in Finding 2 was reduced by \$1,155,960 to reflect the overlap between Questioned Costs, Recovery Not Recommended in Finding 1.

Exhibit B: Prior Audit Recommendations

In two prior audits, OIG issued 19 recommendations to strengthen controls over the 2501 Program grant management processes.⁵³ OIG determined that OPPE implemented all recommendations from the prior audits. However, OIG determined that OPPE had stopped fully performing monitoring procedures, such as onsite reviews, which were implemented as part of Recommendation 7 from our 2015 audit. OIG is recommending additional actions be taken to strengthen monitoring procedures (see Finding 3).

Audit Report 91099-0001-21, Controls Over the Grant Management Process of the Office of Advocacy and Outreach—(Feb. 2013)

Recommendation Number	Recommendation	Implemented?	Additional Comments
1	Require an independent review panel of experts or qualified individuals, overseen by non-OAO officials, to determine the eligibility of the 193 applications submitted to OAO and to reevaluate those applications deemed to be eligible.	Yes	OIG determined that OPPE implemented this recommendation. This recommendation was specific to FY 2012 grants.
2	Require the independent review panel to score the applications and recommend those that should be selected to receive FY 2012 grants, as well as the amount of the awards.	Yes	OIG determined that OPPE implemented this recommendation. This recommendation was specific to FY 2012 grants.
3	Establish the criteria that will be used to fund exceptions to the recommendations made by the independent review panel.	Yes	OIG determined that OPPE implemented this recommendation.
4	Require the OAO Director to document the selection process prior to public announcement of the awards.	Yes	OIG determined that OPPE implemented this recommendation.

⁵³ OIG conducted both prior audits before the issuance of the Agricultural Improvement Act of 2018, when OPPE was formerly known as OAO.

Recommendation Number	Recommendation	Implemented?	Additional Comments
5	Instruct the OAO Director to revise and approve OAO policy to ensure the incorporation of portions of any CFRs that have not been addressed to make sure regulations are met and the work that must be performed is carried out.	Yes	OIG determined that OPPE implemented this recommendation.
6	Require OAO to include in its SOP the requirement to document and disclose all actions or rationales used that affect the selection process or funding amount for grant programs to ensure transparency.	Yes	OIG determined that OPPE implemented this recommendation.
7	Additionally, OAO should include in its SOP the requirement that any deviation from the FOA or panel members' decisions be documented.	Yes	OIG determined that OPPE implemented this recommendation.
8	Require OAO to disclose, in the FOA, any special criteria that will factor into the proposal evaluation process.	Yes	OIG determined that OPPE implemented this recommendation.
9	Require the OAO Director to review, approve, and implement the final policy and procedures currently being drafted addressing the monitoring of grantees.	Yes	OIG determined that OPPE implemented this recommendation.
10	Require the OAO Director to assign roles and responsibilities to the proper staff so that monitoring activities are being performed by appropriate staff.	Yes	OIG determined that OPPE implemented this recommendation.

**Audit Report 91099-0003-21, Section 2501 Program Grants Awarded FYs 2010-2011,
(Mar. 2015)**

Recommendation Number	Recommendation	Implemented?	Additional Comments
1	Require OAO to obtain, if possible, original FYs 2010 and 2011 Section 2501 Program grant agreements and identify if they were executed within the period of availability of funds for FYs 2010 and 2011.	Yes	OIG determined that OPPE implemented this recommendation. This recommendation was specific to FY 2010 and FY 2011 grants.
2	Require OAO to consult with the Office of the General Counsel regarding whether any Anti-Deficiency Act violation may have occurred.	Yes	OIG determined that OPPE implemented this recommendation. This recommendation was specific to FY 2010 and FY 2011 grants.
3	Require OAO to address or correct any Anti-Deficiency Act violation.	Yes	OIG determined that OPPE implemented this recommendation. This recommendation did not apply to FY 2018 or FY 2019 grants. In Nov. 2016 OAO and Financial Management Division implemented financial controls to prevent Anti-Deficiency Act violations from occurring.
4	Require OAO to develop SOPs to ensure that it obtains binding grant agreements (i.e., signed and dated by both the grantee and OAO) within the period of availability of the appropriation prior to requesting that the Financial Management Division obligate a grant obligation.	Yes	OIG determined that OPPE implemented this recommendation.

Recommendation Number	Recommendation	Implemented?	Additional Comments
5	Require Financial Management Division to develop SOPs to ensure that it only enters obligations into the Financial Management Modernization Initiative accounting system when there is a binding agreement executed within the period of availability of the appropriation.	Yes	OIG determined that OPPE implemented this recommendation.
6	Require the Assistant Secretary for Administration to more closely monitor OAO to ensure that it administers the Section 2501 Program as required by policy and procedure.	Yes	OIG determined that OPPE implemented this recommendation. Duties were delegated to the Director of OPPE beginning in FY 2017.
7	Require OAO to implement its monitoring procedures as outlined in its SOPs so that it can ensure grantees adhere to regulations and the terms and conditions of the grant agreement.	Yes	OIG determined that OPPE implemented this recommendation. Agency implemented baseline and advanced monitoring procedures in 2015. However, during our current audit of the 2501 Program, we determined that monitoring procedures were not fully performed. (See Finding 3).
8	Require OAO to close out all grants according to its SOPs.	Yes	OIG determined that OPPE implemented this recommendation.
9	Require OAO to deobligate all unused grant funds within the timeframe established by regulation.	Yes	OIG determined that OPPE implemented this recommendation.

**OPPE's
Response to Audit Report**



United States Department of Agriculture
 Office of Partnerships and Public Engagement
 1400 Independence Avenue S.W., Room 520A
 Washington, DC 20250

AUDIT
 NUMBER: 91601-0001-21

TO: Gil Harden
 Assistant Inspector General for Audit

THROUGH: Phyllis Holmes
 Chief Operating Officer (acting)
 Office of Partnerships and Public Engagement

FROM: Dr. Lisa Ramirez //s//10/11/2021
 Director
 Office of Partnerships and Public Engagement

SUBJECT: Management Response to the Outreach and Assistance for Socially
 Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers
 Program (2501 Program) in Fiscal Years 2018 and 2019

This letter responds to your request for management’s response to the recommendations contained in Audit Report #91601-0001-21 Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers Program (2501 Program) in Fiscal Years 2018 and 2019.

The Office of Partnerships and Public Engagement appreciates the review of the Department’s flagship grants program that provides education, technical assistance, and outreach to the underserved in our communities across the country. Attached are the management responses to each of the recommendations along with the associated corrective actions outlined as required.

The Office of Partnerships and Public Engagement requests closure of recommendations 1 through 9, and recommendations 11 and 13. The attachments listed below are in support of the request for closure of the stated recommendations.

Rec #	Attached Supporting Documentation
1	ARM SOW and the Initial Review Checklist
2	ARM Team - Scoresheet OPPE Evaluation Criteria
3	OPPE SOP for 2501 PRC
4	2021 PP Grantees Training
5	OPPE SOP for 2501 PRC
6	OPPE SOP for 2501 PRC
7	ARM team - Scoresheet OPPE Evaluation Criteria

8	ARM team - Scoresheet OPPE Evaluation Criteria and 2021 PP Grantees Training
9	ARM Team - Scoresheet OPPE Evaluation criteria and 2021 PP Grantees Training
11	SF-270 Request for Advance Form Example and Example Justification
13	2021 PP Grantees Training and Template - OPPE Progress Status Report Template

We continue to strive to provide transparent and equitable access to USDA's programs and services to our customers. If you have any questions, please feel free to contact our office at 202-720-6350.

Sincerely,

Dr. Lisa Ramirez
Director

Attachments

OFFICIAL MANAGEMENT RESPONSE TO THE AUDIT RECOMMENDATIONS

RECOMMENDATION 1: Develop and implement pre-screening controls, such as an eligibility review checklist, to ensure eligibility requirements are verified by OPPE personnel before applications are submitted to the independent review panel for review.

MANAGEMENT RESPONSE:

Management agrees with this recommendation and has taken the steps necessary to implement pre-screening controls.

DATE CORRECTIVE ACTION WILL BE COMPLETED: This action was completed August 2021.

ACTION TAKEN:

Date corrective action milestone was achieved: August 2021.

The grants staff successfully developed, implemented, and tested its pre-screening controls during the FY2021 grant funding cycle.

In FY2021, the 2501 Program personnel created and began using the Initial Review Checklist Form to determine eligibility for each funding cycle.

The Initial Review Checklist Form is completed and signed by 2501 Program Grants Specialists prior to conducting panel reviews to establish eligibility.

For the FY2021 funding cycle, OPPE engaged Health and Human Services Award Review Module (ARM) Team, who are experienced Grants Specialists, to conduct automated reviews to determine eligibility based on parameters presented by the 2501 Program Director prior to releasing applications for review to the Peer Review Panel. Discrepancies were forwarded to the 2501 Grants Team for final eligibility determination. ARM submits an excel spreadsheet with findings to the 2501 Program Director who makes the final decision for applications to move forward to the Peer Review Panel.

RECOMMENDATION 2: Modify the independent review panel score sheet to include questions that evaluate an applicant's eligibility. Require the independent review panel to document its conclusions on the score sheet.

MANAGEMENT RESPONSE:

Management has taken the steps necessary to revise the panel score sheet to include questions to evaluate an applicant's eligibility.

DATE CORRECTIVE ACTION WILL BE COMPLETED: This action was completed August 2021.

ACTION TAKEN:

Date corrective action milestone was achieved: August 2021

OPPE has modified the Score Sheet for the Peer Review Panel to determine an applicant's eligibility based upon the 3 years required to compete for funding and meeting at least 2 of the 5 program priority criteria listed for eligibility.

The 2501 Program Personnel and HHS ARM Team, both made up of experienced Grants Specialists, also conduct eligibility screenings to determine applicant eligibility prior to panel reviews.

Findings are documented on the Initial Review Checklist Form for each applicant which is conducted by 2501 Program Personnel, digitally signed by 2501 Program Personnel, and saved in the applicant folder on OPPE shared drive.

Eligibility verifications by HHS ARM Team are documented on an Excel spreadsheet provided to 2501 Program Director for review and stored in the appropriate funding cycle folder on OPPE shared drive.

RECOMMENDATION 3: Develop and implement pre-screening controls to ensure all SAM checks are conducted and documented.

MANAGEMENT RESPONSE:

Management has taken the steps necessary to implement pre-screening controls to ensure that SAM checks are conducted on organizations and documented by the Grants Staff.

DATE CORRECTIVE ACTION WILL BE COMPLETED: This action was completed August 2021.

ACTION TAKEN:

Date corrective action milestone was achieved: August 2021 and will continue during all future funding cycles.

The 2501 Program Grants Specialists are now the only personnel to conduct SAM.gov screenings and this information has been updated in the 2501 Standard Operating Procedures in Section 2.3.7. The Grants Specialist downloads the Federal Financial Representations and Certifications Report and the Entity Information which shows the applicant registration status as active or otherwise in SAM.gov. Both individual documents are saved in each applicant folder and stored on OPPE shared drive.

RECOMMENDATION 4: Provide training on the new controls established in Recommendations 1–3.

MANAGEMENT RESPONSE:

Management has taken the steps necessary to develop, implement and train the staff on the new controls established in Recommendations 1-3.

DATE CORRECTIVE ACTION WILL BE COMPLETED: This action was completed August 2021.

ACTION TAKEN:

Date corrective action milestone was achieved: August 2021

The revised PowerPoint training incorporates the required internal controls as identified in Recommendations 1-3.

The Grants Staff trains twice per year on all changes to the program, including internal controls procedures, Farm Bill updates, and new grantee trainings.

In accordance with Recommendation 3, the 2501 Program SOP has been revised to reflect the requirement for “staff only” SAM checks, documentation, and files management requirements.

RECOMMENDATION 5: Develop and implement oversight controls, such as supervisory reviews of score sheets, to evaluate the performance of the independent review panel to ensure guidance OPPE established to score and rank applications is followed.

MANAGEMENT RESPONSE:

Management has taken the steps necessary to develop oversight controls to evaluate the performance of the independent review panel to ensure guidance OPPE established to score and rank applications is followed.

DATE CORRECTIVE ACTION WILL BE COMPLETED: This action was completed August 2021.

ACTION TAKEN:

Date corrective action milestone was achieved: August 2021.

The Panel Manager (who is a member of the OPPE 2501 Grants Staff) is responsible for reviewing panel evaluations to ensure they conform to the instructions provided.

RECOMMENDATION 6: Develop and provide training to OPPE 2501 Program personnel to ensure Recommendation 5 is understood and followed.

MANAGEMENT RESPONSE:

Management has taken the steps necessary to provide training to OPPE 2501 Program personnel to ensure Recommendation 5 is understood and followed.

DATE CORRECTIVE ACTION WILL BE COMPLETED: This action was completed August 2021.

ACTION TAKEN:

Date corrective action milestone was achieved: August 2021.

The SOP has been revised to include the requirement that the Panel Manager will review a sample of at least 25% of the applicants' proposals. The Grants Staff trains twice per year on all changes to the program, including internal controls procedures and Farm Bill updates.

RECOMMENDATION 7: Develop and implement a consistent methodology for the independent review panel to apply when assessing and scoring the project narrative.

MANAGEMENT RESPONSE:

Management has taken the steps necessary to develop and implement a consistent methodology for the independent review panel to apply when assessing and scoring the project narrative.

DATE CORRECTIVE ACTION WILL BE COMPLETED: This action was completed August 2021.

ACTION TAKEN:

Date corrective action milestone was achieved: August 2021

An automated scoring criterion within the ARM system is set for all components of an application, including the Project Narrative and the Budget Narrative. If an applicant provides information/documentation meeting the criteria in each question, a yes response garners points awarded. If the applicant does not meet the criteria, a no response is will not allow points to be awarded. Based on the response, comments are required by the reviewer to support the score.

RECOMMENDATION 8: Develop additional guidance that specifically addresses how to score applications, how to apply scoring criteria to each section, and how to adhere to OPPE established guidance.

Management Response:

Management has taken the steps necessary to develop additional guidance that specifically addresses how to score applications, how to apply scoring criteria to each section, and how to adhere to OPPE established guidance.

DATE CORRECTIVE ACTION WILL BE COMPLETED: This action was completed August 2021.

ACTION TAKEN:

Date corrective action milestone was achieved: August 2021.

The 2501 Grants Staff provides training on how to uniformly score all components of an application.

Additionally, the ARM staff provides system training for all panel reviewers to ensure common understanding of scoring requirements.

RECOMMENDATION 9: Include the new guidance developed in Recommendation 8 into the training provided to the independent review panel each year.

MANAGEMENT RESPONSE:

Management has taken the steps necessary to include the new guidance developed in Recommendation 8 into the training provided to the independent review panel each year.

DATE CORRECTIVE ACTION WILL BE COMPLETED: This action was completed August 2021.

ACTION TAKEN:

Date corrective action milestone was achieved: August 2021.

OPPE has revised the training PowerPoint presentation to incorporate the changes identified in Recommendation 8.

RECOMMENDATION 10: Develop and implement monitoring controls to ensure that established oversight and monitoring activities are performed as prescribed in the guidance.

Management Response:

Management agrees with this recommendation and will develop and implement monitoring controls to ensure that established oversight and monitoring activities are performed as prescribed in the guidance. The 2501 Staff will be expanded in FY2022 with the hiring of two additional Grant Management Specialists. One Specialist will have, as a focus, grant monitoring development, training, and oversight. The second Specialist will have, as a focus, grant regulations and policy development, training, and oversight.

DATE CORRECTIVE ACTION WILL BE COMPLETED: September 30, 2022

ACTION TAKEN:

RECOMMENDATION 11: Develop and implement controls to ensure grantees provide enough detail in their funds requests and expense justifications to allow OPPE to verify that USDA funds are used for their intended purpose and that project costs are necessary, reasonable, allowable, and allocable.

MANAGEMENT RESPONSE:

Management has developed and implemented controls to ensure grantees provide enough detail in their funds requests and expense justifications to allow OPPE to verify that USDA funds are used for their intended purpose and that project costs are necessary, reasonable, allowable, and allocable.

DATE CORRECTIVE ACTION WILL BE COMPLETED: This action was completed January 2021.

ACTION TAKEN:

Date corrective action milestone was achieved: January 2021

Grantee budgets are approved upon determination that project costs are necessary, reasonable, allowable, and allocable. This occurs during the time that the initial award is made.

The 2501 Program operates on an advance based funding system. Grantees submit SF-270s to request funds throughout their period of award. As a result, advance funds requests must include expense justifications. OPPE uses the ezFedGrants system for claims submissions. The ezFedGrants system will not accept SF-270 Advance Requests directly from grantees; therefore, the 2501 Program staff must submit the SF-270 Advance Request into ezFedGrants on their behalf. Without correct justifications and SF-270s, 2501 Program staff cannot submit advance requests in ezFedGrants.

A new template was created so that grantees can provide a justification of expenses for funds received. The new justification template, created in January 2021, addresses cost (direct and indirect) categories and requires spending details specifically for cost categories that are often lumped together. For example, travel, supplies, equipment, contractual, and “other” costs must be broken down individually. Grantees are required to submit justifications for the most recent or previous claim prior to submitting and processing any subsequent claims. Additionally, the ezFedGrants system does not allow processing of claims without prior justifications.

RECOMMENDATION 12: Establish controls to ensure grantee advanced monitoring activities are performed or if resources are not available, that alternative means to perform advanced monitoring activities are used.

MANAGEMENT RESPONSE:

Management agrees with this recommendation and will establish controls to ensure grantee advanced monitoring activities are performed or if resources are not available, that alternative means to perform advanced monitoring activities are used. The 2501 Staff will be expanded in FY2022 with the hiring of two additional Grant Management Specialists. One Specialist will have, as a focus, grant monitoring development, training, and oversight. The second Specialist will have, as a focus, grant regulations and policy development, training, and oversight.

DATE CORRECTIVE ACTION WILL BE COMPLETED: September 30, 2022

ACTION TAKEN:

RECOMMENDATION 13: Establish internal controls to verify that grantees submit OMB-approved performance progress reports, financial reports, and advance or reimbursement requests that are not expired and that contain the newer required certification language.

MANAGEMENT RESPONSE:

Management agrees with this recommendation and has established controls to verify that grantees submit OMB-approved performance progress reports, financial reports, and advance or reimbursement requests that are not expired and that contain the newer required certification language.

DATE CORRECTIVE ACTION WILL BE COMPLETED: January 2021

ACTION TAKEN:

Date corrective action milestone was achieved: January 2021

It is the 2501 policy to return all outdated SF-425 Federal Financial Reports and SF-270 Request for Advance or Reimbursement forms to grantees. During the initial grantee training sessions, grantees are notified of the requirement to use updated forms. They are also provided with copies of the current forms and with instructions for their use.

Submission of outdated forms are no longer accepted by OPPE's grants staff. Additionally, OPPE plans to develop its own OMB-approved performance progress report specifically designed for OPPE's programs and agreements.

RECOMMENDATION 14: Establish and implement 2501 Program performance goals and performance indicators.

MANAGEMENT RESPONSE:

Management agrees with this recommendation and will establish and implement performance goals and performance indicators. The OPPE will be hiring a Performance Improvement Officer in FY2022. Additionally, the 2501 Staff will be expanded in FY2022 with the hiring of two additional Grant Management Specialists. One Specialist will have, as a focus, grant monitoring development, training, and oversight. The second Specialist will have, as a focus, grant regulations and policy development, training, and oversight. The hiring of these positions will ensure the implementation of the performance goals and indicators.

Date Corrective Action Will be Completed: September 30, 2022

RECOMMENDATION 15: Inform grantees of the established performance goals and performance indicators from Recommendation 14 and require grantees to address these in their grantee performance progress reports.

MANAGEMENT RESPONSE:

Management agrees with this recommendation and will revise our Terms and Conditions on all grant agreements to reflect the new requirement.

DATE CORRECTIVE ACTION WILL BE COMPLETED: September 30, 2022

RECOMMENDATION 16: Report on the overall performance and progress of the 2501 Program, using grantee information from Recommendation on 15, to measure and assess the level of performance the 2501 Program accomplished.

MANAGEMENT RESPONSE:

Management agrees with this recommendation and is currently working with a contractor to develop a dashboard to capture the grantees' progress based on their performance reporting. The information from the dashboard will be used in the annual Report to Congress.

DATE CORRECTIVE ACTION WILL BE COMPLETED: September 30, 2022

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