



United States Department of Agriculture

NRCS—Final Action Verification—*NRCS Wetland Conservation Provisions in the Prairie Pothole Region*



Report 10026-0001-21

December 2019

OFFICE OF INSPECTOR GENERAL



UNITED STATES DEPARTMENT OF AGRICULTURE

OFFICE OF INSPECTOR GENERAL

Washington D.C. 20250



DATE: December 20, 2019

FAV
NUMBER: 10026-0001-21

TO: Annie Walker
Director, Internal Control Division
Office of the Chief Financial Officer

FROM: Gil H. Harden
Assistant Inspector General for Audit

SUBJECT: Natural Resources Conservation Services (NRCS) – Final Action Verification –
NRCS: Wetland Conservation Provisions in the Prairie Pothole Region

The Office of Inspector General (OIG) completed a final action verification of the two recommendations in our January 19, 2017, report on the *NRCS: Wetland Conservation Provisions in the Prairie Pothole Region*. Final action verification determines whether the final action documentation the agency provides to the Office of the Chief Financial Officer (OCFO) supports the agency's management decision reached with OIG.^{1,2} Our objective was to determine whether the documentation NRCS provided OCFO was sufficient to close the recommendations made in Audit Report 10601-0003-31.

In a memorandum dated June 13, 2017, OCFO reported to NRCS that it closed all of the recommendations, and we concur with this decision.

¹ *Final action* is the completion of all actions that management has concluded, in its management decision, are necessary with respect to the finding and recommendations included in an audit report. DR1720-001, 6g(1), *Audit Follow-up and Management Decision* (Nov. 2, 2011).

² *Management decision* is an agreement between agency management and OIG on the action(s) taken or to be taken to address a finding and recommendations cited in an audit report. The management decision must include the agreed-upon dollar amount affecting the recommendations and an estimated completion date unless all corrective action is completed by the time agreement is reached. DR1720-001, 6i, *Audit Follow-up and Management Decision* (Nov. 2, 2011).



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Background

Our report, *NRCS: Wetland Conservation Provisions in the Prairie Pothole Region*,³ made two recommendations to improve NRCS' controls for making wetland determinations and certifications, including the status of pre-1996 determinations.

OIG and NRCS reached management decision on all the recommendations in a memorandum dated January 23, 2017. The memorandum detailed what actions NRCS needs to implement in order achieve final action on the recommendations.

In accordance with Departmental Regulation 1720-001,⁴ OCFO has the responsibility to determine final action for recommendation(s) for which OIG has agreed to management decision. As such, OCFO evaluates agency-provided documentation to support planned corrective actions and to determine if final action has occurred.

Scope and Methodology

The scope of this final action verification was limited to determining whether NRCS' plan of action for all of the recommendations in the subject report was completed in accordance with the management decisions reached on January 23, 2017. To accomplish our objective, we reviewed the final action documentation NRCS submitted to OCFO. We did not perform internal control testing or make site visits to determine whether the underlying deficiencies that were initially identified had been corrected. In addition, we did not provide an opinion on the results of the implementation or effectiveness of each recommendation. This final action verification was conducted in accordance with our internal guidance, IG-7710, *Nonaudit Work*, and *Final Action Verification Guidance and Procedures*. As a result, this final action verification was not conducted in accordance with *Generally Accepted Government Auditing Standards*, issued by the Comptroller General of the United States, or the *Quality Standards for Inspection and Evaluation*, issued by the Council of the Inspectors General on Integrity and Efficiency. However, before we performed the non-audit service, we determined that it would not impair our independence to perform audits, inspections, attestation engagements, or any other future or ongoing reviews of the subject.

Results of Final Action Verification

We determined that NRCS provided OCFO sufficient documentation to close the two recommendations we made in our audit report, *NRCS: Wetland Conservation Provisions in the Prairie Pothole Region*, published January 19, 2017. The following table summarizes the action NRCS took with respect to each recommendation.

³ Audit Report 10601-0003-31, *NRCS: Wetland Conservation Provisions in the Prairie Pothole Region*, January 19, 2017.

⁴ DR1720-001, 7d(1-9), *Audit Follow-up and Management Decision* (Nov. 2, 2011).



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We informed NRCS officials of the results of this final action verification.

Table 1. Recommendations with Sufficient Documentation to Achieve Final Action

Rec. No.	Recommendation	Action Taken
1	Issue official guidance reinforcing correct and current rules and clarifying procedures for making wetland determinations and certifications, including the status of pre-1996 determinations.	NRCS provided an updated <i>National Food Security Manual</i> (NFSAM), Part 514, “Wetland Determination and Labels;” guidance on wetland certification in accordance with the NFSAM referenced 1996 amendment; and guidance policy and certification status sent to States.
2	Review all National Appeals Division (NAD) decisions in the prairie pothole region from January 1, 2010, through the present to determine whether the decisions were implemented. In those cases where the NAD final determination was set-aside or modified instead of implemented as directed by NAD, require the State office to implement the NAD decision in accordance with applicable law.	NRCS provided a spreadsheet containing NAD cases and dispositions for the prairie pothole region from 2010 through 2016, and the applicable law— <i>National Food Security Act Manual</i> (NFSAM), Part 514, “Wetland Determination and Labels.”

cc: Gary Weishaar, Branch Chief, External Audits and Investigations Division, NRCS

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