



U.S. Department of Agriculture Office of Inspector General



IIJA – Watershed and Flood Prevention Operations

Inspection Report 10801-0001-24

We determined whether NRCS timely submitted a spend plan for WFPO funds and accurately reported IIJA data to the public, and we determined the methodology NRCS used for selecting projects for funding.

OBJECTIVES

Our inspection objectives were to determine whether NRCS timely submitted a spend plan for IIJA WFPO funds and accurately reported IIJA data to the public, and to identify NRCS' methodology for selecting projects for funding.

REVIEWED

We interviewed NRCS and Farm Production and Conservation officials; reviewed prior OIG engagements, as well as Office of Management and Budget IIJA implementation guidance and associated regulations on merit review; and reviewed NRCS' reporting of IIJA WFPO awards within NRCS' internal financial management systems and externally on USAspending.gov, as of August 31, 2023.

RECOMMENDS

We recommend NRCS prioritize the correction of outstanding inaccurate IIJA WFPO reporting on USAspending.gov to ensure existing award data are accurately reported to the public and implement internal controls to ensure the accuracy of future reporting on USAspending.gov.

We also recommend NRCS ensure it documents its merit review and selection process for competitive awards and its methodology to select the best projects for funding.

WHAT OIG FOUND

The Office of Inspector General (OIG) determined that Natural Resources Conservation Service (NRCS) timely submitted a spend plan for the Infrastructure Investment and Jobs Act (IIJA) Watershed and Flood Prevention Operations (WFPO) funds. However, NRCS did not accurately report IIJA WFPO data to the public. This occurred because the agency did not prioritize the correction of existing errors and did not implement controls to ensure the accuracy of future reporting on USAspending.gov. As a result, NRCS' IIJA WFPO obligations are publicly underreported by more than \$176.9 million, and there is reduced transparency of these obligations as reported to the public.

Additionally, NRCS could not provide documentation supporting its review and selection process for the WFPO awards. This occurred because NRCS approved all state-submitted IIJA WFPO requests and did not compete the awards. NRCS agreed that it will need to implement a review and selection process in the future, when WFPO funding needs unrelated to IIJA will likely require NRCS to compete the awards and document its review and selection process.

NRCS generally agreed with our findings and recommendations, and we accepted management decision on two of three recommendations. Further action from the agency is needed before management decision can be reached on the remaining recommendation.



OFFICE OF INSPECTOR GENERAL

United States Department of Agriculture



DATE: June 25, 2024

INSPECTION

NUMBER: 10801-0001-24

TO: Terry Cosby
Chief
Natural Resources Conservation Service

ATTN: Gary Weishaar
Branch Chief, External Audits and Investigations Division
Farm Production and Conservation

FROM: Janet Sorensen
Assistant Inspector General for Audit

SUBJECT: IJJA – Watershed and Flood Prevention Operations-Final Report

This report presents the results of our inspection. 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 Recommendations 1 and 3. However, we are unable to accept management decision for Recommendation 2. The information needed to reach management decision is set forth in the OIG Position section following the recommendation.

In accordance with Departmental Regulation 1720-1, please furnish a reply within 60 days describing the corrective actions taken or planned, and timeframes for implementing the recommendations for which management decisions have not been reached. Please note that the regulation requires management decision to be reached on all recommendations within 6 months from report issuance, and 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. Please follow your internal agency procedures in forwarding final action correspondence to the Office of the Chief Financial Officer.

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

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Background and Objectives

Background

The Watershed and Flood Prevention Operations (WFPO) Program is administered by the United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS). The program helps sponsors (other Federal agencies, States, local governments and municipalities, for-profit and nonprofit entities, and tribal organizations) plan and implement their watershed projects. These projects prevent damage caused by erosion, floodwater, and sediment, or they can help sponsors develop, use, conserve, and dispose of water.

While sponsors—with the help of NRCS—are responsible for planning and implementing projects, this inspection report focuses on NRCS' spend plan, project selection, and public reporting processes.

The Infrastructure Investment and Jobs Act (IIJA)¹ provided WFPO with a \$500 million supplemental appropriation and required a detailed spend plan that included project locations and costs. NRCS was also required to report its spending to the public and adhere to Federal guidelines when selecting projects for funding.

The Federal Funding Accountability and Transparency Act of 2006 (FFATA),² signed into law on September 26, 2006, later expanded with the enactment of the Digital Accountability and Transparency Act of 2014 (DATA Act),³ signed into law on May 9, 2014, established reporting guidelines to make information accessible and transparent. FFATA required a publicly accessible and searchable website. The DATA Act sought to improve the quality of data submitted to the public and to hold agencies accountable for their spending. Agencies submit their financial information directly to the Department of the Treasury through USAspending.gov, where it is publicly accessible.

The Office of Management and Budget (OMB) communicated the criteria in OMB Memorandum M-22-12⁴ restating the above reporting requirements in the context of IIJA and communicated the criteria for reviewing and selecting competitive IIJA awards.

¹ Infrastructure Investment and Jobs Act, Pub. L. No. 117-58, enacted November 15, 2021.

² Federal Funding Accountability and Transparency Act of 2006, Pub. L. No. 109-282 (FFATA).

³ Digital Accountability and Transparency Act of 2014, Pub. L. No. 113-101 (DATA Act).

⁴ OMB, *Advancing Effective Stewardship of Taxpayer Resources and Outcomes in the Implementation of the Infrastructure Investment and Jobs Act*, Memorandum M-22-12 (Apr. 29, 2022).

Objectives

Our inspection objectives were to determine whether NRCS timely submitted a spend plan for IIJA WFPO funds and accurately reported IIJA data to the public, and to identify NRCS' methodology for selecting projects for funding.

Objective Part 1: Did NRCS Timely Submit a Spend Plan for IIJA WFPO Funds?

We determined that NRCS timely submitted a spend plan for the IIJA WFPO funds, as required.⁵ NRCS submitted its WFPO spend plan on February 13, 2022, within 90 days of IIJA’s November 15, 2021, enactment. According to an NRCS memorandum, this plan resulted from NRCS’ assessment of the most critical and highest priority watershed and flood prevention projects. NRCS communicated to Congress, within its spend plan, the assessments’ resultant “priorities.”⁶

Objective Part 2: Did NRCS Accurately Report IIJA Data to the Public?

We determined that NRCS did not accurately report IIJA WFPO data to the public. This occurred because the agency did not prioritize the correction of existing errors, even though the Office of Inspector General (OIG) has published several reports identifying NRCS’ issues with data accuracy.⁷ The agency also did not implement controls to ensure the accuracy of future reporting. As a result, NRCS’ IIJA WFPO obligations are publicly underreported by more than \$176.9 million, and there is reduced transparency of these obligations as reported to the public.

NRCS published a portion of its IIJA WFPO award financial data, including obligations on selected projects, to USAspending.gov. The following (see Figure 1) illustrates the process leading from NRCS’ selection and funding of WFPO projects through NRCS’ public reporting:

⁵ IIJA stipulated that not later than 90 days after enactment, the Secretary of Agriculture shall submit to the House and Senate Committees on Appropriations a detailed spend plan that included a list of project locations and project costs.

⁶ The spend plan communicated the following NRCS-identified IIJA WFPO priorities—historically underserved and limited resource areas, tribal communities, new and backlogged projects, and drought. The “priorities” are discussed further in Objective Part 3 of this report, as they relate to documentation NRCS provided in support of the methodology NRCS used to select projects for funding.

⁷ Refers to OIG Audit Reports 11601-0001-12, *USDA’s Fiscal Year 2019, First Quarter DATA Act Submission*, Nov. 2019, and 11601-0002-12, *USDA’s Digital Accountability and Transparency Act Compliance Efforts for Fiscal Years 2020 and 2021*, Nov. 2021. As of February 2024, NRCS continues to address prior OIG Audit 11601-0001-12, *USDA’s Fiscal Year 2019, First Quarter DATA Act Submission*, Recommendation 3, which in part includes efforts related to issues noted in this finding.



Figure 1: General Illustration of NRCS’ Project Selection through Reporting Process. Figure by OIG.

FFATA had required agencies to publicly report spending data since 2006; the OMB memorandum restated this guidance in the context of IIJA in April 2022.⁸

Although NRCS published a portion of its data, errors prevented the posting of all NRCS’ IIJA WFPO award financial data on USAspending.gov. The following maps (see Figures 2 and 3) show the discrepancies between the obligations NRCS publicly reported (more than \$190.6 million) and the obligations reported in NRCS’ financial management system of record (more than \$367.5 million).⁹ The difference in reported obligations totaled more than \$176.9 million of the more than \$367.5 million NRCS reported internally as of August 31, 2023 (over 48 percent).

NRCS’ external reporting of obligations to six states totaled more than \$190.6 million.

⁸ OMB, *Advancing Effective Stewardship of Taxpayer Resources and Outcomes in the Implementation of the Infrastructure Investment and Jobs Act*, Memorandum M-22-12 (Apr. 29, 2022). See Part 2 Section C: Public Reporting of Financial and Award Data; specifically, the reporting guidance requires agencies to report data to USAspending.gov monthly and to separately track IIJA funding for display on USAspending.gov.

⁹ NRCS’ “internal financial management system” refers to USDA’s core financial system called the Financial Management Modernization Initiative.

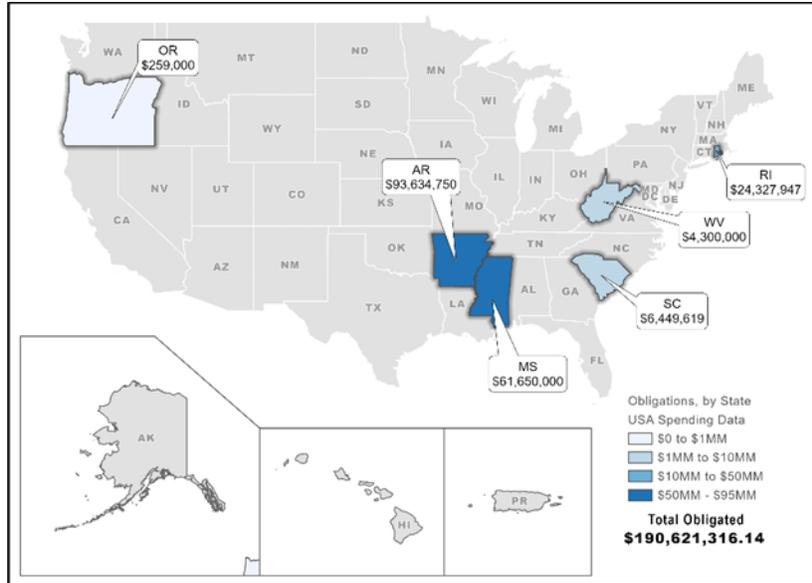


Figure 2: NRCS' Public Reporting of Obligations on USA Spending.gov. Figure by OIG.

NRCS' internal reporting of obligations to 19 states totaled more than \$367.5 million.

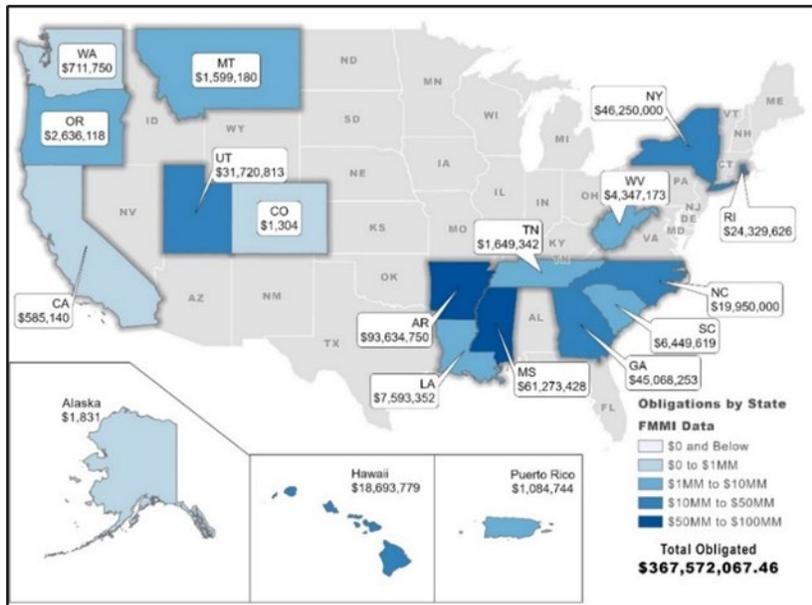


Figure 3: NRCS' Internal Reporting of Obligations. Figure by OIG.

Although the issues presented in this finding prevented NRCS from accurately and completely reporting to the public, NRCS' internal financial management system supported actual IJIA WFPO obligations totaling more than \$367.5 million for awards to 19 states: as of August 31,

2023, NRCS had obligated over 73 percent of the \$500 million in WFPO funds made available under IJA (see Figure 3).

Prior OIG Audit Findings Related to NRCS' Reporting of Data to the Public

During the inspection, we identified in OIG's final DATA Act report a section titled "Summary of Findings: A Look Back on 5 Years of DATA Act Reporting."¹⁰ The summary concluded that although USDA (including NRCS) has worked to improve its DATA Act submissions, the Department continues to publicly report data to USAspending.gov that are incomplete, inaccurate, and untimely. While OIG has published prior audit reports identifying NRCS' issues with the accuracy of data reported to the public on USAspending.gov, NRCS has yet to completely address an OIG recommendation to develop a process to ensure it properly reports its data to the public.¹¹

Similarly, OIG issued an internal memorandum in July 2023, in which it reported anomalies noted between USDA agencies' USAspending.gov and internal data.¹² The memorandum included examples of NRCS awards missing data necessary to track funding. Subsequently, we noted an undated Departmental acknowledgment of similar USDA-specific issues on USAspending.gov.¹³

OIG met with NRCS officials to discuss NRCS' inaccurate IJA WFPO reporting. OIG highlighted similarities between the issues noted in this report to those presented in OIG's final DATA Act report.¹⁴ The agency generally agreed with the overall issues noted; however, due to the complexity and wide range of contributing causes of issues that OIG noted,¹⁵ OIG agrees the agency should continue existing efforts and ongoing corrective action.

¹⁰ OIG Audit Report 11601-0002-12, *USDA's Digital Accountability and Transparency Act Compliance Efforts for Fiscal Years 2020 and 2021*, Nov. 2021.

¹¹ As of February 2024, NRCS continues to address prior OIG Audit 11601-0001-12, *USDA's Fiscal Year 2019, First Quarter DATA Act Submission*, Recommendation 3, which in part includes efforts related to issues noted in this finding.

¹² OIG Office of Analytics and Innovation, Internal Memorandum 23-039, *Potential Anomalies Related to Infrastructure Funding Data*, July 2023.

¹³ USAspending.gov is the official source for spending data for the U.S. Government and is used to show the American public what the Federal government spends every year and how it spends the money.

¹⁴ OIG Audit Report 11601-0002-12, *USDA's Digital Accountability and Transparency Act Compliance Efforts for Fiscal Years 2020 and 2021*, Nov. 2021. In this final DATA Act report OIG provided a 5-year summary of Departmentwide reporting challenges noted in prior OIG DATA Act audits; which this report's notes were similar to the causes of reporting issues NRCS identified during our September 2023 meeting (e.g., errors prevent data transmission, those charged with governance lack access to all data, and data collection is decentralized).

¹⁵ The "overall issues noted" refers to the issues collectively noted by OIG during this inspection, and in prior OIG reporting (OIG Internal Memorandum 23-039 and Audit Reports 11601-0001-12 and 11601-0002-12, noted above).

OIG's review of NRCS' internal and public reporting and subsequent discussions with NRCS officials during our inspection highlights NRCS' continuing challenges to publicly report accurate data. OIG is making two recommendations to build on prior efforts of the agency.

Recommendation 1

NRCS needs to prioritize the correction of outstanding inaccurate IIJA WFPO reporting on USAspending.gov and ensure existing award data are accurately reported to the public in accordance with OMB and DATA Act requirements.

Agency Response

NRCS agrees to prioritize the correction of outstanding inaccurate IIJA WFPO reporting on USAspending.gov [sic] in coordination with the Farm Production and Conservation Business Center (FPAC-BC), the entity responsible for this record keeping. Further, NRCS will monitor efforts to ensure existing award data is accurately reported to the public. The Office of the Chief of NRCS will collaborate with FPAC-BC and its Office of the Chief Financial Officer to coordinate and make corrections of data that has already been submitted to USAspending.gov.

NRCS provided an estimated completion date of March 31, 2025.

OIG Position

We accept management decision for this recommendation.

Recommendation 2

NRCS needs to design and implement internal control activities over information processing to address inaccurate reporting identified in Recommendation 1 to ensure compliance with OMB and DATA Act requirements and the accuracy of future reporting of IIJA WFPO data on USAspending.gov.

Agency Response

NRCS agrees to work with the FPAC-BC to develop appropriate internal controls to address inaccurate reporting identified in Recommendation 1. The Office of the Chief of NRCS will collaborate with FPAC-BC and its Office of the Chief Financial Officer to improve the error correction process by adding an aging schedule to the existing error reporting metrics used, and prioritizing corrections for the oldest records first, and continue to the most recent records.

Estimated Completion Date: December 31, 2024.

OIG Position

We do not accept management decision for this recommendation. While we agree, in part, with the actions in NRCS’s response for this recommendation, they do not specify how NRCS will ensure compliance with OMB and DATA Act requirements.

Additionally, Federal Internal Control Standards defines “control activities,” as the actions management establishes through policies and procedures to achieve objectives [...]” In order to reach management decision, NRCS needs to also describe how proposed actions will ensure compliance with OMB and DATA Act requirements and how NRCS will implement the proposed actions—e.g., established through policy and procedures.

Objective Part 3: What Methodology Did NRCS Use for Selecting Projects for Funding?

NRCS indicated it used the spend plan priorities submitted to Congress in February 2022 as the criteria for selecting projects for funding—e.g., backlogged projects, drought in western states, and historically underserved and limited resource area applicants. NRCS’ national office used States’ requests for funding to identify WFPO funding needs that NRCS officials could use to focus funding on the highest priority projects. The following graphic (see Figure 4) represents the scope of the WFPO project selection process applicable to Inspection Objective Part 3 and the finding below.



Figure 4: General Description of NRCS’ WFPO Project Selection Process. Figure by OIG.

NRCS explained that its methodology for selecting IJJA WFPO projects for funding incorporated the “priorities” identified in NRCS’ spend plan; however, NRCS could not provide documentation supporting its review and selection process for the individual WFPO awards. This occurred because NRCS officials indicated that the national office approved all state-submitted IJJA WFPO requests for funding, and NRCS did not compete the awards.¹⁶ As part of its overall administration of WFPO, NRCS conducted a needs assessment, which identified WFPO funding needs of over \$14.8 billion nationwide. While NRCS was able to approve all state-submitted WFPO requests for IJJA,¹⁷ NRCS agreed that it will need to implement a review and selection process in the future when WFPO funding needs unrelated to IJJA will likely require NRCS to compete the awards and document its review and selection process.¹⁸

¹⁶ According to the NRCS National Watershed Operations Program Manager there were one or two projects that were not funded because they did not meet the overarching criteria of being one of the identified spend plan priorities.

¹⁷ NRCS officials indicated all approved IJJA WFPO requests addressed one of the spend plan priorities.

¹⁸ Not all types of WFPO projects would require competition or ranking; according to NRCS, some would only require additional funding—for example, backlogged projects already approved by the NRCS Chief or Congress.

OMB IJA implementation guidance required that agencies must design and execute a merit review process, with the objective of selecting projects that are most likely to be successful in delivering results based on program objectives.¹⁹ In addition to possible considerations for the use of benefit-cost analysis to inform award decisions, OMB IJA implementation guidance provided that “[a]gencies must document their review and selection process for competitive awards [...]”²⁰

During the inspection, OIG requested documentation of the methodology NRCS used to select IJA WFPO projects for funding; however, we could not determine from that documentation how NRCS reviewed and selected the projects that were ultimately approved. Specifically, NRCS provided OIG with a portion of its spend plan, which identified the priorities as the project selection “criteria,” and it later provided a funding needs spreadsheet in response to our request for the “needs assessment” NRCS used “to shape a priority setting process that will focus funding on the most critical and highest priority projects [...]”

When OIG met with NRCS in September 2023 to discuss the inspection objectives and documentation provided, OIG noted that the process NRCS officials described was consistent with internal policy and existing WFPO processes (see Figure 4). Of note, and consistent with NRCS’ IJA WFPO priorities, the policy indicated “[p]rojects selected for funding will be based on balancing the needs of the existing project backlog, remediation of existing structures, and new projects.” OIG noted that NRCS’ WFPO policy also provided guidance related to other IJA WFPO priorities—i.e., limited resources and socially disadvantaged communities. In the case of IJA WFPO funding, according to NRCS officials, all state-submitted requests addressed at least one of the IJA WFPO priorities and there was sufficient funding available; therefore, NRCS could fund all requests; however, NRCS agreed that it would need to implement a ranking and selection process in the future.

OIG noted that NRCS’ WFPO needs assessment provided during the inspection supports WFPO funding needs that exceed \$14.8 billion nationwide. This level of funding needs highlights the importance for the agency to compete WFPO awards, where necessary, and ensure adequate documentation to support that NRCS is selecting projects that are most likely to be successful in delivering results based on program objectives. For these reasons, OIG is making a recommendation related to the documentation of NRCS’ review and selection process for competitive awards.

¹⁹ While stipulated in OMB guidance, the “merit review” requirement previously exists under Title 2 *Code of Federal Regulations* Part 200.205, *Federal awarding agency review of merit of proposals*. A merit review is an objective process of evaluating Federal award applications in accordance with written standards set forth by the Federal awarding agency.

²⁰ OMB, *Advancing Effective Stewardship of Taxpayer Resources and Outcomes in the Implementation of the Infrastructure Investment and Jobs Act*, Memorandum M-22-12 (Apr. 29, 2022) Part 2 Section A, Subsection 2: *Performance Planning, Management, and Evaluation*.

Recommendation 3

NRCS should ensure it documents its merit review and selection process for competitive awards and adequately documents the methodology used to select the best projects for funding.

Agency Response

NRCS agrees to Recommendation 3. NRCS will document its merit review and selection process of applications for WFPO funding and document that methodology about how it best selects projects for funding.

Estimated Completion Date: December 31, 2024.

OIG Position

We accept management decision for this recommendation.

Scope and Methodology

Our inspection focused on NRCS' administration of IJJA WFPO, including the spend plan NRCS submitted to Congress as well as NRCS' methodology for selecting projects for funding, and the agency's reporting of obligations for those projects to the public on USAspending.gov.²¹ We conducted fieldwork from July 2023 through March 2024. We discussed the results of our inspection with management on April 2, 2024, and included their comments, as appropriate.

To accomplish our inspection objectives, we:

- Reviewed NRCS' IJJA WFPO spend plan and interviewed NRCS and FPAC officials responsible for the administration of IJJA WFPO;
- Reviewed the documentation pertaining to the methodology NRCS used to select IJJA WFPO projects for funding;
- Reviewed prior OIG engagements related to our inspection objectives;
- Reviewed NRCS' reporting of IJJA WFPO awards within NRCS' internal financial management systems and externally on USAspending.gov; and
- Interviewed officials to determine the agency's methodology for selecting projects for funding and discuss ongoing inaccuracies in public reporting.

We conducted this inspection in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.²² These standards require that we plan and perform the inspection to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusions based on our inspection objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our inspection.

²¹ This information includes NRCS' spend plan, submitted to the House and Senate Committees on Appropriations, and NRCS' monthly reporting submitted to USAspending.gov through August 31, 2023.

²² Council of the Inspectors General on Integrity and Efficiency, *Quality Standards for Inspection and Evaluation* (Dec. 2020).

Abbreviations

DATA Act.....	Digital Accountability and Transparency Act of 2014
FFATA.....	Federal Funding Accountability and Transparency Act of 2006
FPAC.....	Farm Production and Conservation
FPAC-BC.....	FPAC Business Center
IIJA	Infrastructure Investment and Jobs Act
NRCS	Natural Resources Conservation Service
OIG	Office of Inspector General
OMB	Office of Management and Budget
USDA.....	United States Department of Agriculture
WFPO	Watershed and Flood Prevention Operations

**Natural Resources Conservation Service
Response to Inspection Report**



United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

Janet Sorensen
Assistant Inspector General for Audit
Office of the Inspector General (OIG)

Dear Director Janet:

The U.S. Department of Agriculture (USDA) appreciates the opportunity to respond to the U.S. Office of the Inspector General (OIG) Official Draft report, IIJA - Watershed and Flood Prevention Operations, Audit Number 10801-0001-24.

Attached are the Natural Resources Conservation Service (NRCS) Agency Response to the three (3) recommendations identified in the OIG Official Draft Report.

In Summary:

OIG interviewed NRCS and Farm Production and Conservation (FPAC) officials; reviewed prior OIG engagements, as well as Office of Management and Budget (OMB) IIJA implementation guidance and associated regulations on merit review; and reviewed NRCS' reporting of IIJA WFPO awards within NRCS' internal financial management systems and externally on USAspending.gov.

OIG recommend NRCS prioritize the correction of outstanding inaccurate IIJA WFPO reporting on USAspending.gov to ensure existing award data are accurately reported to the public and implement internal controls to ensure the accuracy of future reporting on USAspending.gov.

Additionally, OIG recommend NRCS ensure it documents its merit review and selection process for competitive awards and its methodology to select the best projects for funding.

If you require additional information, please contact Michell Dunn, Acting Branch Chief, External Audits and Investigations, at 202-401-0584.

Sincerely,

A handwritten signature in black ink that reads "Gloria Montañó Greene".

Gloria Montañó Greene
Deputy Under Secretary
Farm Production and Conservation

Attachments



**Infrastructure Investment and Jobs Act Watershed and Flood Prevention Operations
OIG Audit #10801-0001-24
NRCS Response to the Official Draft Report**

Agency Response

Executive Summary

The Office of Inspector General (OIG) reviewed the Natural Resources Conservation Service (NRCS) management of the funds made available to Watershed Protection and Flood Prevention Operations through the Infrastructure Investment and Jobs Act (IIJA) to determine whether NRCS timely submitted a spend plan for WFPO funds and accurately reported IIJA data to the public. OIG also reviewed NRCS's methodology for selecting projects for funding.

Findings

OIG determined that NRCS timely submitted a spend plan for IIJA WFPO funds. However, OIG found that NRCS did not accurately report IIJA WFPO data to the public. OIG determined that this occurred because NRCS did not prioritize the correction of existing errors and did not implement controls to ensure the accuracy of future reporting on USAspending.gov. As a result, NRCS's IIJA WFPO obligations were publicly underreported by more than \$176.9 million, and there was reduced transparency to these obligations.

In addition, NRCS could not provide documentation to support its review and selection process for funding awards made under WFPO awards. OIG determined that this occurred because NRCS approved all state-submitted IIJA WFPO requests and did not compete the awards.

Agency Response to Recommendations

NRCS accepts OIG audit Recommendations 1 through 3. Please find our responses to the recommendations and our management actions with associated completion dates.

Recommendation 1

NRCS, needs to prioritize the correction of outstanding inaccurate IIJA WFPO reporting on USAspending.gov and ensure existing award data are accurately reported to the public in accordance with OMB and DATA Act requirements.

Agency Response to Recommendation 1: NRCS agrees to prioritize the correction of outstanding inaccurate IIJA WFPO reporting on USAspending.gov in coordination with the Farm Production and Conservation Business Center (FPAC-BC), the entity responsible for this record keeping. Further, NRCS will monitor efforts to ensure existing award data is accurately reported to the public. The Office of the Chief of NRCS will collaborate with FPAC-BC and its Office of the Chief Financial Officer to coordinate and make corrections of data that has already been submitted to USAspending.gov.

Estimated Completion Date: March 31, 2025.

Recommendation 2

NRCS needs to design and implement internal control activities over information processing to address inaccurate reporting identified in Recommendation 1 to ensure compliance with OMB and DATA Act requirements and the accuracy of future reporting of IIJA WFPO data on USA Spending.gov.

Agency Response to Recommendation 2:

NRCS agrees to work with the FPAC-BC to develop appropriate internal controls to address inaccurate reporting identified in Recommendation 1. The Office of the Chief of NRCS will collaborate with FPAC-BC and its Office of the Chief Financial Officer to improve the error correction process by adding an aging schedule to the existing error reporting metrics used, and prioritizing corrections for the oldest records first, and continue to the most recent records.

Estimated Completion Date: December 31, 2024.

Recommendation 3

NRCS should ensure it documents its merit review and selection process for competitive awards and adequately documents the methodology used to select the best projects for funding.

Agency Response to Recommendation 3: NRCS agrees to Recommendation 3.

NRCS will document its merit review and selection process of applications for WFPO funding and document that methodology about how it best selects projects for funding.

Estimated Completion Date: December 31, 2024.

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