



# Taking Stock: BWSR's Grants Verification Process

September 2014 Snapshots

Among the “core values” of the Minnesota Board of Water and Soil Resources (BWSR) are **empowerment** and **accountability**. These values are central to our agency, but they’re also integral to the relationships we have with our local government partners. We trust those “on the ground” to identify opportunities where their work and ours intersect, implementing long-term solutions to our state’s natural resource concerns. In order to build on that trust, and reassure the public who support our work, BWSR verifies the results that our partners produce with the resources that we share. Local empowerment and accountability go hand in hand.

A screenshot of a presentation slide. The title is "So ... in June 2011, BWSR Board adopted its Grants Monitoring, Reconciliation, and Verification Policy". Below the title is a bulleted list of three points: 1. That BWSR staff annually monitor all grants; 2. That all competitive conservation program grants be paid in three scheduled payments and; 3. That financial verification of grant reconciliations be performed on ten percent of all BWSR grants annually. To the right of the text is a small image of a computer screen displaying a website with various photos and text.

Our agency empowers local governments by disbursing approximately \$41 million in grants each fiscal year. In 2011, to enhance the accountability of those grant funds, our Board adopted a “Grants Monitoring, Reconciliation and Verification Policy.” The policy calls for “verification” - financial reconciliation plus an evaluation of a local government’s internal control structure - of 10 percent of our grants to local governments annually. The ultimate goal is to ensure that public funds are spent for the purposes that they were given.

Since 2011, we have conducted verifications of our grants to local government units in 27 counties. The process begins when our grants compliance specialists send the local government to be visited a checklist of documentation to assemble and scan. A team of field staff then actually visit the grant recipient’s offices to review documentation, talk over issues that have arisen from a preliminary review, and answer questions about the process. The process ends when we send a final results form and letter to the local government’s administration and board. Often, the visit confirms that their fiscal affairs are in order, with complete project files and reports that are linked to actual expenditures on grant activities. When issues (such as the failure to meet or document the local match for a grant, or project files that are missing technical approval) are found, corrective action plans are developed with their consent, and our specialists work with local staff to bring them back into compliance.

Three years in and armed with the knowledge that comes from practical experience, we decided to spend some time evaluating both the overall policy and how the verification process is working both for our agency and our partners. At the end of April, we formed a work group to evaluate, recommend adjustments to, and develop guidance for the policy. One of our first tasks was to convene two small but representative “focus groups” of local government staff members. One of those focus groups met June 24 in St. Cloud; the second met June 26 in Mankato. The discussions were free flowing and agency staff left the meeting armed with constructive feedback we are using to clarify the guidance we use to implement the policy. Our goal is to make revisions and communicate any changes at the BWSR Academy, an annual training opportunity for local government staff that occurs in October 2014.

Policy changes are not without their complications. Whatever adjustments we make must comply with the statutes, rules and policies our agency is subject to. Beyond that, they have to be flexible enough to work for our diverse group of local government partners, from a two-person local government in greater Minnesota to

a large, metro-area agency. Grants monitoring and verification may not be the most exotic of topics, but at the end of the day this policy gives Minnesotans an additional level confidence that the funds they've entrusted to our agency are being used wisely, for the benefit of our state's people and natural resources.