

# PERFORMANCE AUDIT REPORT

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## Pennsylvania Department of Conservation and Natural Resources Community Conservation Partnerships Program

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February 2025



Commonwealth of Pennsylvania  
Department of the Auditor General

Timothy L. DeFoor • Auditor General

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TIMOTHY L. DEFOOR  
AUDITOR GENERAL

January 16, 2025

The Honorable Cindy Adams Dunn  
Secretary  
Pennsylvania Department of Conservation and Natural Resources  
Rachel Carson State Office Building  
400 Market Street  
Harrisburg, PA 17105

Dear Secretary Dunn:

This report contains the results of the Department of the Auditor General's performance audit of the Community Conservation Partnerships Program (C2P2), administered by the Pennsylvania Department of Conservation and Natural Resources (DCNR).

The performance audit was conducted under the authority of Sections 402 and 403 of The Fiscal Code, 72 P.S. §§ 402 and 403, and in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, 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.

Our performance audit of C2P2 included three objectives: (1) Determine whether DCNR complied with applicable laws, regulations, internal policies, guidelines, and manuals relevant to the awarding of C2P2 grant monies; (2) Determine whether the C2P2 funds and grant expenditures are accurate, adequately supported, and used for their intended purpose; (3) Ensure that DCNR adequately monitored each grantees' performance, ensured proper submission of progress reports, and performed post-completion site inspections required for certain C2P2 projects as stipulated by applicable laws, regulations, program requirements and guidelines. The audit period was July 1, 2021, through June 30, 2023.

The Honorable Cindy Adams Dunn

January 16, 2025

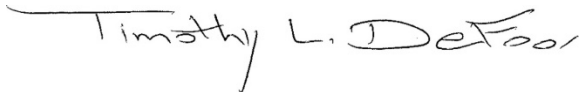
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The audit found that despite claiming it operates a competitive process, DCNR did not award all C2P2 grants competitively. Additionally, the audit determined that DCNR's implementation of a new electronic records maintenance system improved its monitoring of C2P2 grant expenditures and maintenance of grant records. Finally, auditors found that although DCNR improved monitoring C2P2 grant projects funded through the Land and Water Conservation Fund, it failed to adequately oversee post-completion site inspections, and inspection documentation and reporting.

Audit procedures were also conducted to determine the status of the implementation of the recommendations in our prior performance audit dated December 19, 2013, which included three findings and 14 recommendations. We found that our prior findings and recommendations were partially resolved and address those results within our current audit findings, including further recommendations for continued improvements.

In closing, I want to thank DCNR for its cooperation and assistance during this audit. DCNR disagreed with two of the three findings and one of the seven recommendations. *See* further comments in the *DCNR's Response and Auditor's Conclusion* section of this report. We reserve the right to follow up at an appropriate time to determine whether and to what extent our recommendations have been implemented.

Sincerely,

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a horizontal line extending to the left of the first letter.

Timothy L. DeFoor  
Auditor General

A Performance Audit

Pennsylvania Department of Conservation and Natural Resources  
Community Conservation Partnerships Program

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#### Executive Summary

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Pennsylvania's Department of Conservation and Natural Resources (DCNR) fosters community conservation partnerships that: (1) advance the greening of Pennsylvania, (2) protect the commonwealth's natural and heritage resources, and (3) provide recreational opportunities for all Pennsylvanians and visitors to enjoy. DCNR administers the Community Conservation Partnerships Program (C2P2) through its Bureau of Recreation and Conservation (BRC) to achieve these goals. C2P2 provides for grants to municipalities, non-profit organizations, and other community-based organizations for eligible conservation and recreation projects.

Our performance audit of C2P2 had three objectives: (1) Determine whether DCNR complied with applicable laws, regulations, internal policies, guidelines, and manuals relevant to the awarding of C2P2 grant monies; (2) Determine whether the C2P2 funds and grant expenditures are accurate, adequately supported, and used for their intended purpose; and (3) Ensure that DCNR adequately monitored each grantees' performance, ensured proper submission of progress reports, and performed post-completion site inspections required for certain C2P2 projects as stipulated by applicable laws, regulations, program requirements and guidelines. The audit period was July 1, 2021, through June 30, 2023. We also conducted procedures to determine whether DCNR implemented the recommendations presented within the findings of our prior C2P2 performance audit report dated December 19, 2013. While we found the prior audit findings were partially resolved, we address the results in our current audit findings along with further recommendations for continued improvements, as summarized below.

Our audit results are contained in three findings with seven recommendations to DCNR. DCNR disagreed with two of the **three findings** and one of the seven recommendations and partially agreed with one finding and **six recommendations**. We have included information responsive to DCNR's disagreement within the *Auditor's Conclusion to Department of Conservation and Natural Resources' Response* section of this audit report.

#### **Finding 1 – While DCNR claims its C2P2 grant award process is competitive, certain grants were not competitively awarded. Opportunities exist to enhance accountability and transparency in DCNR's grant award process.**

We found that although the C2P2 grant program is structured and advertised as a competitively awarded grant process, not all C2P2 grants were awarded based on the project evaluation scoring and the ranking process set forth in the program guidelines. Our review of 40 selected projects found instances where DCNR did the following: accepted grant applications submitted late and awarded grants for those projects; awarded grants to lower-ranked projects instead of projects ranked higher; and executive management awarded grants for certain projects regardless of the BRC recommendations and project rankings, suggesting other factors may have impacted those decisions, such as outside influence or pressure.

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We offer **two recommendations** to DCNR: (1) improve the C2P2 grant award process to ensure grants are competitively awarded by only considering applications submitted prior to the application submission deadlines and amending its grant manual to more accurately reflect the actual awarding process by including any other factors, such as targeted priorities that DCNR intends to apply during the grant application evaluation process; and (2) changing the current practices to eliminate the appearance of outside influence or pressure during the project selection process, such as removing the legislative districts from the list of projects recommended/not recommended for selection.

#### **Finding 2 – DCNR improved its monitoring of C2P2 grant expenditures and should continue to evaluate its procedures to identify and implement changes that strengthen its grants process.**

We found that DCNR's conversion to a new electronic records system improved its oversight of C2P2 grant expenditures. We found that for projects completed after the conversion, DCNR properly maintained all required records within the electronic grant project files in the Recreation and Conservation Electronic Records System (RACERS) database. However, we discovered that DCNR lacked certain documents in the hardcopy files maintained for older grants that closed during the audit period. DCNR also updated its standard operating procedures (SOPs) to require grantees to upload certain documents through RACERS, but only for certain project types. Grantees may submit only summary lists of expenditures for other project types.

We offer **two recommendations** to DCNR: (1) amend the grant project management SOPs and grant agreements to require grantees to electronically submit sufficient documentation to support all grant expenditures, and (2) ensure project files are complete with all required documentation.

#### **Finding 3 – Despite some monitoring improvements with LWCF-funded C2P2 grant projects, DCNR failed to adequately oversee inspection, documentation, and reporting requirements.**

We found that DCNR failed to provide adequate oversight of LWCF-funded C2P2 grant projects, which resulted in noncompliance with federal inspection and reporting requirements. DCNR's inadequate oversight of its LWCF monitoring activities resulted in the failure to conduct post-completion site inspections within the required five-year timeframe for 47 LWCF projects, report 85 LWCF post-completion site inspections to the U.S. National Park Service (U.S. NPS) and maintain adequate LWCF post-completion site inspection documentation.

We offer **three recommendations** to DCNR: (1) improve oversight of LWCF post-completion site inspections to ensure all inspections are conducted timely, (2) ensure that all LWCF post-completion site inspections are reported annually according to U.S. NPS policy, and (3) document the supervisory review process over LWCF post-completion site inspections to



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improve accountability and accuracy of inspection records required to be maintained consistent with DCNR policy.

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#### Introduction and Background

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This report by the Department of the Auditor General presents the results of a performance audit of the Community Conservation Partnerships Program (C2P2) administered and monitored by the Pennsylvania Department of Conservation and Natural Resources (DCNR). C2P2 provides federal and state grant funding to support local recreation and conservation initiatives within the commonwealth.<sup>1</sup> The audit was conducted pursuant to Sections 402 and 403 of The Fiscal Code.<sup>2</sup>

Our performance audit consisted of the following **three objectives**, and covered the period of July 1, 2021, through June 30, 2023. Additionally, we conducted procedures to determine the status of the prior audit findings and implementation of the related recommendations contained in the prior audit report released in December 2013.

- Determine whether DCNR complied with applicable laws, regulations, internal policies, guidelines, and manuals relevant to the awarding of C2P2 grant monies.
- Determine whether the C2P2 funds and grant expenditures are accurate, adequately supported, and used for their intended purpose.
- Ensure that DCNR adequately monitored each grantees' performance, ensured proper submission of progress reports, and performed post-completion site inspections required for certain C2P2 projects as stipulated by applicable laws, regulations, program requirements and guidelines.

See additional information on the Objectives, Scope, Methodology, and Data Reliability in *Appendix A*.

#### Pennsylvania Department of Conservation and Natural Resources

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DCNR, established in 1995, is responsible for preserving and maintaining 124 state parks, managing more than 2 million acres of forest land throughout the commonwealth, and providing information on the state's ecological and geological resources. DCNR is also tasked with establishing community conservation partnerships through grants and technical assistance that benefits Pennsylvania's rivers, trails, greenways, local parks and recreation, regional heritage

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<sup>1</sup> The C2P2 grant program was established by DCNR pursuant to its powers and duties under the Conservation and Natural Resources Act. See 71 P.S. § 1340.101 *et seq.* (Act 18 of 1995, as amended).

<sup>2</sup> 72 P.S. §§ 402, 403.

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parks, open space, and natural areas. DCNR's mission is *to conserve and sustain Pennsylvania's natural resources for present and future generations' use and enjoyment.*<sup>3</sup>

### Community Conservation Partnerships Program Overview

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DCNR's Bureau of Recreation and Conservation (BRC) is responsible for establishing community conservation partnerships that: 1) advance the greening of Pennsylvania, 2) protect the commonwealth's natural and heritage resources, and 3) provide recreational opportunities for all Pennsylvanians and visitors to enjoy.<sup>4</sup> DCNR administers C2P2 through the BRC in accordance with these goals. C2P2 provides grants to municipalities, non-profit organizations, and other community-based organizations for eligible projects, for purposes such as:

- Planning, acquisition, and development of public parks
- Recreation areas
- River conservation and access
- Conservation of open space
- Community and watershed forestry
- Motorized and non-motorized trails

Grants also support regional and statewide partnerships that build capacity to better develop and manage resources.<sup>5</sup> Grant funding is provided through various sources, such as:<sup>6</sup>

Federal grant funding:

- Pennsylvania Recreational Trails<sup>7</sup>
- Highlands Conservation Act<sup>8</sup>

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<sup>3</sup> <https://www.dcnr.pa.gov/about/Pages/default.aspx> (accessed May 17, 2024).

<sup>4</sup> <https://www.dcnr.pa.gov/about/Pages/Recreation-and-Conservation.aspx> (accessed May 13, 2024). The “greening of Pennsylvania” refers to DCNR’s commitment to encourage communities and grant applicants to incorporate “green and sustainable” elements and practices in park, trail, and rivers development and rehabilitation projects, which provide environmental benefits or reduce the impacts of human activities on the environment.

[https://www.dcnr.pa.gov/GetDocument?docId=1753165&DocName=d\\_001279.pdf](https://www.dcnr.pa.gov/GetDocument?docId=1753165&DocName=d_001279.pdf) (accessed July 16, 2024).

<sup>5</sup> <https://www.dcnr.pa.gov/Communities/Grants/Pages/default.aspx> (accessed May 17, 2024).

<sup>6</sup> See additional information about C2P2 grant funding sources in *Appendix C*.

<sup>7</sup> This funding that began in 1999 is provided through the U.S. Department of Transportation's Federal Highway Administration for developing and maintaining recreational trails and trail-related facilities. See also [https://www.fhwa.dot.gov/environment/recreational\\_trails/guidance/guidancememo.cfm](https://www.fhwa.dot.gov/environment/recreational_trails/guidance/guidancememo.cfm) (accessed November 6, 2024).

<sup>8</sup> Public Law 108–421 (2004), 118 Stat. 2375. See also <https://www.doi.gov/oc/s-753> (accessed August 1, 2024).

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- Land and Water Conservation Fund (LWCF) State Assistance Program<sup>9</sup>
- American Rescue Plan Act of 2021 (ARPA)<sup>10</sup>

State grant funding:

- Keystone Recreation, Park and Conservation Fund
- Environmental Stewardship Fund
- Heritage Areas Funding
- Keystone Tree Fund
- Snowmobile and All-Terrain Vehicle (ATV) Restricted Accounts<sup>11</sup>

The total number of grants DCNR awards annually varies due to fluctuations in state and federal funding. According to a DCNR promotional pamphlet, it awards approximately \$50 million for C2P2 projects each year, with individual grant amounts between \$50,000 to \$500,000.<sup>12</sup> The majority of C2P2 grants require a percentage match from the grantee, as shown in the ***C2P2 Project Match Requirements*** table later in the section.

DCNR accepts C2P2 grant applications during grant rounds held at specific times during the calendar year, depending on the type of project. DCNR may add grant rounds based on available funding, as it did in the fall of 2022 after receiving ARPA funds. DCNR assigns a number to each grant round. For example, during 2022, Grant Round 28 began January 18 and closed April 6, and the supplemental Grant Round 28.6 ran from September 6 to October 27. DCNR's typical grant rounds include:

- Most project types: January – April
- Spring ATV/Snowmobile Trails Management projects: February – March
- Fall ATV/Snowmobile Trails Management projects: August – September
- Peer and Circuit Rider projects:<sup>13</sup> Year-round

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<sup>9</sup> Public Law 88–578 (1965), 78 Stat. 897. *See* 54 U.S.C. § 200301 *et seq.* This match funding source was established in 1965 to be provided by the U.S. Department of the Interior's National Park Service (NPS) to all states.

<sup>10</sup> Public Law 117 – 2 (2021), 135 Stat. 4, *see also* <https://crsreports.congress.gov/product/pdf/r/46834/1> (accessed August 2, 2024).

<sup>11</sup> DCNR C2P2 Grant Manual 2023: Grant Round 29 Application Materials, Policies and Forms (DCNR C2P2 Grant Manual(s)). *See also* <https://www.dcnr.pa.gov/Communities/Grants/Pages/default.aspx> (accessed November 6, 2024).

<sup>12</sup> <https://elibrary.dcnr.pa.gov/GetDocument?docId=4593578&DocName=C2P2%20Brochure%20FINAL.pdf> (accessed May 17, 2024).

<sup>13</sup> Peer and Circuit Rider grants fund projects that help municipalities, counties, multi-municipal partnerships, and councils of governments increase local capacity for recreation, parks, and conservation. The Peer program funds collaborative projects focusing on a specific need identified by the grantee and its partners, while the Circuit Rider program aids the hiring of a full-time park, recreation, or conservation professional whose services are shared by a formal partnership, commission, or authority's members. *See* DCNR C2P2 Grant Manual 2023.

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The annual C2P2 grant application and awarding process begins with a DCNR Grant Workshop in November.<sup>14</sup> Although the exact dates vary annually, the primary grant application period begins on the third Tuesday of January and ends on the first Wednesday in April.<sup>15</sup> DCNR utilizes a single application format and process with one set of requirements and guidelines for applicants to follow. DCNR evaluates and scores all applications during the spring and summer after the application submission periods end.

While most applications are sorted by project type and ranked by score creating a statewide list for each project type, some project types are scored and ranked on a regional list, corresponding to each of DCNR's six regions of the commonwealth.<sup>16</sup> According to the DCNR grant manual, the *highest* scored projects will be selected for funding *until the available funds are exhausted*.<sup>17</sup> The approved grants are publicly announced in the fall and DCNR aims to execute the grant agreements in January. Typically, actual project work begins during the following spring and summer.<sup>18</sup>

DCNR publishes a list of awarded C2P2 grants on its website for each grant round. The following table shows the C2P2 grant rounds held between January 1, 2021, through June 30, 2023:<sup>19</sup>

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<sup>14</sup> DCNR posts the annual C2P2 grant workshops to its Calendar of Events on its web page. During these workshops, DCNR staff present grant program selection criteria, review program priorities, and discuss eligible project types, as well as offer Q&A opportunities. *See* [https://events.dcnr.pa.gov/event/2023\\_statewide\\_annual\\_virtual\\_grant\\_workshop\\_for\\_recreation\\_and\\_conservation\\_projects](https://events.dcnr.pa.gov/event/2023_statewide_annual_virtual_grant_workshop_for_recreation_and_conservation_projects) (accessed May 16, 2024).

<sup>15</sup> DCNR announces upcoming C2P2 grant application submission periods via press releases, notices in the Pennsylvania Bulletin, on social media, and other methods.

<sup>16</sup> *See* a map of the DCNR regions in *Appendix B*.

<sup>17</sup> DCNR C2P2 Grant Manual 2023; C2P2, *Grant Program Requirements and Guidelines*, Fiscal Years 2022 and 2023.

<sup>18</sup> <https://elibrary.dcnr.pa.gov/GetDocument?docId=4593578&DocName=C2P2%20Brochure%20FINAL.pdf> (accessed May 14, 2024).

<sup>19</sup> *See* DCNR Notes from 2021-2022 Round 27 Review Process and DCNR Notes from 2022-2023 Round 28 Review Process. Although Grant Rounds 27 and 27.1 occurred prior to the audit period (January/February to March/April 2021), DCNR executed the grant agreements for these projects during the audit period, and therefore, they were reviewed as part of this audit. Due to the ARPA funds DCNR received and grant money awarded but unspent from prior rounds, DCNR held an extra grant round in the fall of 2022 (Grant Round 28.6). Grant eligibility for this round mirrored Grant Round 28, but with an increased focus on small community projects, heritage areas, closing priority trail gaps, and other targeted areas.

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C2P2 Grants Awards (January 2021 – June 2023)			
Grant Round	Grant Application Period	Grant Projects Awarded	Grant Funds Awarded
27	January – April 2021	305	\$67,425,329
27.1	February – March 2021	7	\$570,000
27.5	August – September 2021	5	\$2,015,166
28	January – April 2022	334	\$85,059,807
28.1*	February – March 2022	7	\$955,500
28.5	August – September 2022	3	\$175,500
28.6	September – October 2022	99	\$43,630,100
<b>Total</b>		<b>760</b>	<b>\$199,831,402</b>

\* - Not included on a DCNR announcement list.

Source: Developed by Department of the Auditor General staff from DCNR grant announcement lists on DCNR's website.<sup>20</sup>

In order to maximize the use of available funds in each grant round, DCNR determines the best funding source for each grant award based upon a variety of factors, including specific funding requirements and the total dollar amount awarded. Applicants discuss these preliminary factors with their BRC advisor, who assist them in ensuring their applications are complete. Throughout the C2P2 grant process, it is likely that some projects are amended or withdrawn. When this occurs, DCNR might redistribute the funding to other projects or hold it for subsequent grant rounds.

The following table shows the grants awarded during Grant Rounds 27, 28, and 28.6, listed by project category with the grant award amounts. DCNR used the project categories to score, rank, and select projects to fund.<sup>21</sup> We focused our audit procedures on these grant rounds for the purposes of the audit. According to DCNR data, it selected grant applications for 739 C2P2 projects during the three rounds.

<sup>20</sup> DCNR Grant Announcement lists; See

[https://elibrary.dcnr.pa.gov/GetDocument?docId=4077164&DocName=2007\\_2020\\_pdf\\_ofgrantannouncements.pdf](https://elibrary.dcnr.pa.gov/GetDocument?docId=4077164&DocName=2007_2020_pdf_ofgrantannouncements.pdf) (accessed June 11, 2024).

<sup>21</sup> DCNR accepts Peer/Circuit Rider grant applications year-round and does not score, rank, or award them competitively. See DCNR Circuit Rider Grant Program Policy, December 9, 2020.

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**Pennsylvania Department of Conservation and Natural Resources  
Community Conservation Partnerships Program**

<b>C2P2 Grant Rounds Summary (January 2021 – June 2023)</b>				
<b>Grant Round</b>	<b>Project Category</b>	<b>Projects Awarded</b>	<b>Grant Award Amount</b>	<b>Total Amount</b>
27	Acquisition	38	\$16,243,300	<b>\$64,043,379</b>
	Peer/Circuit Rider	7	\$70,000	
	General Community Recreation	126	\$25,764,100	
	Partnerships	50	\$8,036,000	
	Rivers	22	\$2,952,300	
	Rivers Buffers	7	\$1,208,591	
	Small Community	24	\$1,508,800	
	Trails	31	\$8,260,288	
	Acquisition	47	\$18,883,900	
Peer/Circuit Rider	6	\$168,700		
General Community Recreation	136	\$26,295,626		
Partnerships	49	\$9,419,363		
Rivers	20	\$2,950,300		
Rivers Buffers	5	\$1,043,800		
Small Community	29	\$1,932,500		
Trails	42	\$12,152,523		
Treevitalize	3	\$415,000		
28.6	Acquisition	8	\$3,138,500	<b>\$33,299,000</b>
	Community & Watershed Forestry	20	\$11,326,000	
	General Community Recreation	18	\$5,412,300	
	Partnerships	12	\$2,049,600	
	Rivers	3	\$630,800	
	Small Community	29	\$7,714,000	
	Trails	7	\$3,027,800	

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		<b>739</b>		<b>\$170,604,091*</b>
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\* - The total amount granted differs from the grant amounts announced, as presented in the prior table, due to changes that may occur between the time of the grant application and the executed grant agreement.

Source: Compiled by Department of the Auditor General staff from DCNR lists of awarded grants provided for the audit period.

Some grant funding sources available for the C2P2 program have specific requirements associated with the funds that DCNR must satisfy, such as LWCF funding. The U.S. NPS within the U.S. Department of the Interior administers the LWCF State Assistance Program, established by the LWCF Act of 1965.<sup>22</sup> The LWCF program provides matching grant funding through the states to local government units for the acquisition and development projects for public outdoor recreation sites and facilities.<sup>23</sup> During our audit period, DCNR awarded approximately \$26.7 million of LWCF funding for 22 projects.

As noted above, as part of the application process, applicants must provide proof of the availability of matching funds to qualify for most C2P2 grants. Matching funds, depending on the project type, can be in the form of cash, non-cash (in-house services, equipment use, donated services and/or volunteer labor) or land donation. The following table shows the match requirements for the various project types:

C2P2 Project Match Requirements				
Project Type*	Required Match	Cash	Non-Cash	Land Donation
Circuit Rider	Varies	Yes	NO	NO
Community & Watershed Forestry	20%	Yes	Yes	NO
Development	50%	Yes	Yes	Yes
Land Acquisition	50%	Yes	NO	Yes
Land & Water Conservation Fund	50%	Yes	NO	NO
Partnerships	Varies	Yes	Yes	NO
Peer	10%	Yes	NO	NO
Planning	50%	Yes	Yes	Yes
Rivers	50%	Yes	Yes	Yes
Small Community (Development)	Varies	Yes	Yes	Yes

<sup>22</sup> The Land and Water Conservation Fund Act of 1965. See 54 U.S.C. § 200301 *et seq.* (Public Law 88-578[1965] 78 Stat. 897, as updated by Public Law 113-287, 128 Stat. 3171[2014]). According to the Congressional Research Service, the LWCF Act “was enacted to help preserve, develop, and ensure access to outdoor recreation resources. The law created the Land and Water Conservation Fund...in the Department of the Treasury as a dedicated funding source to implement its stated outdoor recreation goals. Similar to other special funds in the federal budget, the LWCF is an accounting mechanism to link dedicated receipts with the spending of those receipts.” See <https://crsreports.congress.gov/product/pdf/IF/IF12256> (accessed August 1, 2024).

<sup>23</sup> DCNR’s Grant Manual contains details regarding the requirements for using LWCF funding.



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C2P2 Project Match Requirements				
Project Type*	Required Match	Cash	Non-Cash	Land Donation
Trails (Development & Planning)	50%	Yes	Yes	Yes
Trails (Land Acquisition)	50%	Yes	NO	Yes
Trails (PRT Development & Edu Programs)	20%	Yes	Yes	NO
ATV and Snowmobile (All Project Types)	None	N/A	N/A	N/A

\* - Represents specific project classifications to show different match requirements versus 'Project Category', which defines broader groups of projects with similar purposes, as shown in the previous table.

N/A – Not Applicable.

Source: Developed by Department of the Auditor General staff from the DCNR C2P2 Grant Manual 2023.

In addition to matching a percent of the projects' cost, grantees have post-completion responsibilities as outlined in the grant agreements, as well as in DCNR's grant manual.<sup>24</sup> For example, grantees must erect and maintain signage at the project site that states the site was provided by the grantee with financial assistance from DCNR. The source of the funding is also required to be cited. Any product of the grant, such as publications, must also include a statement that they were produced in collaboration with DCNR and identify the applicable funding source. Project sites must also be properly maintained in accordance with state and local requirements, kept safe to encourage public use, and be open for reasonable accessibility to the public. In addition to the grantee's post-completion requirements, some grantees are required to have site inspections.

According to its policy, DCNR may conduct four different Development Project Site Inspections at different times for various purposes. They include:

- 1) **Pre-application/Pre-award Site Visits/Inspections.** DCNR conducts these inspections prior to an application being submitted. They are recommended for all project types and required for all LWCF projects. DCNR considers these inspections necessary for projects viewed as high priority, that involve complex sites or community issues, and when DCNR has limited experience with an applicant. The policy notes that these site visits/inspections may not always be formally documented, except for LWCF projects, which are documented using the LWCF Pre-award Site Inspection Form.
- 2) **Progress Meeting/Site Observation Visits.** These meetings/site observations are required for projects identified as being complex or high-risk and may occur before or after the start of construction. DCNR reviews the approved scope of the work and the

<sup>24</sup> DCNR C2P2 Grant Manual 2023.

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progress of the project to identify, outline, and work to resolve any issues prior to the final inspection.

- 3) **Final Site Inspections.** These inspections verify that the projects have been completed to the required specifications in the grant agreements. The Final Site Inspection serves to assess if the project creates a complete and functional unit in accordance with the approved DCNR parameters. These inspections are required for all development, trails, and LWCF projects<sup>25</sup> and a site inspection form must be completed. DCNR staff develop and send a Final Letter to the grantee acknowledging the inspection was completed. An electronic copy is maintained, along with site inspection photographs.
- 4) **Post-Completion Site Inspections (LWCF).** These inspections are performed to comply with federal LWCF requirements. The following section includes a detailed description of this process.

### LWCF Post-Completion Site Inspections

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The U.S. NPS monitors each state's administration of the LWCF State Assistance Program. U.S. NPS representatives visit state offices at least once every five years to evaluate the effectiveness of the state's LWCF activities.<sup>26</sup> States must complete post-completion site inspections for all LWCF-funded projects within five years after the projects' final billing *and* at least once every five years thereafter.<sup>27</sup>

DCNR regional staff inspect the LWCF project sites in their region every five years using the GIS Collector Application.<sup>28</sup> Project inspectors verify project information with DCNR's project management system, RACERS.<sup>29</sup> DCNR also sends a follow-up letter to grantees with the results of the inspection.

Actions to resolve any noncompliance issues found depend on the severity of the deficiency. Minor deficiencies such as a missing sign require contact with the grantee and letter only, while

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<sup>25</sup> Education and Acquisition projects do not require a final site inspection due to the nature of those projects, which do not involve construction or rehabilitation activities to physically inspect.

<sup>26</sup> LWCF Federal Funding Assistance Manual, March 11, 2021.

<sup>27</sup> Ibid.

<sup>28</sup> The Geographic Information System (GIS) Collector App is used by DCNR's site inspectors to complete site inspections. The inspectors enter information directly into the app as the inspections are conducted.

<sup>29</sup> The Recreation and Conservation Electronic Records System (RACERS) is DCNR's electronic grant project management system used to administer C2P2 grants. Additionally, applicants access RACERS to complete and submit grant project applications and upload the required supporting documentation. *See DCNR BRC Policy Grant Application Review*, October 27, 2021.

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major deficiencies also require email notification to the DCNR LWCF coordinator at the central office. This would include conditions that make the site unsuitable for outdoor recreation use, which could require further discussions with the central office to consider possible conversion according to DCNR's Acquisition Conversion Process Policy (LWCF).<sup>30</sup>

If DCNR determines that all or part of an LWCF project site is no longer available for the intended purposes when the LWCF grant funds were awarded, DCNR must obtain U.S. NPS approval to convert the project sites to a different use. For example, converting a public swimming pool to a passive public park. DCNR must also submit a list of LWCF post-completion site inspections completed each year to U.S. NPS.

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<sup>30</sup> DCNR BRC Policy 2300-002, *Conversion of Property Interests Acquired or Developed with Federal Land and Water Conservation Funds (LWCF)*, November 29, 2022.

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#### **Finding 1 – While DCNR claims its C2P2 grant award process is competitive, certain grants were not competitively awarded. Opportunities exist to enhance accountability and transparency in DCNR’s grant award process.**

The Pennsylvania Department of Conservation and Natural Resources (DCNR) awards grants to local governments, municipalities, non-profit entities, and other community-based organizations through the Community Conservation Partnerships Program (C2P2) for eligible projects, as described in the *Introduction and Background*. We reviewed DCNR’s C2P2 grants awarding process administered through its Bureau of Recreation and Conservation (BRC) during the period July 1, 2021, through June 30, 2023.

DCNR structured the program to competitively award most types of C2P2 grants.<sup>31</sup> It publicized the competitive nature of the grants program in its promotional documents, grant manual, and grant workshop videos.<sup>32</sup> DCNR established grant application submission periods and an application review process with defined evaluation scoring criteria to allow for an objective assessment of every applicant and associated project, which are consistent with a competitively awarded grants program. However, we found that DCNR also included vague and ambiguous language in its grant manual and standard operating procedures (SOPs)<sup>33</sup> that allows it to use discretion when awarding the grants, which hampers the nature of a competitively awarded grants program.

Based on interviews with DCNR management regarding its process for awarding grants along with our review of 40 selected grants awarded during the audit period as described later in this finding, we identified instances when DCNR management used discretion to award grants outside of the established competitive process, which is intended to evaluate projects and award grants competitively and objectively based on the merits of each project. We reported a similar issue in the prior audit report dated December 19, 2013.<sup>34</sup>

According to the *Standards for Internal Control in the Federal Government*, issued by the Comptroller General of the United States, management’s ability to override controls provides an

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<sup>31</sup> DCNR delineates an annual grant application submission period for all C2P2 project types, except for Peer Program and Circuit Rider grants, for which DCNR accepts applications year-round. It also established a scoring and ranking process to evaluate and recommend grant applications. See additional details on the types of C2P2 grants and the application submission periods in the *Introduction and Background*.

<sup>32</sup> DCNR C2P2 *Grant Manuals 2021, 2022, and 2023*; <https://www.youtube.com/watch?v=ae3NZNITOUA> (accessed July 22, 2024). NOTE: At the time of audit report release, DCNR had removed the 2023 grant workshop video from YouTube, replacing it with a newer version.

<sup>33</sup> DCNR C2P2 *Grant Manuals 2021, 2022, and 2023*.

<sup>34</sup> See additional information in the *Status of Prior Audit Findings*.

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opportunity for, and *increases the risk of fraud, waste, or abuse*.<sup>35</sup> The standards also cite the importance of management's role to lead by example and set the tone for an organization's integrity and ethical values. This is fundamental to an effective internal control system.

We found that DCNR management made discretionary decisions to award certain grants, as follows:

- DCNR accepted grant applications submitted late and awarded grants for those projects.
- DCNR awarded grants to lower-ranked projects instead of higher-ranked projects.
- Executive management awarded grants for certain projects regardless of BRC's recommendations and project rankings, which may have been the result of outside influence or pressure.

To evaluate DCNR's C2P2 grant award process in accordance with applicable policies, we judgmentally selected three grant rounds held within the audit period and requested that BRC management provide the lists of ranked projects used to select the grants awarded during those rounds. The following table identifies the three grant rounds we selected and presents the population of grants with the total amounts awarded for all project types except Peer and Circuit Rider grants, which DCNR awards year-round:<sup>36</sup>

Selected C2P2 Grant Rounds			
Grant Round	Grant Application Period	Grants Awarded	Amounts Awarded
27	January – April 2021	298	\$63,973,379
28	January – April 2022	331	\$73,093,012
28.6	September – October 2022	97	\$33,299,000
		<b>726</b>	<b>\$170,365,391</b>

*Source: Developed by Department of the Auditor General staff from DCNR grant round documents and lists of awarded grants provided for the audit period.*

DCNR uses the Recreation and Conservation Electronic Records System (RACERS) to manage all C2P2 grant activities including application scoring, records retention, and grants processing. DCNR provided a spreadsheet of all projects in the RACERS database applicable to the grant rounds held during the audit period. We analyzed the project data and other DCNR documents to

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<sup>35</sup> U.S. Government Accountability Office. *Standards for Internal Control in the Federal Government*. September 2014.

<sup>36</sup> Using auditor's judgment, we selected three out of seven grant rounds held during the audit period that had selected grants publicly announced. Therefore, Grant Round 29 (January – April 2023) was not included because grants selected from that round were not announced until after the audit period. We selected the largest three grant rounds by number of projects and dollars awarded.

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identify anomalies and potential noncompliance with DCNR’s policies. As shown in the following table, we grouped the population into four specific characteristics to judgmentally select 40 grants for our review:<sup>37</sup>

Grants Selection Criteria	Grants Population	Grants Selected
Late Applications	5	5
Lower Score Project Selected Instead of Higher Score Project	232	16
Projects Added by Executive Management	28	7
All other grants awarded	461	12
<b>Total</b>	<b>726</b>	<b>40</b>

*Source: Developed by Department of the Auditor General staff from DCNR grants data and other grant award process related documents.*

For each of the 40 grants selected, we reviewed the project scores and BRC’s ranking, grant application submission dates, and other data maintained in RACERS. We also reviewed BRC’s summary notes and other documents for each grant round to determine which projects BRC recommended for a grant, and which were not recommended but DCNR executive management selected to receive a grant. Based on our analysis, we found that DCNR awarded 6 of the 40 grants competitively according to its grant manual and SOPs without exception. However, from our review of the remaining 34 grants, we discovered that DCNR management used discretion to award certain grants as noted above and described in detail in the sections that follow.<sup>38</sup>

### **DCNR accepted grant applications submitted late and awarded grants for those projects.**

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For the majority of C2P2 grant types, DCNR establishes an application submission period of approximately two or three months to provide applicants time to prepare grant applications, gather documents supporting the project, and electronically submit their applications using DCNR’s online grants portal. After the submission deadline, BRC begins the application/project evaluations and scoring process for the population of applications received.

Whenever entities submit applications late through DCNR’s online grants portal, they are held in a queue requiring DCNR action to accept or reject them. We found that during the audit period

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<sup>37</sup> We used auditor’s judgment to select 40 grants to ensure coverage of the three grant rounds, different funding types, and geographic regions of the commonwealth. We also target selected grants with certain characteristics that appeared abnormal during our analysis. For example: awarded grants with applications submitted after the submission deadline; lower ranked projects awarded instead of higher ranked projects; and grants for projects added by DCNR’s executive management.

<sup>38</sup> Of the 40 projects reviewed, a project may fall into more than one of the bulleted issues.

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DCNR awarded grants to five applicants that had submitted applications after the application submission period deadline. We determined that three applications were submitted the day after the submission period closed, one was submitted 36 days after the deadline, and one was submitted 91 days late. DCNR accepted, scored and ranked the late applications, and ultimately awarded grants for these projects.

BRC management explained this discretionary practice by stating that its authority to accept late applications was based on a long-standing practice of reviewing each late submission on a case-by-case basis with DCNR executive management. Although the grant manual and Grant Application Review SOP in effect when the five late applications were accepted did not address this practice, DCNR subsequently added the following language to its updated SOP:

*Late submissions will be accepted at the discretion of the [BRC] Director. Late submissions may be accepted for reasons related to system failures and technical difficulties.*<sup>39</sup>

We note, however, that the new SOP language does not require documenting the rationale for accepting late application submissions, which is essential to maintain the integrity of a competitive program.

A competitive grant award process requires adherence to a defined application submission period. Accepting applications after the submission period ends could result in the unfair treatment of other applicants who followed the stated guidelines and submitted timely. By using its discretion to accept the late applications and award grants, DCNR management may have excluded other applicants who submitted timely applications from receiving grants because the available funds had been awarded. Consequently, DCNR management undermined the competitive nature of the C2P2 program. Applying different rules for different applicants lessens transparency and could diminish public confidence that DCNR operates a competitively awarded program.

### **DCNR awarded grants to lower-ranked projects instead of higher-ranked projects.**

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DCNR annually publishes the C2P2 grant manual that describes the process for receiving and evaluating grant applications/projects and awarding C2P2 grants. It includes how BRC staff review, score, and rank grant applications to identify which projects BRC will recommend for a DCNR grant award. Two BRC staff separately evaluate and score each application/project using

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<sup>39</sup> DCNR *Grant Application Review SOP*, February 2, 2023. DCNR maintains this SOP to guide BRC's review of C2P2 grant applications/projects.

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the specific criteria and associated point values defined in the scoring guidance documents.<sup>40</sup> An average project score is calculated. The applications/projects are grouped by project type and ranked from highest to lowest score.

DCNR's grant manual states that *the highest scored projects will be selected for funding until available funds are exhausted*.<sup>41</sup> Prospective applicants use the manual as a resource to develop a grant application to help fund specific community recreation and conservation projects. DCNR's Grant Application Review SOP guides BRC's grant application/project review. However, the results of our audit procedures indicated that DCNR management applied discretion to select certain projects contrary to the determined rankings.

We found DCNR did not adhere to its project rankings for 26 out of the 40 projects we reviewed. These 26 projects had lower scores than other projects which DCNR did not award a grant.<sup>42</sup> We questioned BRC management about these 26 projects to determine the reasonableness of DCNR's rationale for awarding grants for these projects instead of higher scored projects and whether its rationale was adequately documented.

- For 16 of the 26 projects, BRC stated that cumulatively, 34 higher scored projects were not selected because those projects had Ready-To-Go issues, meaning that not all required elements were present to allow a project to proceed. We requested the BRC scorecards for the 34 projects to verify that the evaluators scored the projects accordingly for the Ready-To-Go scoring category, which has a maximum score value of 15 points. We determined that 27 of the 34 projects BRC claimed to have Ready-To-Go issues received the maximum score of 15 points by both BRC evaluators, which did not support BRC's claim. We further inquired about the contradiction between DCNR's explanations and the evaluators' scores. Management provided additional responses to explain why it selected the lower-scored projects but did not provide supporting documents. Without adequate documentation, we could not verify the accuracy of its responses.

After we reviewed the Ready-To-Go scoring for the projects noted above, we also evaluated the Ready-To-Go scores for all of the 40 awarded projects we tested and found that 11 had a Ready-To-Go score of 0 on the BRC scorecards. BRC developed Ready-

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<sup>40</sup> See DCNR's C2P2 Application Scoring Guidelines described in *Appendix D*. Projects' total scores were included with the project data from the RACERS database, which we determined sufficiently reliable for our purposes. However, we reviewed the individual scoring criteria scores used to calculate a project's total score on project scorecards that DCNR provided separately. We concluded that the individual scoring criteria scores were of undetermined reliability, but sufficient for the purposes of our review, and that there is sufficient evidence in total to support our finding and conclusions.

<sup>41</sup> DCNR C2P2 *Grant Manuals 2021, 2022, and 2023; C2P2 Grant Program Requirements and Guidelines*, Fiscal Years 2022 and 2023.

<sup>42</sup> See a project scoring comparison of a lower-scored project DCNR selected with a higher-scored project not selected in *Appendix E*.



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To-Go checklists that its evaluators use to determine the readiness of each project reviewed. Each checklist is included in the grant manual and contains the statement:

***Only projects that are Ready-To-Go will be given consideration for grant awards.***<sup>43</sup>

In response to our questions about the inconsistency with the grant manual directives, BRC management stated that the statement on the checklists in the grant manual is *not consistent* with its actual practice and will consider amending it in the future to state that:

***Projects that are ready-to-go will be given priority consideration.***

Management explained that *broader* Ready-To-Go factors and other information are considered to make project recommendation decisions. In response to questions about BRC's assessment and assigned scores for specific projects, management further explained that ***there are additional elements considered that are not included on BRC's checklist and scoring used to assess the degree to which a project is 'ready-to-go.'*** Management noted a few examples of the additional elements with 'etc.' at the end of the list, which suggests that a complete list of additional elements is undefinable. Applying *broader* factors or criteria that are not defined and assigned a point value, or included in the project scoring and ranking adds subjectivity to the grant award process. That information would be important for prospective grant applicants to understand and would provide objectivity in the grant award process. DCNR's responses illustrate how it made discretionary decisions to award certain C2P2 grants that were inconsistent with a competitively awarded grant program.

- For 8 of the 26 projects, management stated that it awarded grants to those lower-scored projects because the projects met one or more of the targeted priorities for grant round 28.6, which was held in the fall of 2022 after DCNR received funds through the American Rescue Plan Act.<sup>44</sup> Examples of the targeted priorities included projects within communities determined as high/medium access need communities, underserved communities on the Pennsylvania Department of Community and Economic Development's *Designated Distressed Communities List*, small communities with populations of 5,000 or less, and land acquisition projects that provide habitat corridors or protect headwaters that improve local climate resiliency. Although DCNR maintained chronological notes to document the project selection process for each grant round, the notes did not sufficiently explain DCNR's justification for selecting lower-scored projects instead of higher-scored projects.

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<sup>43</sup> Ibid.

<sup>44</sup> The U.S. government enacted the American Rescue Plan Act of 2021 to provide relief from the economic impact of the COVID-19 pandemic. DCNR established grant round 28.6 to utilize the available funding within defined constraints and stringent timeframes. See additional information in *Appendix C*.

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One of these eight projects received a lower score than 16 other unfunded projects of the same type. As noted above, BRC management explained that the project satisfied one or more of the DCNR targeted priorities for grant round 28.6. After we could not identify which targeted priority was satisfied, BRC management stated that the project site was *a few blocks* from high/medium recreation access need neighborhoods, which was a priority for that grant round. This example illustrates how DCNR exercised its discretion to award a grant for a specific project without adequately documenting the justification for disregarding the established competitive project rankings or including targeted priorities within its scoring and ranking process to ensure objectivity.

Management explained that DCNR used the targeted priorities as a final determining factor *after the normal scoring/ranking process* to select the projects for a grant award. Therefore, certain projects *moved to the top of the list according to those priorities without extra points assigned*.

Although DCNR's grant manual and SOP describe the specific criteria used to evaluate the applicants' projects, they also note that *in rating a project application, the BRC may consider other factors for selection such as regional priorities, regional demand and demonstration projects*.<sup>45</sup> The manual and SOP do not further define these *other factors*, or how they are applied. In other words, DCNR may use discretion to consider other factors that could determine whether a project is selected for a grant.

- For one project, DCNR's response indicated that two higher scored projects did not address priorities of the Rivers program, which involves physical improvements to waterways that restore and enhance the cultural, ecological, and recreational aspects of the resource.<sup>46</sup> DCNR, however, did not provide documentation to support this response.
- For one project, DCNR confirmed that a higher scored project was not selected but did not provide an explanation to justify why this lower-scored project was selected instead.

The lack of adequate documentation to support DCNR's discretionary decisions to award grants for certain projects contrary to BRC's rankings weakens the appearance of objectivity of DCNR's C2P2 grant awarding process. We emphasize, however, that while maintaining adequate documentation to support its discretionary decision-making would improve transparency and accountability, awarding grants contrary to BRC's rankings undermines the intent of a competitively awarded grants program.

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<sup>45</sup> DCNR C2P2 Grant Manuals 2021, 2022, and 2023; DCNR Grant Application Review SOP, October 27, 2021.

<sup>46</sup> DCNR C2P2 Grant Manual 2022.

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#### **Executive management awarded grants for certain projects regardless of BRC’s recommendations and project rankings, which may have been the result of outside influence or pressure.**

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For each grant round, BRC prepared projects list for the DCNR Secretary and Deputy Secretary’s review, which included its recommendations to select or not select each project.<sup>47</sup> This occurred after BRC had scored and ranked the projects.<sup>48</sup> BRC staff first met with the Deputy Secretary to discuss the projects list. At that time, the Deputy Secretary may instruct BRC to change its recommendation for specific projects based on available funding, DCNR priorities, etc., regardless of BRC project rankings. A revised projects list is then presented to the Secretary for review, at which time further changes may be made at the Secretary’s discretion. Although BRC provided the summary notes created for the grant rounds, most notes did not have sufficient information to allow an independent reviewer to understand the rationale for the changes. Some of the notes appeared to indicate that changes were the result of outside influence or pressure.

For our selection of 40 projects to review, we traced each project to the BRC list of recommended projects, and the revised lists compiled after the DCNR Deputy Secretary and Secretary’s review. We found that despite BRC’s recommendation to NOT award grants for 7 of the 40 projects as a result of its evaluation and ranking process, all 7 received a C2P2 grant. We determined from other BRC documents that the Deputy Secretary added six of these projects and the Secretary added one to DCNR’s approved projects list. Although the documentation indicated when the projects were added, it did not include the rationale for adding six of the seven projects and for discounting BRC’s recommendations that the projects NOT be awarded a grant.

We found that when DCNR executive management added projects, BRC would add a note to document the change in RACERS. However, it did not adequately document the reasoning supporting those decisions. The standard note states, ***“In consultation with Deputy [Name], this project is now Rec for Fund.”*** The lack of specific reasons to justify why projects that BRC did not recommend for a grant, but DCNR executives selected to disregard the established competitive award process and fund anyway erodes the credibility of a competitive grants program and reduces the objective nature of DCNR’s decisions. Without objectivity as the basis for selection, DCNR’s grant awarding process is susceptible to subjectivity and bias, which could undermine public confidence that the C2P2 grants are competitively and objectively awarded to the most appropriate applicants.

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<sup>47</sup> BRC categorizes each project on the lists as; Recommend for funding; Recommend not select; High value project; or Hold for funds. High value projects are desirable projects; however, an issue exists that must be resolved before awarding a grant. Hold for funds projects may be moved to recommend for funding if additional funding becomes available.

<sup>48</sup> See DCNR’s C2P2 grants awarding process in *Appendix F*.

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We found the following circumstances during our review of DCNR's C2P2 application/project review documents which appear to indicate that certain DCNR decisions to award or not award grants may have been decided based on outside influence or pressure:

- **BRC met with DCNR executive management to review project lists sorted by the legislative districts and legislators' names associated with each projects' location before meeting to finalize the project lists to send to the Governor for concurrence.**

As previously described, BRC staff held internal meetings to create the list of projects it recommended to receive grants and projects not recommended based on the project rankings for the three grant rounds reviewed. BRC maintained summary notes for each grant round to document in chronological order the internal meetings, as well as other grant round information. We found that the summary notes included a meeting between the BRC Director and DCNR executive management to review project lists sorted by the Pennsylvania House of Representatives and Senate members' districts according to the project locations. According to BRC's scoring guidance documents, this information was not part of its project evaluation criteria used to score and rank the projects. These meetings took place before the meetings to finalize the project lists to be sent to the Governor for concurrence. The sorted project lists and evidence of a special meeting with executive management could lead a reasonable person to infer that management considered whose legislative districts would receive grants. The appearance of potential outside influence or pressure in the selection of certain projects erodes the credibility of DCNR's claim that it awarded grants in an objective and equitable manner.

- **DCNR executive management decided not to award a grant for a project after the Governor's approval.**

After comparing DCNR's approved projects list for grant round 28.6 and the grants announcement list released on January 12, 2023, we discovered a project included on DCNR's list of recommended projects to fund sent for the Governor's concurrence was not on the grant awards announcement list. DCNR management explained that it removed the project from the list after the Governor approved the grant. BRC management provided a January 2023 email from the DCNR Deputy Secretary stating that...*I have decided to not award this grant at this time. [BRC Director, DCNR Secretary] and I just discussed. We will work over the next few months to shore up support for this important project, but the timing right now is not appropriate.* While the email did not specify the actual reason for removing the project from the approved list, we noted that the subject line, "*RE: Strategy on Sen [Senator's name]*", suggested that DCNR's decision may have been made based on political factors. Regardless of DCNR management's reasoning, this example illustrates how DCNR management used its discretion to not award a grant despite being evaluated, scored, ranked, and recommended for a grant by BRC, and approved by the Governor. Willfully disregarding

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the established grant award process annuls the objectivity and competitive nature of the program.

- **BRC’s meeting notes indicated that DCNR executive management instructed staff to select a project because it was located within a specified legislator’s district and another project was selected for noted political value.**

According to summary notes from a BRC Director’s meeting with the DCNR Deputy Secretary, we found two examples of discretionary decision-making made outside of the competitive process after this meeting: 1) BRC was instructed to “...*Pick one of the three projects and an amount...*” within the legislative district of a specific state representative and “...*Make sure it is a clean project and plug it in...*”. Although the note also indicated that BRC “...*staff were not comfortable with...*” one of the projects, DCNR awarded that project a \$50,000 grant; 2) There was a project that BRC initially listed as ‘Hold for Funds’ and noted that it was “...*a good project with political punch...*,” which was subsequently added to the selected list.<sup>49</sup> DCNR awarded a \$440,000 grant for that project.

Both of these examples demonstrate that DCNR used its discretion to award grants based on the project’s location within a certain legislator’s district and/or its political value, and not solely on the merits of the project, which contradicts a competitively awarded grants program.

To determine how frequently DCNR awarded grants for projects BRC did not recommend after completing the evaluation and scoring process, we compared the projects that received grants during the 27, 28, and 28.6 rounds to BRC’s initial project lists showing which projects it recommended/did not recommend for grants prepared for DCNR executive management’s review. The following table shows our results by grant round:

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<sup>49</sup> Projects BRC listed as ‘Hold for Funds’ may be selected for grants if additional funding becomes available.

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Round	Grants Awarded	Projects BRC did NOT Recommend but DCNR Executive Management Awarded a Grant*	
		Grants	Amount
27	298	10	\$2,779,600
28	331	4	\$965,000
28.6	97	14	\$2,597,800
<b>Total</b>	<b>726</b>	<b>28</b>	<b>\$6,342,400</b>

\* - Although the grants and awarded amounts were included with the project data from RACERS, which we determined sufficiently reliable for our purposes, the accuracy and completeness of BRC's project lists are of undetermined reliability, *see Appendix A*. We concluded, however, based on our review that they were sufficient for our purposes and there is sufficient evidence in total to support our finding and conclusions.

*Source: Developed by Department of the Auditor General staff from RACERS data and BRC project lists.*

The table shows that DCNR awarded more than \$6.3 million and approximately 3.9 percent of the total grants for projects that BRC did not recommend based on its evaluations, but executive management used its discretion to approve. As previously noted, DCNR did not always adequately document the rationale for selecting certain projects contrary to BRC's recommendations. The C2P2 grant awarding process should be accountable, transparent, and adhere to publicly stated, established procedures to be an equitable, competitive process.

### Overall Conclusion

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DCNR's C2P2 grant awarding practices are inconsistent with the competitive grant award process described in its grant manual and the grant workshop video used to promote the C2P2 grant program. Regardless of how DCNR portrays the competitive nature of its grants process, DCNR management overrode its own publicly stated process through use of discretion in the selection of certain projects that were funded regardless of and sometimes contrary to BRC's project scoring and rankings, which at times appeared to be the result of outside influence or pressure. These practices undermine objectivity, accountability, and transparency which could result in unfair treatment of certain applicants and diminish public trust.

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#### **Recommendations for Finding 1**

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We recommend that the Department of Conservation and Natural Resources:

1. Improve the C2P2 grant award process to ensure grants are awarded competitively by:
  - a. Only considering grant applications submitted prior to the established application submission deadlines.
  - b. Amending its grant manual to more accurately reflect the actual awarding processes and practices in place for selection of projects for C2P2 grant awards.
  - c. Specifically outlining and defining in the grant manual any other factors, such as targeted priorities, that DCNR intends to apply during the application/project evaluation process and incorporating them into the project scoring system to ensure they are objectively and consistently considered for every applicant and adequately documented.
2. Change current practices to eliminate the appearance of outside influence or pressure during the project selection process, such as removing the legislative districts from BRC's lists of projects recommended/not recommended for selection and not holding special meetings to review information that appears to inject bias and/or political pressures into the grant selection process.

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#### **Finding 2 – DCNR improved its monitoring of C2P2 grant expenditures and should continue to evaluate its procedures to identify and implement changes that strengthen its grants process.**

The Pennsylvania Department of Conservation and Natural Resources (DCNR) awards Community Conservation Partnerships Program (C2P2) grants for community recreation and conservation projects, as described in the *Introduction and Background*. DCNR's Bureau of Recreation and Conservation (BRC) is responsible for administering the C2P2 grants program. Our procedures included a review of BRC's files for grants that closed during the period July 1, 2021, through June 30, 2023. Our review of grant project documents for a selection of projects that closed during the audit period described later in this finding indicated that DCNR improved its management of grant records as a result of completing its conversion to an all-electronic grant records management system; however, we found deficiencies with its hardcopy records.

DCNR's C2P2 grant process includes assisting entities in completing applications, selecting projects, and awarding grants, then monitoring project progress and completion. Projects may take several years to complete depending on the project type and size. DCNR monitors grantees' performance as they complete projects to ensure compliance with the grant agreements. BRC staff oversee the submission of progress reports and perform project site inspections for certain C2P2 projects, as stipulated by applicable laws, regulations, and guidelines. We designed procedures to determine whether DCNR adequately monitored C2P2 grants to ensure project expenditures were accurate and adequately supported, as well as that the grant funds were used for the intended purposes.

Based on the results of our procedures, DCNR's implementation of the Recreation and Conservation Electronic Records System (RACERS) as the official record for the C2P2 grants as of October 2021, has improved its oversight of grant expenditures.<sup>50</sup> RACERS enabled applicants to submit required grant documents electronically through DCNR's grant portal, such as project documents and grant payment requests. DCNR assigns project managers to oversee and monitor the grantees' progress. They provide grant management, oversight, and grantee guidance from the execution of the grant agreement through grant closeout. It is the responsibility of the DCNR project managers to ensure files are properly maintained in RACERS. As described later in this finding, we found no discrepancies with the grant project files we reviewed that were maintained electronically in the RACERS database. The files included copies of invoices and cancelled checks to support the expenditures.

DCNR has grantee guidance documents and BRC standard operating procedures (SOPs) to manage the C2P2 grants. Each C2P2 project type involves specific application requirements and DCNR monitoring requirements as outlined in the BRC grant manual. The manual is available to

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<sup>50</sup> DCNR *Grant Project Records Filing SOP*, October 27, 2021.



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potential applicants prior to each grant application submission period. After DCNR selects projects to fund, it publicly announces the grant awards and executes agreements with the selected grantees. According to DCNR, it typically executes grant agreements approximately nine months after the grant application submission period ends and project activities start about six months later.

Grantees submit requests for payments through the DCNR grant portal according to the grant agreements. Project managers are responsible for verifying that incurred costs are eligible and approving payment requests. DCNR designates a grant as closed after it disperses the final grant payment and issues a grant closeout letter to the grantee.<sup>51</sup>

According to DCNR's grant agreement terms and conditions, grantees are required to maintain grant records for three years and make them available upon request. This is consistent with its grant project management SOPs for certain project types, which DCNR revised since the prior audit released in December 2013. However, DCNR's grant project management SOPs for other project types require grantees to submit copies of invoices and canceled checks with their final payment requests.<sup>52</sup> DCNR also developed a list of required grantee documents to be submitted through the grant portal, which includes project-specific documents and invoices to support the grant expenditures for *certain* project types.<sup>53</sup>

While we agree with the revised SOPs and commend DCNR for requiring grantees to submit supporting documents for certain projects, accepting only summary lists of expenditures for other project types may be sufficient if DCNR periodically conducts reviews of actual project documents on a sample basis. A review of invoices, canceled checks, and other similar documentation provides more credible evidence and stronger support for eligible grant expenditures than spreadsheets containing summary information.

To conduct our audit procedures, DCNR provided a list of 412 projects from RACERS that closed between July 1, 2021, and June 30, 2023.<sup>54</sup> We judgmentally selected 40 closed projects to review DCNR's grant files and determine whether C2P2 grant expenditures were adequately supported and used for their intended purposes.<sup>55</sup>

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<sup>51</sup> DCNR *Payment Request Process SOP*, October 27, 2021.

<sup>52</sup> DCNR *Development Grant Project Management SOP*, October 27, 2021.

<sup>53</sup> DCNR *Grant Project Records Filing SOP*, October 27, 2021.

<sup>54</sup> DCNR provided a list of 412 projects totaling \$64,154,314, with a closed status in RACERS. The accuracy and completeness of the closed projects list that DCNR management provided us is of undetermined reliability, *see Appendix A*. We concluded, however, based on our review that it was the best source of information for our purposes and there is sufficient evidence in total to support our finding and conclusions.

<sup>55</sup> Using auditor's judgment, we selected 40 grants from DCNR's list of closed projects compiled from RACERS. We prorated our selection according to the percent of total grant dollars by project type. We also considered the grant round, funding type, and projects' region to ensure coverage of those areas.

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Although these projects closed during our audit period, 26 out of 40 were awarded in grant rounds prior to DCNR's transition to maintaining all project documents electronically in RACERS. For those 26 projects, hardcopy documents were maintained in file folders at DCNR's central office. For the remaining 14 projects maintained electronically, DCNR provided read-only access to the RACERS database for those specific grant projects.

We found that DCNR adequately maintained required grant project documentation, including copies of grantee invoices and canceled checks, for the 14 closed grants maintained electronically in RACERS. However, the hardcopy records for the other 26 closed grants were inconsistent. Although we found sufficient hardcopy grant documentation for 20 of the 26 closed grants, we also found a lack of adequate documentation to support the grant expenditures for 6 projects, as follows:

- **Five project files** lacked adequate supporting documentation for the grant expenditures. The hardcopy files contained spreadsheets with summary information about the grant expenditures without supporting documentation, such as copies of invoices or time records to support payroll expenses. These five grants involved education projects by conservation and heritage organizations, and the other involved riparian forest buffer projects in six counties. DCNR accepted the summary spreadsheets and stated that the grant agreements require grantees to retain project documentation for three years and make it available to DCNR upon request.
- **One project file** did not have evidence that DCNR approved the project design, typically included in a letter to the grantee. Upon inquiry, DCNR management stated that there was no separate approval for the project design and claimed that the final project approval served to document approval for the entire project. While we understand the final project approval would inherently include project design, we emphasize that maintaining DCNR's approval for a project to proceed after reviewing the grantee's design documents provides evidence of DCNR's oversight to ensure grantees complete projects according to the grant agreements.

Additionally, we reviewed the 40 selected grants to ensure DCNR adequately monitored grantee performance through its progress review and inspection process. Similar to the above, we found no issues with the project documentation for the 14 closed grants maintained electronically in RACERS. Additionally, we found sufficient project documentation for 6 of the 26 closed grants with hard copy records. However, we found the following exceptions for the remaining 20 grants with hardcopy records:

- **19 project files** lacked evidence that DCNR staff held an initial project call/meeting with the grantee, as required in the grant project management SOPs. The other seven project files included documentation of initial call/meetings on hardcopy grant project checklists. DCNR management stated that checklists were not maintained in hardcopy files at the

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time these grant projects were awarded even though it was included for seven projects we reviewed. We found electronic project checklists for all 14 projects maintained on RACERS, which contained documentation of an initial project call/meeting. Therefore, the implementation of RACERS appears to mitigate the inconsistencies found with the hardcopy records.

- **One project's file** did not contain a signed construction contract. We requested the missing document, but DCNR management stated that it could not be located.

Although we identified the deficiencies described above with its hardcopy files, we found no deficiencies with the electronic grant records for any grant maintained in RACERS. Therefore, DCNR's transition to electronic files has improved its management of the C2P2 grants process and monitoring of grant expenditures. Continuing to evaluate its policies and procedures, as outlined in, among others, its grant manual, to identify and adjust its practices will further strengthen and improve its process.

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### Recommendations for Finding 2

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We recommend that the Pennsylvania Department of Conservation and Natural Resources:

1. Amend its Grant Project Management SOPs and grant agreements to require grantees to electronically submit sufficient documentation to support all grant expenditures, including payroll expenses, for *every* type of project, or conduct periodic reviews of actual grant expenditure documents on a sample basis for projects for which the DCNR only requires the submission of a summary listing of invoices.
2. Ensure project files are complete with all required documentation, including but not limited to copies of invoices, project approval letters, and signed construction contracts.

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#### **Finding 3 – Despite some monitoring improvements with LWCF-funded C2P2 grant projects, DCNR failed to adequately oversee inspection, documentation, and reporting requirements.**

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The Pennsylvania Department of Conservation and Natural Resources (DCNR) awards grant funding to local governments, municipalities, non-profit organizations, and other community-based organizations through the Community Conservation Partnerships Program (C2P2) for eligible projects, as described in the *Introduction and Background*. DCNR receives the grant funds it distributes from several federal and state sources. One source of federal funds is authorized through the Land and Water Conservation Fund (LWCF) Act of 1965.<sup>56</sup> The U.S. National Park Service (U.S. NPS) within the U.S. Department of the Interior administers the LWCF State Assistance Program and promulgates the policies and guidelines states must follow to award LWCF grant funds.

DCNR’s Bureau of Recreation and Conservation (BRC) administers the C2P2 grant program. BRC staff evaluate grant applications to select which projects to fund and choose which funding source is used. Because the use of LWCF funding must meet specific requirements, BRC staff considers certain characteristics of a project and the applicant to ensure a good fit. BRC is responsible for monitoring the projects and assisting grantees to maintain compliance with the U.S. NPS regulations for all LWCF-funded projects in perpetuity.<sup>57</sup> BRC conducts periodic inspections of project sites to satisfy its responsibilities.

DCNR provided a list of 1,338 inspections conducted between March 7, 2016 and August 1, 2023, tracked for sites associated with 1,152 LWCF-funded projects from its Geographic Information Systems (GIS) collector application (collector app) database.<sup>58</sup> According to its Site

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<sup>56</sup> LWCF of 1965. See 54 U.S.C. § 200301 *et seq.* (Public Law 88–578[1965], 78 Stat. 897, as updated by Public Law 113-287, 128 Stat. 3171[2014]). See 54 U.S.C. § 200301 *et seq.* According to the Congressional Research Service, the LWCF Act “was enacted to help preserve, develop, and ensure access to outdoor recreation resources. The law created the Land and Water Conservation Fund...in the Department of the Treasury as a dedicated funding source to implement its stated outdoor recreation goals. Similar to other special funds in the federal budget, the LWCF is an accounting mechanism to link dedicate receipts with the spending of those receipts.” See <https://ersreports.congress.gov/product/pdf/IF/IF12256> (accessed August 1, 2024).

<sup>57</sup> According to U.S. NPS policy, LWCF projects may become obsolete and require actions by the grantee in coordination with DCNR to convert the use of the site. Specific guidelines must be followed to complete a site conversion. Additionally, LWCF requirements no longer apply for project sites on leased property after the leases expire. DCNR notifies U.S. NPS when the leases expire.

<sup>58</sup> DCNR uses the Geographic Information Systems (GIS) collector app to inspect LWCF-funded project sites as required by U.S. NPS policy. Some LWCF projects involve grant funding for work at multiple site locations, such as different parks within a municipality, borough, or city. We reconciled DCNR’s collector app list with the LWCF projects on its Recreation and Conservation Electronic Records System (RACERS) database to identify the population of 1,152 LWCF projects. The accuracy and completeness of the collector app list is of undetermined reliability, see *Appendix A*. We concluded, however, based on our review that it was sufficient for our purposes and there is sufficient evidence in total to support our finding and conclusions.

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Inspection Policy/Site Observation SOP (Site Inspection Policy), BRC regional staff use the collector app on smartphones or other electronic devices to conduct post-completion site inspections of LWCF project sites within their regions.<sup>59</sup> BRC electronically maintains the inspection documentation and must report its annual inspection activities to the U.S. NPS by September 30 each year.

Based on the results of our procedures described later, we found that DCNR failed to fully comply with U.S. NPS and its own policies related to LWCF-funded C2P2 projects. Specifically, DCNR's inadequate oversight of its LWCF monitoring activities resulted in the following issues. During the audit period, DCNR failed to:

- Conduct post-completion site inspections within the five-year timeframe for 47 LWCF projects.<sup>60</sup>
- Report 85 LWCF post-completion site inspections to the U.S. NPS conducted during the fall of 2021.
- Maintain adequate LWCF post-completion site inspection documentation.

According to U.S. NPS policy, DCNR must conduct post-completion site inspections within five years after the LWCF projects' final billing *and* at least once every five years thereafter.<sup>61</sup> The inspections should consider the retention and use of the property, the property's appearance, maintenance, management, availability, and proper signage. BRC's Site Inspection Policy details the site inspection process and what documentation DCNR must maintain. As noted above, BRC regional staff schedule and conduct the inspections using the collector app on a smartphone to complete an inspection form, which automatically uploads the information to the BRC database. The inspections require site photos to be taken and maintained. DCNR must notify the grantee of the inspections' results in a follow-up letter within 30 days after completion. BRC's policy also outlines specific procedures for reporting and resolving major and minor deficiencies found during the inspections.

### **DCNR failed to conduct post-completion site inspections within the five-year timeframe for 47 LWCF projects.**

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We compared the list of LWCF inspections from the collector app database to DCNR's Recreation and Conservation Electronic Records System (RACERS) used to manage the C2P2

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<sup>59</sup> DCNR Site Inspection Policy/Site Observation SOP, October 27, 2021.

<sup>60</sup> We noted that one additional post-completion site inspection became overdue between the end of the audit period and date of DCNR's collector app list (August 1, 2023).

<sup>61</sup> U.S. NPS LWCF State Assistance Program Manual, March 11, 2021.

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program and maintain project records. We reviewed 1,338 inspection dates related to 1,152 LWCF-funded projects on the collector app list and found 47 inspections that were overdue as of June 30, 2023. After reviewing the project details, we determined that all 47 inspection sites were in the southwestern counties of the state, within DCNR's Region 5.<sup>62</sup>

Upon inquiry, DCNR management stated that the issue occurred due to a lack of staff in that region. It explained that years prior an intern had inspected a majority of the LWCF sites in Allegheny County that caused them to be due at the same time, which coincided with the COVID-19 pandemic and the busiest grant cycle in the past ten years. Additionally, DCNR had only one regional staff person for Region 5. This indicates a weakness in DCNR's oversight of the regional staff's inspection activities and management of the inspection schedule, which resulted in noncompliance with U.S. NPS requirements.

Management stated that it assigned a group of staff to help complete the 47 overdue inspections. Although DCNR had overdue inspections, DCNR has improved its tracking of inspections by incorporating the collector app into its LWCF monitoring process and using RACERS for its C2P2 program management since we issued the prior audit report dated December 19, 2013.

### **DCNR failed to report 85 LWCF post-completion site inspections to the U.S. NPS conducted during the fall of 2021.**

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We reviewed the list of 1,338 LWCF inspections from the collector app and found DCNR conducted 616 inspections during the period July 1, 2021, through June 30, 2023. We compared them to the annual reports of inspections DCNR submitted to U.S. NPS for that period and discovered that DCNR did not report 85 inspections completed during the fall of 2021. Upon reviewing the annual inspection reports submitted, we found that the 2021 report listed the inspections completed by federal fiscal year (October 2020 to September 2021), while the 2022 report listed them for the calendar year 2022. Therefore, neither list included 72 inspections completed between September 21, 2021, and December 31, 2021, due to the incorrect reporting timeframe.<sup>63</sup> DCNR management confirmed that the inspections should be reported on a federal fiscal year basis and the timeframe of 2022 report was incorrect.

Additionally, we identified seven other inspections conducted in July and August 2021, and six in July, August, and December 2022, missing from DCNR's annual reports submitted to U.S. NPS. Management stated that the omission of the 85 inspections occurred due to clerical errors when it compiled the 2021 and 2022 lists for the U.S. NPS report submissions and the errors

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<sup>62</sup> See a map of the DCNR regions in *Appendix B*.

<sup>63</sup> To submit the NPS report by September 30, DCNR compiled the 2021 NPS report as of mid-September 2021, so 23 inspections completed between September 21-30, 2021, are included in the 72 inspections never reported from the fall of 2021.

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were not detected during its reviews. Management stated that the process used to produce, review, and submit the annual U.S. NPS LWCF inspections report is not documented as part of its Site Inspection Policy.

#### **DCNR failed to maintain adequate LWCF post-completion site inspection documentation.**

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From the list of LWCF post-completion site inspections completed between July 1, 2021, and June 30, 2023, we judgmentally selected 60 of the 616 inspections and reviewed the inspection documents maintained electronically in the RACERS database to evaluate compliance with U.S. NPS and DCNR policies.<sup>64</sup> We found DCNR did not maintain supporting documentation for certain inspections completed, while the documents for other inspections did not comply with DCNR policy.

Of the 60 inspection files we reviewed:

- 21 did not have a follow-up letter to the grantee maintained in the file.
- 22 had a follow-up letter dated more than 30 days after the inspection date.
- 4 had neither a follow-up letter nor photos of the inspection site.
- 2 had a follow-up letter dated more than 30 days after the inspection date and no photos of the inspection site.
- 1 did not contain photos of the inspection site.
- 10 had timely issued follow-up letters and photos of the inspection site maintained in the files.

DCNR management stated that U.S. NPS policy does not require site photos to be taken or letters sent to the grantees for the post-completion site inspections. We agree, however, DCNR's Site Inspection Policy requires the inspection to include site photos for the project file and that follow-up letters to the grantees be sent within 30 days of the inspection.

Although we commend DCNR for improving its tracking process for LWCF projects and inspections since the previous audit, it needs to continue to improve the oversight of the monitoring activities performed by its staff. The deficiencies and noncompliance described above indicate inadequate oversight of the staff's inspection procedures, documentation requirements, and federal reporting processes, which resulted in noncompliance with U.S. NPS and DCNR policies. Improvements to DCNR's oversight will benefit the C2P2 program and the communities the program serves.

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<sup>64</sup> Using auditor's judgment, we selected 60 of the 616 post-completion site inspections to ensure geographic coverage of the commonwealth.

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### **Pennsylvania Department of Conservation and Natural Resources Community Conservation Partnerships Program**

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#### **Recommendations for Finding 3**

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We recommend that the Pennsylvania Department of Conservation and Natural Resources:

1. Improve oversight of LWCF post-completion site inspections to ensure all inspections are conducted timely pursuant to U.S. NPS requirements.
2. Ensure that all LWCF post-completion site inspections are reported annually according to U.S. NPS policy.
3. Document the supervisory review process over LWCF post-completion site inspections to improve accountability and accuracy of the inspection records required to be maintained consistent with DCNR policy, including follow-up letters and site inspection photos.



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#### Status of Prior Audit Findings – Community Conservation Partnerships Program

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Our prior performance audit of the Community Conservation Partnerships Program (C2P2) administered by the Pennsylvania Department of Conservation and Natural Resources (DCNR) dated December 19, 2013, covered the period July 1, 2008, through June 30, 2013, and contained three findings with 14 recommendations. We present the status of those findings and recommendations in the sections that follow.

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#### Prior Year Finding 1 – Although the Process of Awarding C2P2 Grants has Improved, During 2012 DCNR Circumvented the Process and Awarded a \$250,000 Grant to a Grantee Who Did Not Apply (Partially Resolved)

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In our prior audit, we reviewed DCNR's Bureau of Recreation and Conservation's (BRC's) C2P2 awarding process for grants awarded during the fiscal years ended June 30, 2011, and 2013. We reported that DCNR lacked adequate documentation to validate whether selected projects were awarded on a competitive basis. Specifically, we found that its application review instructions did not require retention of evaluator scoring sheets, verification of scoring accuracy, or a requirement to document all project review meetings. We additionally reported that DCNR circumvented the scoring and vetting process to award a \$250,000 grant to a non-profit that did not apply for funding. Given an applicant cannot submit after the deadline, BRC management acknowledged that it submitted the application on the non-profit's behalf. BRC management indicated that this was allowed per the statement in Grant Program Guidelines stating, "Contingency funds may be used for projects that address emergency situations, provide unique opportunities, are innovative in nature or help meet special DCNR/commonwealth priorities." DCNR used this as the basis for disagreeing with some of our recommendations.

DCNR did not concur with our recommendations to:

- Not award C2P2 funding to any entities that did not timely apply for funding and did not have the project evaluated and scored.
- Maintain written justification for projects selected due to special reasons and establish a level of management needed to approve such projects.

DCNR responded that current program policies provided adequate guidelines. However, DCNR agreed with our recommendation to improve its application review instructions for future awarding cycles, specifically retaining scoring sheets, recalculating scoring sheets to ensure correct totals, and verifying the score is accurately entered onto the summary spreadsheet. Although DCNR disagreed with our recommendation to document all project review meetings because it would create a voluminous amount of documentation that would not add significant

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value to the process, it agreed to add a requirement to generate and retain documentation to substantiate the decision making and approval of projects at each DCNR senior management approval level.

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#### Status as of this audit for Prior Audit Finding 1

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Our current performance audit included an objective to determine whether DCNR complied with applicable laws, regulations, internal policies, guidelines, and manuals relevant to the awarding of C2P2 grant monies. We designed procedures to satisfy this objective, as well as conclude on the status of the prior year finding.

According to DCNR management, DCNR has not adjusted its policy for applicants that do not timely apply or provide written justification for exceptions, again stating that the current program policies provide adequate guidelines.

However, DCNR implemented a new Recreation and Conservation Electronic Records System (RACERS) that is an electronic grant management system to improve its application review and retention of applicable documents, as well as provide automatic tabulation to prevent calculation errors in grant project scoring. Documentation of various grant project review meetings involving the DCNR Secretary, DCNR Deputy Secretary, BRC Director, and/or BRC Division Chiefs to compile lists of recommended projects to fund from each grant application round are now retained. DCNR has maintained electronic copies of all project scoring sheets within the RACERS database, which are summed up and averaged electronically rather than manually. We did not find any miscalculated scores.

We conducted our procedures for a selection of 40 projects out of 739 that DCNR awarded a C2P2 grant based on applications submitted during the three largest grant rounds held between July 1, 2021, and June 30, 2023. We identified similar issues as presented in the prior audit report. For example, we found projects selected with application submission dates after the application period deadline, projects selected out of scored rank order, projects added by the DCNR Secretary or Deputy Secretary that were not recommended by BRC, and one project removed from the list after being approved by the Governor without adequate documentation.

Based on our procedures, we consider the prior finding *partially resolved* and present our results and recommendations in *Finding 1*.

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#### **Prior Year Finding 2 – DCNR Failed to Provide Adequate Oversight of Post-Completion Site Inspections for More Than 1,400 LWCF Projects (Partially Resolved)**

In our prior audit, we evaluated the adequacy of DCNR’s post-completion site inspections, evaluated the adequacy of DCNR policies/guidelines, and verified that final site inspections were adequately performed for any projects that required site inspections. The DCNR Site Inspection Policy provides guidance for each type of site inspection required and an itemized listing of each site inspection process with the documentation DCNR must retain.

We found that DCNR failed to provide adequate oversight to ensure that post-completion site inspections were performed every five years as required by the U.S. National Park Service (U.S. NPS) for all Land and Water Conservation Fund (LWCF) projects in the commonwealth. As a result, DCNR failed to submit annual reports and reports of non-compliant projects requiring submission within the 90-day requirement. DCNR did not maintain an accurate list of LWCF projects with the latest inspection date, reconcile it to U.S. NPS’s list of projects, or ensure that post-completion site inspections were performed every five years in compliance with the LWCF Manual and its Site Inspection Policy.

We recommended that DCNR immediately designate appropriate management to properly administer the LWCF Officer responsibilities appointed to DCNR by the Governor and assess and develop a strategic plan to ensure that DCNR comply with the U.S. NPS requirements within a reasonable timeframe. We also recommended DCNR determine the population of all LWCF projects within the commonwealth and periodically reconcile its LWCF project list with the list at U.S. NPS.

We further recommended that DCNR improve its process to track and manage LWCF projects and inspections. Specifically, we recommended DCNR implement management controls to include revisions to policy/procedures when processes change; requiring supervisory review and approval of inspection forms and verifying inspection data accuracy; and ensuring all inspections are performed and submitted to the U.S. NPS timely, and properly signed with appropriate conclusions. We also recommended that DCNR revise its Site Inspection Policy to remove/define vague terms to ensure the policy is applied consistently and consider requiring progress site inspections be mandatory for all development-type projects. DCNR generally agreed with our recommendations and noted that it has a designated LWCF coordinator. DCNR also pledged to meet with other state agencies, and as a result of those meetings, indicated that the State Liaison Officer would be developing a Memorandum of Understanding (MOU) to clearly identify other agencies’ responsibilities and specify reporting requirements.

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#### Status as of this audit for Prior Audit Finding 2

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Our current performance audit included an objective to ensure that DCNR adequately monitored each grantees' performance, ensured proper submission of progress reports, and performed post-completion site inspections required for certain C2P2 projects as stipulated by applicable laws, regulations, program requirements and guidelines. We designed procedures to satisfy this objective, as well as conclude on the status of the prior year finding. When asked about creation of the MOUs, DCNR management indicated that they were not developed because no other state agency receives LWCF funding.

We found that DCNR regularly updated its Site Inspection Policy approximately every two years, with the 2021 revision applicable for the audit period. DCNR improved and updated language in their site inspection policy during revisions to clarify expectations and improve compliance. For a selection of 40 projects that closed during our audit period, we verified DCNR complied with its policy relating to required site inspections.

In response to the prior audit, DCNR management stated that it compiled a database of LWCF sites using the U.S. NPS official list and has integrated all LWCF project sites into its Geographic Information Systems Collector App (collector app), used to complete and track LWCF post-completion site inspections. To verify compliance with the LWCF post-completion site inspection policy, we compared LWCF project lists from DCNR's RACERS database, collector app, and reports DCNR submitted to U.S. NPS for consistency and completeness. We found DCNR has made progress in completing and tracking LWCF post-completion site inspections but was not fully in compliance, having 47 out of 1,338, inspections overdue, all located in DCNR's Region 5. Upon inquiry, DCNR management stated that inspections for all sites in the region had mistakenly been completed in a single year, disrupting the inspection schedule for subsequent years, and its current representative for Region 5 is working with a new regional staff member on a plan to address the overdue inspections.

U.S. NPS policy requires DCNR to submit annual reports of its LWCF inspections completed. We found that DCNR reported its LWCF inspections for 2022 on a calendar year basis, rather than the required federal fiscal year basis (October to September). Consequently, the inspections completed in the fall of 2021 were never submitted to U.S. NPS. When we informed DCNR of this reporting error, DCNR management could not explain how/why the timeframe of its annual inspections report had changed and confirmed that it had not subsequently submitted the omitted inspections because U.S. NPS never requested it. We also found deficiencies and non-compliance with DCNR's documentation of certain LWCF inspections. Based on our procedures, we consider the prior finding *partially resolved* and present our results and recommendations in *Finding 3*.

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#### **Prior Year Finding 3 – DCNR Should Review Grant Expenditure Documentation to Ensure that Grant Monies are Spent Appropriately (Partially Resolved)**

In our prior audit, we reported that DCNR did not require C2P2 grantees to submit invoices or payroll records to support their grant expenditures. DCNR instead required listing of invoices or summary spreadsheets to document grant expenditures. Our review of BRC files found that 41 of 60 selected C2P2 projects (comprised of several project types) lacked sufficient documentation to ensure grant funds were properly expended in accordance with BRC policies. Documentation maintained in the files for the remaining 19 projects was determined to be sufficient to conclude that the expenditures complied with the BRC's policies and were reasonable based on the project's purpose.

We recommended that DCNR require C2P2 grantees to submit actual invoices and other source documentation or perform on-site reviews of actual expenditure documents on at least a sample basis and formalize its draft written procedures for processing C2P2 grant payments. DCNR agreed in part with our recommendations, noting that its current policies and procedures ensure grant funds are spent appropriately, but reviewing grantee source documents on a sample basis has value and will be performed regularly in the future.

#### **Status as of this audit for Prior Audit Finding 3**

Our current performance audit included an objective to determine whether C2P2 funds and grant expenditures are accurate, adequately supported, and used for their intended purpose. We designed procedures to satisfy this objective, as well as conclude on the status of the prior year finding.

DCNR revised its standard operating procedures (SOPs) to require grantees to submit copies of invoices and cancelled checks with their final payment requests for certain projects, while only submitting them upon request for other project types. However, in response to the prior audit recommendation to routinely perform on-site reviews of actual grant expenditure documents, DCNR stated that the grant agreements detail the record keeping requirements and provide for possible audits. DCNR continued to accept summary lists of grant expenditures.

Based on the results of our procedures, we found that DCNR files lacked adequate supporting documentation for 6 of the 40 projects selected for our review. However, all 6 projects were from older grant rounds when DCNR maintained project documents as hardcopy files. DCNR transitioned since the prior audit from hardcopy paper files to electronic grant documentation maintained on its RACERS database. We found all required documents for the 14 projects maintained electronically out of the 40 projects.

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DCNR improved how it maintains C2P2 records. However, certain projects maintained in hardcopy files lacked adequate supporting documentation. Because DCNR changed how it maintains grant project documents that appears effective, we consider the prior finding *partially resolved* and present our results and recommendations in *Finding 2*.

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### **Pennsylvania Department of Conservation and Natural Resources Community Conservation Partnerships Program**

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#### **Pennsylvania Department of Conservation and Natural Resources' Response and Auditor's Conclusion**

We provided copies of our draft audit findings and status of prior findings and related recommendations to the Pennsylvania Department of Conservation and Natural Resources (DCNR) for its review. On the pages that follow, we included DCNR's response in its entirety. Following DCNR's response is our auditor's conclusion.

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## Audit Response from the Pennsylvania Department of Conservation and Natural Resources



### DCNR Audit Response 12/19/2024

*Note to reviewers: Text that is in the Times New Roman font is taken directly from the audit report and included here for context. DCNR's response is in Arial font.*

**Finding 1 – While DCNR claims its C2P2 grant award process is competitive, certain grants were not competitively awarded. Opportunities exist to enhance accountability and transparency in DCNR's grant award process.**

#### **Overall Conclusion for Finding 1 [from audit report]**

DCNR's C2P2 grant awarding practices are inconsistent with the competitive grant award process described in its grants manual and the grant workshop vide used to promote the C2P2 grant program. Regardless of how DCNR portrays the competitive nature of the process, DCNR management overrode its publicly stated process through use of discretion in the selection of certain projects that were funded regardless of and sometimes contrary to BRC's project scoring and rankings, which at times appeared to be the result of outside influence or pressure. These practices undermine objectivity, accountability, and transparency which could result in unfair treatment of certain applicants and diminish public trust.

#### **Agency Response to Finding 1:**

DCNR disagrees with this finding. DCNR awards grants on a competitive basis consistent with its publicly available program guidelines.

Through financial and technical assistance, DCNR is the state's largest funder of local outdoor recreation and conservation projects, which supports Pennsylvania's \$17 billion outdoor recreation economy. As part of that, DCNR administers the Community Conservation Partnerships Program (C2P2), a competitive grant program managed by the Bureau of Recreation and Conservation (BRC). Grant assistance is in high demand and has more than doubled since 2012.

Over the past 30+ years, DCNR has awarded grants for more than 8,400 projects. These projects have been located in every Pennsylvania county. Seventy percent of municipalities have had at least one C2P2 grant-funded project in their boundaries and more than 90% of Pennsylvanians live in a municipality with a grant-funded project.

Each year, DCNR awards grants through a competitive and transparent process, as was the case for the grant rounds reviewed in this audit. The review, approval, and award processes are documented and are well-established standard practices. Higher scoring projects are sometimes not selected because of the broad scope of Ready-to-Go (RTG) factors. For



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example, DCNR may decline to fund a high scoring application when there is a DCNR-funded unfinished phase at the same project site. Further, as the available funds diminish, sometimes lower scoring, smaller budget RTG projects are selected over higher scoring, larger budget projects. These are both examples when a lower scoring project is more RTG, and thus, would appropriately be selected over a less RTG higher scoring project.

Befitting of a grant program of this scope, DCNR executives appropriately review proposed awards prior to public announcement. The executive-level review is documented in a Bureau standard operating procedure, which states that after applications are scored by reviewing staff, project recommendations are presented and reviewed up the chain of command starting with the Bureau Director, DCNR Deputy Secretary for Conservation and Technical Services, and the DCNR Secretary. Executive review is not part of the scoring procedure; however, it is an appropriate part of the overall review and approval process. As stated in both the manual and the standard operating procedure, and following DCNR practice, DCNR may use a portion of the funds to projects that address emergency situations, provide unique opportunities, are innovative in nature, or help meet special DCNR or Commonwealth priorities.

In Grant Round 28.6, which was primarily funded by the 2021 American Rescue Plan Act (2021 ARPA), special priorities were stated in the press release announcing this supplemental grant round. The press release elaborated that: "The C2P2 special fall grant opportunity will highlight helping underserved communities, closing trail gaps, supporting an invigorated focus on the outdoor recreation sector, and planting trees along streams and in communities." Additional language in the press release further clarified the requirements: "for the supplemental fall grant round there is a lower match requirement for municipalities with populations under 5,000 people. For these communities, match is only 20% of the grant amount with no cap on project size. This lower match requirement makes the fall funding round an ideal opportunity for smaller municipalities to apply for grants."

The Grant Round 28 manual was the official program guideline used for the supplemental Grant Round 28.6, as the expedited nature of the ARPA funding did not allow enough time to revise the manual before the supplemental grant round opened.

#### Agency Response to Recommendations – Finding 1:

1. *Improve the C2P2 award process to ensure grant are awarded competitively by:*
  - a. *Only considering grant applications submitted prior to the established application submission deadlines.*

DCNR disagrees with this recommendation. On infrequent occasions, extenuating circumstances make it reasonable for DCNR to accept late applications. For example, one applicant experienced technical difficulties when submitting a grant application. In this case, DCNR exercised discretion to allow the late application. As documented in the audit findings, the policy in effect during grant rounds 29 to the present permits the BRC Director to consider accepting late applications for reasons related to system failures and technical difficulties.

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While the report argues that this language is too vague, it is not possible to specifically identify every possible extenuating circumstance that may hinder submission of an application via the DCNR Grants Portal.

In grant rounds prior to grant round 29, it was standard practice for the BRC Director to consider late applications in consultation with the Deputy Secretary of Conservation and Technical Services.

- b. Amending its grants manual to more accurately reflect the actual awarding processes and practices in place for selection of projects for C2P2 grant awards.*

DCNR disagrees with this recommendation. DCNR has a process in place to review the grant manual, policies, and standard operating procedures (SOP) each year to make any necessary updates that reflect the actual awarding processes and practices. These changes are promulgated in all of our public communication tools (workshops, recorded presentations, newsletters, press release, etc.).

The audit report finds fault with Grant Round 28.6, which was made possible by the 2021 ARPA provision of Coronavirus State and Local Fiscal Recovery Funds, but the Round 28 manual was properly used as the foundation for Grant Round 28.6 and was supplemented with documentation outlining targeted priorities, an FAQ, and review instructions to guide the selection process. The targeted priorities were communicated to potential applicants and the selection process was documented with supplemental guidance.

The Grant Round 28 manual was the official program guideline for the supplemental Grant Round 28.6. The expedited nature of the 2021 ARPA funding available for Grant Round 28.6 created a compressed timeframe within which staff developed and opened the grant round and made it impossible to develop a new manual for this special grant round. As noted previously in this response, the grant manual is reviewed, and appropriate changes are made annually as needed.

- c. Specifically outlining and defining in the grants manual any other factors, such as targeted priorities, that DCNR intends to apply during the application/project evaluation process and incorporating them into the project scoring system to ensure they are objectively and consistently considered for every applicant and adequately documented.*

DCNR disagrees with this recommendation. DCNR has consistently outlined and defined factors for review, scoring, and selection in the grants manual, policies, standard operating procedures, and application review instructions. DCNR communicated this information through our public outreach tools.

In general, projects in the audit period were selected based on their score and Ready-to-Go (RTG) status. However, RTG factors that were considered go beyond the important checklist items on which the applications were scored (identified with a \* on the RTG checklists for each project type). Higher scoring projects are sometimes not selected in cases when a project is not actually as RTG as the scoring may have indicated. Another instance when a higher scoring project might not be accepted is when the available funding for a program area or region has

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diminished to a point where there are only sufficient funds to fully fund a less costly project even when a more costly project may have scored higher.

Seven of the 40 projects reviewed by the Auditor were made possible by the 2021 ARPA provisions in Grant Round 28.6. ARPA-funded grant applications were subject to targeted priorities and a statewide selection process. These priorities and process were described in the Supplemental Grant Round notice of funding opportunity, an FAQ, and review instructions. All of these documents were made available to interested applicants and the public. The list of projects was compiled in score order and then additional considerations of publicly announced priorities were applied to make selections.

While the grant database system, Recreation and Conservation Electronic Records System (RACERS), may not have documented detailed discussions around the final decisions for 2021 ARPA funding, the targeted priorities were communicated to potential applicants and the selection process was documented with supplemental guidance. DCNR provided this information to the auditors during the audit process.

- 2. Change current practices to eliminate the appearance of outside influence or pressure during the project selection process, such as removing the legislative districts from BRC's lists of projects recommended/not recommended for selection and not holding special meetings to review information that appears to inject bias and/or political pressures into the grant selection process.*

DCNR partially agrees with this recommendation. DCNR can remove legislative districts from certain lists that are used to support the decision process. It is agreed that it is best that the program is not perceived as being subject to outside influence or pressure. No "special meetings" were held for Grant Round 30. Any special meetings in other grant rounds considered under the audit were documented in grant round summary documents. We do provide lists of grant recipients to the legislative liaison after Governor's Office approval for legislative notification purposes. Also, as part of the application packages applicants may submit letters of support – often from elected officials. DCNR also receives unsolicited letters of support directly from elected officials. While letters related to partner match commitments are a component of the review process, letters of support are not required or considered in the scoring process. There is executive review as part of the decision process that is documented and there are contingencies in the grant manual that cover the exercise of an executive prerogative. In the grant manual and other documents, it is stated that "DCNR reserves the right to use a portion of the funds for projects that address emergency situations, provide unique opportunities, are innovative in nature or help meet special DCNR/Commonwealth priorities."

**Finding 2 – DCNR has improved its monitoring of C2P2 grant expenditures and should continue to evaluate its procedures to identify and implement changes that strengthen its grants process.**

#### Agency Response to Finding 2:

DCNR appreciates the acknowledgement that we improved our monitoring of the C2P2 grant program. We note that the audit period coincides with a significant shift in how (hardcopy to

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electronic files) and where (office to home/virtual) DCNR operated due to the COVID work-from-home order and eventual return to work. Considering this overnight change, the Bureau should be commended for maintaining continuity of operations and delivering services and support to grantees and partners with few issues.

#### Agency Response to Recommendations – Finding 2:

1. *Amend its Grant Project Management SOPs and grant agreements to require grantees to electronically submit sufficient documentation to support all grant expenditures, including payroll expenses, for every type of project, or conduct periodic reviews of actual grant expenditure documents on a sample basis for projects for which the DCNR only requires the submission of a summary listing of invoices.*

DCNR partially agrees with this recommendation. As documented in the audit report, DCNR has improved collection of project management documentation, including those for project expenditures, contracts, and approvals. The implementation of RACERS has improved oversight and file completeness.

Regarding requiring consistency across all project types, DCNR has made modifications to ensure that adequate documentation is provided or retained by grantees. DCNR agrees that periodic auditing reviews of actual grant expenditures on a sample basis for projects can be helpful. Although it may appear that documentation was not collected for some projects, in practice, supporting documentation for expenditures is routinely collected and used to verify information on the Final Costs Spreadsheet retained in the files. Per the Grant Agreement, the Grantee is required to retain all project records for 3 years after closeout. Grantees need to be prepared for additional/subsequent documentation requests as needed post closeout.

Findings on documenting and review of grant expenditures during and after projects are completed will be considered as part of ongoing and continuous review and improvements to the grants system.

2. *Ensure project files are complete with all required documentation, including but not limited to copies of invoices, project approval letters, and signed construction contracts.*

DCNR partially agrees with this recommendation. DCNR followed a grant record filing SOP and grant project management SOPs for each project type. During the audit period, this process was complicated due to the transition from paper to electronic systems and the COVID 19 global pandemic. As documented in the audit report, DCNR has improved collection of project management documentation, including those for project expenditures, contracts, and approvals. The implementation of RACERS has improved oversight and file completeness.

Regarding the reference to 19 of 20 hardcopy project files not referencing the date of an initial conference call/meeting, we assume this is in reference to a clerical checklist that was used by some staff to organize the hardcopy project file and included in that file. This checklist was maintained in the file for convenience, not as a requirement. Dates of calls and approvals are maintained in RACERS for each project.

Regarding the reference to one file not having a signed construction contract, we assume this to be related to a project that involved PennDOT and project management via their Engineering and Construction Management System (ECMS). The PennDOT design and contracting process

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is very prescriptive. It is in the interest of Commonwealth efficiency to defer to their process and rely on it.

#### **Finding 3 – Despite some monitoring improvements with LWCF-funded C2P2 grant projects, DCNR failed to adequately oversee inspection, documentation, and reporting requirements.**

##### **Agency Response to Finding 3:**

DCNR strongly disagrees with the substance and title of this finding, as it is not representative of the details in the audit report. It appears to be based primarily on a minor clerical error which was easily and immediately remedied. Thus, we do not see this as a failure. DCNR has, in fact, been recognized by the National Park Service (NPS) as a national model for compliance. NPS has specifically identified the DCNR inspection and reporting process and collector tool as something to be emulated and invited DCNR staff to present on its practices at the 2021 National Association of State Outdoor Recreation Liaison Officers (NASORLO) national conference. Further, it was referenced as a model in the 2023 NASORLO national conference.

##### **Agency Response to Recommendations – Finding 3:**

1. *Improve oversight of LWCF post-completion site inspections to ensure all inspections are conducted timely pursuant to U.S. NPS requirements.*

DCNR partially agrees with this recommendation. DCNR makes every effort to ensure that LWCF sites are inspected as required at least once every 5 years. The BRC southwest region, which is comprised of two individuals, was missing one staff person for most of the audit window. The lack of capacity led to a shortfall in the targeted number of inspections completed. The problem was exacerbated by the fact that an intern did all southwest region LWCF inspections in one summer 5 years prior to the region being 50% down in capacity. The Bureau identified this as a potential issue and deployed three central office staff members to the region in the Fall of 2023 to meet the target inspection goals. DCNR is working to smooth the inspection curve to spread the inspections over 5 years, so all required inspections do not need to occur in the same year.

2. *Ensure that all LWCF post-completion site inspections are reported annually according to U.S. NPS policy.*

DCNR partially agrees with this recommendation. DCNR is required to report to NPS every year. One of the reports submitted to NPS neglected to report 3 months of inspections that were completed. We acknowledge this minor clerical error. NPS did not acknowledge receipt of the report nor that there were any issues with it. This clerical mistake was quickly and easily remedied. Once the error was discovered DCNR took immediate corrective action to ensure the reports submitted to NPS were complete and accurate. DCNR will continue to do its best to report all inspection information.



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3. *Document the supervisory review process over LWCF post-completion site inspections to improve accountability and accuracy of the inspection records required to be maintained consistent with DCNR policy, including follow-up letters and site inspection photos.*

DCNR partially agrees with this recommendation. The supervisory process is documented in the site inspection policy/site observation SOP. Supervisory staff will continue to make process improvements including looking carefully at the existing SOP and providing oversight to ensure that the required information is collected and submitted to NPS.

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#### Auditor's Conclusion to the Pennsylvania Department of Conservation and Natural Resources' Response

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The Department of Conservation and Natural Resources' (DCNR) management disagrees with **Finding 1**, generally agrees with **Finding 2**, and strongly disagrees with **Finding 3**. However, DCNR partially agrees with six of our seven recommendations. Based on DCNR's responses, we provide the following further comments and conclusions.

**Finding 1** – DCNR disagrees with all three suggestions included under **Recommendation 1** to improve the C2P2 award process, so grants are awarded competitively. We address each response below:

- a. Only considering grant applications submitted prior to the established application submission deadlines.

DCNR states that extenuating circumstances, such as technical difficulties, make it reasonable to accept late grant applications. We understand unforeseen circumstances may prevent an applicant from submitting an application timely; however, as noted in the finding, the lack of adequate documentation to justify DCNR's decisions to accept late applications diminishes the integrity of a competitively awarded grants program. DCNR did not explain or provide evidence that a technical issue prevented an applicant from submitting timely when we inquired about the five late applications. Additionally, while this may explain (although not documented) why an application was submitted a day or two late, it does not appear to be a reasonable explanation for the two applications submitted 36 and 91 days late. While DCNR added specific language to its standard operating procedures (SOPs) that allows for discretion to accept late applications when technical difficulties prevent a timely submission, we re-emphasize that this policy should further require the circumstances to justify accepting a late application, if legitimate, be sufficiently documented to ensure transparency and accountability.

- b. Amending its grant manual to more accurately reflect the actual awarding processes and practices in place for selection of projects for C2P2 grant awards.

DCNR's response misinterpreted this recommendation to mean we recommend it publishes a new grant manual for every grant round, including supplemental grant rounds such as grant round 28.6. This is not the intent of our recommendation. Rather, our recommendation addresses the inconsistency discovered between the wording in the DCNR grant manual and its actual practices regarding the Ready-To-Go status of applicant projects. We found a Ready-To-Go score of 0 for 11 of the 40 grants reviewed, despite the statement in the grant manual that *only* projects that are ready to go will be considered for a grant. Further, management admitted during the audit that its actual practices were not consistent with this

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statement and stated that it will consider amending the grant manual to align with actual practices. We reiterate our recommendation that DCNR should amend its grant manual accordingly to reflect its actual practices.

- c. Specifically outlining and defining in the grant manual any other factors, such as targeted priorities, that DCNR intends to apply during the application/project evaluation process and incorporating them into the project scoring system to ensure they are objectively and consistently considered for every applicant and adequately documented.

DCNR's response generally describes instances when it applies criteria not included in the grant application evaluation and scoring process. This supports and is the point to our finding and recommendation. DCNR provided similar responses during the audit when we questioned the specific circumstances regarding why it awarded grants to certain lower scored projects instead of higher scored projects. Stating that *additional elements* or *broader factors* were considered *beyond* the criteria used to assign a score suggests DCNR applied subjectivity, which undermines a truly competitive award process. Additionally, DCNR admitted that details of discussions about the final decisions regarding the round 28.6 grant awards were not documented. If DCNR would identify objective and valid circumstances to award a certain project outside of the competitive scoring and ranking process, this justification should be fully documented to ensure accountability, transparency, and integrity of a competitive award process. This type of situation should be rare.

DCNR partially agreed with **Recommendation 2** to change current practices to eliminate the appearance of outside influence or pressure on the grant project selection process. While DCNR agrees that the perception of the C2P2 grants awards process should be free from the appearance of outside influence or pressure, it refers to vague language in the grant manual to support that it has the right to exercise executive prerogative to award grants in certain cases such as *emergency situations, unique opportunities, innovative in nature, or special priorities*. However, DCNR provided no documentation to justify using executive prerogative to award grants for such projects.

**Finding 2** – DCNR partially agreed with both recommendations to: (1) amend its Grant Management SOPs and grant agreements to require grantees to electronically submit sufficient documentation to support all grant expenditures or conduct periodic reviews of actual grant expenditure documents on a sample basis, and (2) ensure project files are complete with all required documentation.

Management agreed that periodic reviews of actual grant expenditures on a sample basis would be beneficial, as noted under **Recommendation 1**. Although DCNR claimed that, in practice, it routinely collected supporting grant expenditures documentation to verify information on the projects' Final Costs Spreadsheet, it admitted that it may appear actual grant expenditures



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documentation was not collected for some projects. We reiterate that without adequate documentation maintained in the project records, we could not verify that DCNR did in fact obtain and review such expenditure documentation. We are, however, encouraged that DCNR states it will consider improvements to its documentation and review of grant expenditures during and after projects are completed as part of its ongoing and continuous review and improvement process.

Management's response to **Recommendation 2** misstated the issues reported for 20 project files. The finding states that 19 project files lacked evidence that DCNR conducted an initial project call/meeting, as required by DCNR's grant project management SOP. We found that this call/meeting was documented on hardcopy grant project checklists maintained in some project files as presented in the finding, but we do not state that the checklists were actually required. The implementation of electronic records in RACERS appeared to address this issue.

Additionally, DCNR incorrectly stated that the project file which lacked a signed construction contract related to a PennDOT project involving its Construction Management System. However, the project referred to in the finding actually involved the development of ATV trails in Bradford County. During the audit, we inquired about the lack of a signed contract and DCNR responded in writing that the contract could not be located.

**Finding 3** – DCNR's response to this finding is concerning. Management denies the significance of the internal control weaknesses that led to noncompliance with the federal requirements to annually report all LWCF post-completion site inspections and inspect sites timely, as well as failures to adhere to its own policy by not maintaining required inspection documentation. While clerical errors can occur, DCNR management is responsible for establishing and maintaining adequate internal control procedures that ensure compliance with all program regulations and policies. We reiterate DCNR should implement our recommendations to help address these internal control weaknesses presented in the finding.

DCNR partially agreed with all three recommendations to: (1) improve oversight of LWCF post-completion site inspections, (2) ensure that all inspections are reported annually to the U.S. NPS, and (3) document the site inspections supervisory review process to improve accountability and accuracy of the inspection records maintained.

DCNR's responses to **Recommendations 1 and 2** restate the reasons management provided during the audit to explain why it failed to timely inspect 47 LWCF projects and report 85 inspections to the U.S. NPS on its annual report. Management, however, does not clarify what parts of the recommendations for which it does not agree. We recognize DCNR's efforts to complete the untimely inspections and its commitment to report all inspection information as U.S. NPS requires.

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Management's response to **Recommendation 3** indicates that the supervisory process is documented in the site inspection policy/site observation SOP. While this SOP outlines detailed procedures to perform post-completion site inspections, it lacks an adequate description of the supervisory review process of the inspectors' work. Additionally, DCNR verified in a response to our inquiry that the SOP does not include the procedures regarding the preparation, review, and submission of the annual LWCF inspections report to U.S. NPS.

Based on DCNR's responses, our findings and recommendations remain as stated. We commend DCNR for the improvements made to address the issues presented in our prior audit as reported within this report. We are further encouraged by DCNR's intentions to continue improving its processes and we encourage further implementation of our recommendations.

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#### Appendix A

#### Objectives, Scope, Methodology, and Data Reliability

The Department of the Auditor General conducted this performance audit of the Pennsylvania Department of Conservation and Natural Resources (DCNR) to evaluate its administration of the Community Conservation Partnerships Program (C2P2), which supports and provides Federal and state funding for local recreation and conservation initiatives within the commonwealth.

We conducted this performance audit pursuant to Sections 402 and 403 of The Fiscal Code.<sup>65</sup> The audit was also performed in accordance with generally accepted *Government Auditing Standards*, issued by the Comptroller General of the United States.<sup>66</sup> Those standards require that we plan and perform the audit to obtain sufficient, 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.

#### Objectives

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1. Determine whether DCNR complied with applicable laws, regulations, internal policies, guidelines, and manuals relevant to the awarding of C2P2 grant monies. [*See Finding 1*]
2. Determine whether the C2P2 funds and grant expenditures are accurate, adequately supported, and used for their intended purpose. [*See Finding 2*]
3. Ensure that DCNR adequately monitored each grantees' performance, ensured proper submission of progress reports, and performed post-completion site inspections required for certain C2P2 projects as stipulated by applicable laws, regulations, program requirements and guidelines. [*See Finding 3*]

We also conducted procedures to determine whether DCNR implemented our prior C2P2 performance audit's recommendations included in the findings from the report issued in December 2013 (*See Status of Prior Audit Findings*).

#### Scope

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Our C2P2 performance audit covered the period July 1, 2021, through June 30, 2023.

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<sup>65</sup> 72 P.S. §§ 402 and 403.

<sup>66</sup> U.S. Government Accountability Office. *Government Auditing Standards*. 2018 Revision Technical Update April 2021.

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DCNR management is responsible for establishing and maintaining effective internal controls to provide reasonable assurance of compliance with applicable laws, regulations, contracts, grant agreements, and administrative policies and procedures related to its programs. In conducting our audit, we obtained an understanding of DCNR's internal controls, including information systems controls.

*Standards for Internal Control in the Federal Government* (also known as and hereafter referred to as the Green Book), issued by the Comptroller General of the United States, provides a framework for management to establish and maintain an effective internal control system.<sup>67</sup> We used the framework included in the Green Book to assess DCNR's internal control system.

The Green Book's standards are organized into five components of internal control. In an effective system of internal control, these five components work together in an integrated manner to help an entity achieve its objectives. The five components contain 17 related principles, listed in the table below, which are the requirements an entity should follow in establishing an effective system of internal control.

We determined that all internal control components were significant to each of the audit objectives. The table below represents a summary of the level of our internal control assessment for effectiveness of design (D); implementation (I); or operating effectiveness (OE) that we performed for each principle. It also includes our conclusions that either no issues were found or notes the finding(s) where we present the issues discovered.<sup>68</sup>

Component		Principle	Level of Assessment	Objective	Conclusion
Control Environment	1	The oversight body and management should demonstrate a commitment to integrity and ethical values.	D	1, 2, 3	No issues noted
	2	The oversight body should oversee the entity's internal control system.	D	1, 2, 3	No issues noted

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<sup>67</sup> Even though the Green Book was written for the federal government, it explicitly states that it may also be adopted by state, local, and quasi-government entities, as well as not-for-profit organizations, as a framework for establishing and maintaining an effective internal control system.

<sup>68</sup> U.S. Government Accountability Office. *Standards for Internal Control in the Federal Government*. September 2014. The Green Book, Sections OV3.05 and 3.06, states the following regarding the level of assessment of internal controls. Evaluating the design of internal control includes determining if controls individually and in combination with other controls are capable of achieving an objective and addressing related risks. Evaluating implementation includes determining if the control exists and if the entity has placed the control into operation. Evaluating operating effectiveness includes determining if controls were applied at relevant times during the audit period, the consistency with which they were applied, and by whom or by what means they were applied.

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Component	Principle	Level of Assessment	Objective	Conclusion
	3 Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives.	D	1, 2, 3	No issues noted
	4 Management should demonstrate a commitment to recruit, develop, and retain competent individuals.	D	1, 2, 3	No issues noted
	5 Management should evaluate performance and hold individuals accountable for their internal control responsibilities.	D	1, 2, 3	No issues noted
Risk Assessment	6 Management should define objectives clearly to enable the identification of risks and define risk tolerances.	D	1, 2, 3	No issues noted
	7 Management should identify, analyze, and respond to risks related to achieving the defined objectives.	D	1, 2, 3	No issues noted
	8 Management should consider the potential for fraud when identifying, analyzing, and responding to risks.	D	1, 2, 3	No issues noted
	9 Management should identify, analyze, and respond to significant changes that could impact the internal control system.	D	1, 2, 3	No issues noted
Control Activities	10 Management should design control activities to achieve objectives and respond to risks.	D, I, OE	1	Finding 1
		D, I, OE	2	Finding 2
		D, I, OE	3	Finding 3

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Component	Principle	Level of Assessment	Objective	Conclusion
	11 Management should design the entity’s information system and related control activities to achieve objectives and respond to risks.	D	1, 2, 3	No issues noted
	12 Management should implement control activities through policies.	D, I, OE	1	Finding 1
		D, I, OE	2	No issues found
		D, I, OE	3	Finding 3
Information and Communication	13 Management should use quality information to achieve the entity’s objectives.	D, I, OE	1	No issues noted
		D, I, OE	2	
		D, I, OE	3	
	14 Management should internally communicate the necessary quality information to achieve the entity’s objectives.	D, I, OE	1	Finding 1
		D, I, OE	2	No issues noted
		D, I, OE	3	No issues noted
15 Management should externally communicate the necessary quality information to achieve the entity’s objectives.	D	1, 2, 3	No issues noted	
Monitoring	16 Management should establish and operate monitoring activities to monitor the internal control system and evaluate results.	D	1, 2, 3	No issues noted
	17 Management should remediate identified internal control deficiencies on a timely basis.	D	1, 2, 3	No issues noted

Generally accepted *Government Auditing Standards* require that we consider information systems controls “...to obtain sufficient, appropriate evidence to support the audit findings and conclusions.”<sup>69</sup> This process further involves determining whether the data that supports the audit objectives is reliable. In addition, Publication GAO-20-283G, *Assessing Data Reliability*,

<sup>69</sup> U.S. Government Accountability Office. *Government Auditing Standards*. 2018 Revision. Paragraph 8.59 through 8.67.

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provides guidance for evaluating data using various tests of sufficiency and appropriateness when the data is integral to the audit objective(s).<sup>70</sup> See our assessment in the *Data Reliability* section that follows.

Our procedures to assess the design, implementation, and/or operating effectiveness are discussed in the *Methodology* section that follows. Deficiencies in internal controls we identified during the conduct of our audit and determined to be significant within the context of our audit objectives are summarized in the conclusion section below and described in detail within the respective audit findings in this report. See the table above for descriptions of each of the principle numbers included in the conclusions below.

#### Conclusion for Objective 1:

Our assessment of DCNR management's internal controls did not find any issues for Principles 1-9, 11, 13, and 15-17; however, we did identify issues with management's controls regarding Principles 10, 12, and 14. These issues included the following: (1) DCNR accepted grant applications submitted after the established deadlines and awarded grants for those projects; (2) management selected certain projects out of score and ranked order; and (3) some projects that were not recommended based on DCNR's evaluations were subsequently added by DCNR executive management to receive grant awards. See further details in *Finding 1*.

#### Conclusion for Objective 2:

Our assessment of DCNR management's internal controls did not find any issues for Principles 1-9, and 11-17; however, we did identify issues with management's controls regarding Principle 10. DCNR failed to adequately maintain documentation in hardcopy files for certain grants prior transitioning to electronic records using the Recreation and Conservation Electronic Records System (RACERS). See further details in *Finding 2*.

#### Conclusion for Objective 3:

Our assessment of DCNR management's internal controls did not find any issues for Principles 1-9, 11, and 13-17; however, we did identify issues with management's controls regarding Principles 10 and 12. These issues included the following: (1) DCNR failed to perform timely post-completion site inspections for 47 Land and Water Conservation Fund (LWCF) projects; (2) DCNR failed to report 85 inspections completed during the audit period to the U.S. National Park Service (U.S. NPS); and (3) DCNR did not maintain adequate LWCF post-completion site inspection documentation. See further details in *Finding 3*.

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<sup>70</sup> U.S. Government Accountability Office. Assessing Data Reliability, December 2019.

## A Performance Audit

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#### Methodology

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The following procedures were designed to address the audit objectives, as indicated. Items selected for testing were based on the auditor's professional judgment. The results of our testing, therefore, cannot be projected to, and are not representative of, the corresponding populations.

To satisfy our audit objectives, we performed the following procedures:

- Obtained an understanding of DCNR's overall organizational structure and purpose, from our review of DCNR's organizational chart and information published on its website, and from interviews with management. [Principles 1, 2, 3]
- Reviewed DCNR's Risk and Control Registry and Enterprise Risk Management reports for 2020-21 and 2021-22, completed in accordance with Management Directive 325.12 (amended) to determine what controls DCNR designed to establish an effective system of internal control that addresses each of the 17 principles within the five components of internal control. [All Principles]
- Reviewed DCNR's grant manual and Standard Operating Procedures (SOPs) effective July 1, 2021, through June 30, 2023, that detail the grant application and award process administered through DCNR's Bureau of Recreation and Conservation (BRC) from pre-application through post-award amendments. [All Principles]
- Identified the following laws, regulations, and funding sources relevant to C2P2 grants. DCNR policies and procedures are noted under the applicable objectives below:
  - The Pennsylvania Department of Conservation and Natural Resources Act.<sup>71</sup>
  - Keystone Recreation, Park, and Conservation Fund Act.<sup>72</sup>
  - Environmental Stewardship Fund.<sup>73</sup>
  - Land and Water Conservation Fund.<sup>74</sup>
  - Highway Administration funds to the Pennsylvania Recreational Trails Program (PRT).<sup>75</sup>

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<sup>71</sup> The C2P2 grant program was established by DCNR pursuant to its powers and duties under the Conservation and Natural Resources Act. *See* 71 P.S. § 1340.101 *et seq.*

<sup>72</sup> 32 P.S. § 2011 *et seq.*

<sup>73</sup> Environmental Stewardship and Watershed Protection Act, 27 Pa.C.S. § 6101 *et seq.*

<sup>74</sup> Public Law 88-578 (1965), 78 Stat. 897. *See* 54 U.S.C. § 200301 *et seq.* This match funding source was established in 1965 to be provided by the U.S. Department of the Interior's National Park Service (NPS) to all states.

<sup>75</sup> This funding that began in 1999 is provided through the U.S. Department of Transportation's Federal Highway Administration for developing and maintaining recreational trails and trail-related facilities. *See also* [https://www.fhwa.dot.gov/environment/recreational\\_trails/guidance/guidancememo.cfm](https://www.fhwa.dot.gov/environment/recreational_trails/guidance/guidancememo.cfm) (accessed November 6, 2024).



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- American Rescue Plan Act of 2021 (ARPA).<sup>76</sup>
  - Heritage Areas Funding.
  - Keystone Tree Fund.
  - Act 97 of 2016, Snowmobile and All-Terrain Vehicle (ATV) Restricted Accounts.<sup>77</sup>
- Documented an understanding of information technology general controls and data entry controls for RACERS, which included reviewing a System and Organization Control (SOC) report and the most recent Peer Review Acceptance Letter for the company that conducted the review and provided the opinion. [Principle 11]

#### Objective 1:

- Interviewed DCNR management to gain an understanding and assess DCNR's review and approval procedures for C2P2 grant/project applications. [Principles 2, 3, 6-17]
- Reviewed laws, regulations, grant agreements, C2P2 grant manual, and DCNR policies and procedures to identify potential criteria needed to evaluate the audit objective.
  - Reviewed the following DCNR Policies and SOPs: [Principles 6, 7, 10, 12-14]
    - Grant Application Review SOP<sup>78</sup>
    - Application Review Instructions – Grant Rounds 27, 28, 28.6<sup>79</sup>
    - Scoring Guidance Questions by Project Type<sup>80</sup>
- Gained an understanding of the RACERS IT environment. [Principles 10-12]
- Reviewed the project scoring and ranking procedures to determine how BRC reviews, scores, ranks and selects C2P2 projects to recommend for grant awards. [Principles 10, 12]
- Obtained a list of all C2P2 grant applications/projects submitted during each grant round held during the period July 1, 2021, through June 30, 2023, as maintained in RACERS.

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<sup>76</sup> Public Law 117 – 2 (2021), 135 Stat. 4, *see also* <https://crsreports.congress.gov/product/pdf/r/r46834/1> (accessed August 2, 2024).

<sup>77</sup> Vehicle Code (75 PA C.S.) – Restricted Account, Snowmobile and ATV Advisory Committee and Refunds Act of 2016, P.L. 837, No. 97.

<sup>78</sup> DCNR *Grant Application Review SOP* (October 2021), DCNR *New Grant Application Review SOP* (February 2023).

<sup>79</sup> DCNR *Round 27 Application Review Instructions* (April 2021), DCNR *Round 28 Application Review Instructions* (March 2022), DCNR *Round 28.6 Application Review Instructions* (October 2022).

<sup>80</sup> DCNR *Scoring Guidance Questions—Acquisition, Development, Partnerships, Planning, Riparian Forest Buffer*.

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- Identified the applications/projects on the RACERS list that DCNR awarded a C2P2 grant and reviewed for completeness (*See Data Reliability section below*).
- Reviewed DCNR C2P2 grant award announcements issued during the period July 1, 2021, through June 30, 2023.
- Judgmentally selected the three largest grant rounds based on the number of grants awarded, which included grant rounds 27, 28, and 28.6. The rounds included 739 projects totaling \$170,604,091.
- Created sorted lists of projects by project type and assigned score to verify DCNR awarded grants according to its policies. [Principles 10, 12, 14]
- Judgmentally selected 40 grants to ensure we included various project types and funding sources, projects from different regions and grant rounds, applications submitted after the grant round deadlines, projects with lower scores than other projects not awarded grants, and projects DCNR executive management selected despite of the BRC scores and rankings.
- Reviewed DCNR grant agreements and grant manual to identify requirements specific to each grant/project type for grants awarded in Rounds 27, 28, and 28.6.<sup>81</sup> [Principles 12, 13]
- Reviewed DCNR's grants review meeting minutes for grant rounds 27, 28, and 28.6 held between January 19, 2021, and October 27, 2022. [Principles 13, 14]
- Compared the initial BRC projects recommended for funding list and the revisions made by the DCNR Secretary/Deputy Secretary, to the list of projects ranked by score. [Principles 10, 12-14]
- Reviewed grant/project applications, BRC project evaluation scorecards, DCNR grants review meeting notes, and other documents electronically maintained on the RACERS database for the 40 selected C2P2 grants/projects to determine if DCNR followed its documented process for determining applicant/project eligibility and awarding grants. [Principles 10-14]

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<sup>81</sup> DCNR Grant Manual 2021, 2022, 2023.

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- For each of the 40 projects, auditors performed the following:
  - Ensured that the grant application was submitted before the grant round deadline.
  - Verified that the submitted application contained the appropriate signatures. [Principles 10, 12-14]
  - Agreed the project details with project-type classification/funding source requested.
  - Verified that the funds matching requirement was satisfactorily addressed in the grant applications.
  - Ensured that DCNR scored the application according to its policies and procedures.
  - Recalculated the total scores to ensure mathematical accuracy.
  - Determined whether DCNR selected the project for funding according to the project score/rank. [Principles 10, 12-14]
  - Verified that the DCNR Deputy Secretary selected the project for funding. [Principles 10, 12-14]
  - Verified that the DCNR Secretary selected the project for funding. [Principles 10, 12-14]
  - Agreed the requested grant amount on the application with the grant award letter.
  - Ensured that the requested grant amount agreed with the executed grant agreement.
  - Verified that the DCNR bureau director approved the grant agreement.
  - Ensured that the project received a score greater than zero for the Ready-To-Go score.
- Inquired about grants awarded to lower scored projects instead of higher scored projects to understand DCNR's rationale and determined whether it was adequately documented.
- Reviewed project scorecards from higher scored projects to determine the reasonableness of DCNR's explanation that they were not selected because they had Ready-To-Go issues.
- Reviewed the Urgencies category scores for lower scored projects selected as compared to the higher scored projects not selected to identify any inconsistencies.
- Verified DCNR's claims that certain projects met one of the targeted priorities applicable to grant round 28.6, such as being a small community or classified as a distressed community by the Pennsylvania Department of Community and Economic Development.

#### Objective 2:

- Interviewed DCNR management to understand and assess the policies and procedures in place regarding DCNR's review and oversight procedures of C2P2 grantee expenditures. [Principles 2, 3, 6-17]

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- Reviewed laws, regulations, grant agreements, C2P2 grant manual, and DCNR policies and procedures to identify the grantee requirements for documenting and reporting grant expenditures for each C2P2 grant/project type.<sup>82</sup>
  - Reviewed the following DCNR Policies and SOPs: [Principles 6, 7, 10, 12-14]
    - Site Inspection SOP<sup>83</sup>
    - Grant Project Records Filing SOP<sup>84</sup>
    - Grant Project Management SOPs<sup>85</sup>
    - Risk Assessment and Monitoring Plan SOP<sup>86</sup>
    - DCNR list of documents maintained in RACERS<sup>87</sup>
- Obtained a list of 412 C2P2 grants that closed during the period July 1, 2021, through June 30, 2023.
- Judgmentally selected 40 closed grants of various dollar amounts, funding types, regions, and grant rounds to review using procedures we designed to ensure DCNR adequately monitored grantee performance.
- Reviewed hard copy or electronic records for the 40 selected C2P2 grants/projects to determine if DCNR followed its documented process to monitor grantee expenditures and maintain documents. [Principles 10, 12, 13]
- For each of the 40 grant projects, we performed the following:
  - Verified that the grant agreement was executed. [Principles 10, 12]
  - Ensured that a start-up letter was issued. [Principles 10, 12]
  - Ensured DCNR Approval of the project design.
  - Verified the Certification of Compliance with Bid Requirements form was completed.
  - Verified grant payments were accurate with proper supporting documentation for eligible costs.

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<sup>82</sup> Ibid.

<sup>83</sup> DCNR *Site Inspection SOP* (October 2021).

<sup>84</sup> DCNR *Grant Project Records Filing SOP* (October 2021).

<sup>85</sup> DCNR *Acquisition Grant Project Management SOP* (October 2021); DCNR *Development Grant Administrative Instructions and Process* (October 2021); DCNR *Development Grant Project Management* (October 2021); DCNR *Planning Grant Project Management* (October 2021).

<sup>86</sup> DCNR *Risk Assessment and Monitoring Plan SOP* (October 2021).

<sup>87</sup> DCNR C2P2 documents list,

<https://elibrary.dcnr.pa.gov/GetDocument?docId=3904351&DocName=All%20Checklist%20Items%209-2-2021.xlsx> (accessed August 8, 2024).

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- Ensured the final payment request was accurate in accordance with the grant agreement.
- Verified that the grant closure process was completed with all required supporting documentation submitted including the Grant Close Out Letter. [Principles 10, 12]
- Ensured the grant process checklist was completed.
- Traced project data from RACERS to source documents.

#### Objective 3:

- Identified DCNR’s monitoring requirements for C2P2 grant/project types, which included post-completion site inspections for the LWCF-funded grant projects. Consequently, we designed additional procedures to review DCNR’s monitoring process for LWCF projects.

We performed the following procedures for all C2P2 project types:

- Interviewed DCNR management to gain an understanding of DCNR’s procedures for monitoring grantee performance. [Principles 2, 3, 6-17]
- Reviewed laws, regulations, grant agreements, C2P2 grant manual, and DCNR policies and procedures to identify DCNR’s requirements for monitoring grantee performance.<sup>88</sup>
  - Reviewed the following DCNR Policies and SOPs: [Principles 6, 7, 10, 12-14]
    - Site Inspection SOP<sup>89</sup>
    - Grant Project Records Filing SOP<sup>90</sup>
    - Grant Project Management SOPs<sup>91</sup>
    - Risk Assessment and Monitoring Plan SOP<sup>92</sup>
    - DCNR list of documents maintained in RACERS<sup>93</sup>
- Utilized the judgmentally selected 40 closed grants listed in the above procedures under Objective 2 for our review of DCNR’s monitoring process.

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<sup>88</sup> Ibid.

<sup>89</sup> DCNR *Site Inspection SOP*, (October 2021).

<sup>90</sup> DCNR *Grant Project Records Filing SOP*, (October 2021).

<sup>91</sup> DCNR *Acquisition Grant Project Management SOP* (October 2021), DCNR *Development Grant Administrative Instructions and Process* (October 2021), DCNR *Development Grant Project Management*, (October 2021), DCNR *Planning Grant Project Management*, (October 2021).

<sup>92</sup> DCNR *Risk Assessment and Monitoring Plan SOP*, (October 2021).

<sup>93</sup> DCNR C2P2 documents list,

<https://elibrary.dcnr.pa.gov/GetDocument?docId=3904351&DocName=All%20Checklist%20Items%209-2-2021.xlsx> (accessed August 8, 2024).

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- Reviewed hard copy or electronic records for the 40 selected C2P2 grants/projects to determine if DCNR followed its documented process to monitor grantee expenditures and maintain monitoring documents. [Principles 10, 12, 13]
- For each of the 40 grant projects, we performed the following:
  - Ensured the pre-contracting process was completed including the Notice of Selection/Grant Award letters and grant agreements. [Principles 10, 12]
  - Verified that DCNR sent “Initial Project Start-up” letter to grantee. [Principles 10, 12]
  - Confirmed that DCNR conducted initial project conference call/in-person meeting.
  - Confirmed “RFP Approval” letter/waiver and/or “Notice to Proceed with Project Implementation” letter was present, if applicable.
  - Verified “Notice to Proceed with Planning Process” letter was sent to grantee.
  - Ensured DCNR sent approval of “Draft Plan/Deliverables Review” letter.
  - Verified the Certification of Compliance with Bid Requirements form was completed.
  - Verified the Construction/Materials Contract was executed.
  - Verified BRC Project Manager sent approval to proceed with construction letter.
  - Verified the second appraisal & boundary survey were submitted for Land Acquisition projects.
  - Ensured the updated workplan and billable rates were submitted for Partnerships projects.
  - Ensured the “Project Close-out” letter was approved. [Principles 10, 12]
  - Confirmed the Final Site Inspection was completed.
  - Verified the grant process checklist was completed.
  - Traced project data from RACERS database to source documents.

We performed the following additional procedures for LWCF-funded grant projects:

- Interviewed DCNR management to understand and assess the internal controls in place regarding DCNR’s procedures for monitoring grantees’ performance. [Principles 2, 3, 6-17]
- Reviewed laws, regulations, grant agreements, C2P2 grant manual, and DCNR policies and procedures to identify potential criteria needed to evaluate the audit objective.
  - Reviewed the following DCNR Policies and SOPs, and U.S. NPS requirements: [Principles 6, 7, 10, 12-14]

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- Site Inspection SOP<sup>94</sup>
  - U.S. NPS LWCF Manual<sup>95</sup>
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- Compared DCNR’s list of all LWCF projects from the RACERS database to the GIS Collector Application used for post-completion site inspections to determine if DCNR conducted all required post-completion site inspections.
  - Agreed DCNR’s list of post-completion site inspections to the annual reports of LWCF inspections DCNR sent to the U.S. NPS to determine whether DCNR reported all inspections performed during the period July 1, 2021, through June 30, 2023.
  - Verified DCNR did not perform 47 post-completion site inspections within the five-year timeframe, as required and inquired about the reason.
  - Judgmentally selected 60 of 616 LWCF projects with post-completion site inspections completed during the period July 1, 2021, through June 30, 2023, to ensure we geographically covered all six DCNR regions of the commonwealth.
  - Reviewed inspection reports, site photos, letters to grantees, and other documents to determine if DCNR accurately followed and documented its inspection processes for the 60 selected LWCF projects. [Principles 10, 12, 13]
  - Traced the post-completion site inspections for the 60 selected LWCF projects to the annual U.S. NPS reports. [Principles 10, 12, 13]
  - For each of the 60 projects, we performed the following:
    - Reconciled GIS Collector Application information with source documents for each project. [Principles 10, 12, 13]
    - Verified LWCF Projects were inspected at least every five years and logged into GIS Collector App.
    - Confirmed post-inspections letters consistent with site rating were sent to grantee detailing DCNR inspection findings and next steps.
    - Verified photos were taken at each inspection site and maintained in the database with inspection reports.
    - Ensured DCNR submitted annual reports of LWCF inspection findings to U.S. NPS to ensure each site is maintained according to LWCF standards. [Principles 10, 12, 13]

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<sup>94</sup> DCNR *Site Inspection SOP*, (October 2021).

<sup>95</sup> U.S Department of the Interior National Park Service *Land and Water Conservation Fund State Assistance Program Federal Financial Assistance Manual, Volume 71*, effective March 11, 2021.

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To address the *Status of Prior Audit Findings*, we performed the following procedures:

- Interviewed DCNR management staff regarding the status of prior audit findings and recommendations.
- Reviewed DCNR policies and procedures implemented since the prior audit to determine if DCNR addressed our prior audit recommendations.
- Utilized the procedures performed to satisfy our three audit objectives, as described above, to evaluate the actions DCNR took to address the prior audit findings and recommendations.

### Data Reliability

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Generally accepted *Government Auditing Standards* require us to assess the sufficiency and appropriateness of computer-processed information that we used to support our findings, conclusions and/or recommendations. The assessment of the sufficiency and appropriateness of computer-processed information includes the considerations regarding the completeness and accuracy of the data for the intended purposes.<sup>96</sup>

In addition to the procedures described in the remainder of this section, as part of our overall process in obtaining assurance of the reliability of computer-processed information and data files, we obtained a management representation letter from DCNR. This letter, signed by DCNR management, included a confirmation statement indicating the information and data provided to us had not been altered and was a complete and accurate duplication of the data from its original source.

To assess the completeness and accuracy of the C2P2 grant/project data from DCNR's RACERS database, we conducted the following procedures:

- Obtained an understanding of how DCNR used RACERS to accept, review, and approve C2P2 grant applications and supporting documents.
- Documented our understanding of the IT environment.
- Agreed information from the DCNR C2P2 project lists for grants awarded during the period of July 1, 2021, through June 30, 2023, to the publicly issued DCNR grant announcement lists.

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<sup>96</sup> U.S. Government Accountability Office. *Government Auditing Standards*. 2018 Revision. Technical Update April 2021. Paragraph 8.98.



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- For a judgmental selection of 40 grants DCNR awarded during the audit period, we traced RACERS data to supporting documents and reviewed them for completeness and accuracy.

Based on the data reliability procedures performed, we found no limitations for using the C2P2 grant/project data obtained for our intended purposes. In accordance with *Government Auditing Standards*, we concluded that the DCNR data is of sufficiently reliable for the purposes of this engagement.

DCNR provided additional files and lists of information needed to complete our procedures, as follows:

- Closed and completed projects list.
- Project evaluation scorecards.
- Lists of projects recommended/selected to receive a grant award.
- LWCF post-completion site inspections data (GIS Collector Application).

We traced certain information to supporting documents and reports; however, we could not verify the completeness of these lists. For example, we verified the projects' total score from the project evaluation scorecards to the RACERS project data but could not trace the individual category scores used to calculate a project's total score. The information from these files and lists, however, was the best available and, as a result, we deemed the information to be of undetermined reliability. Even though this determination may affect the precision of the numbers we present, there is sufficient evidence in total to support our findings, conclusions, and recommendations.

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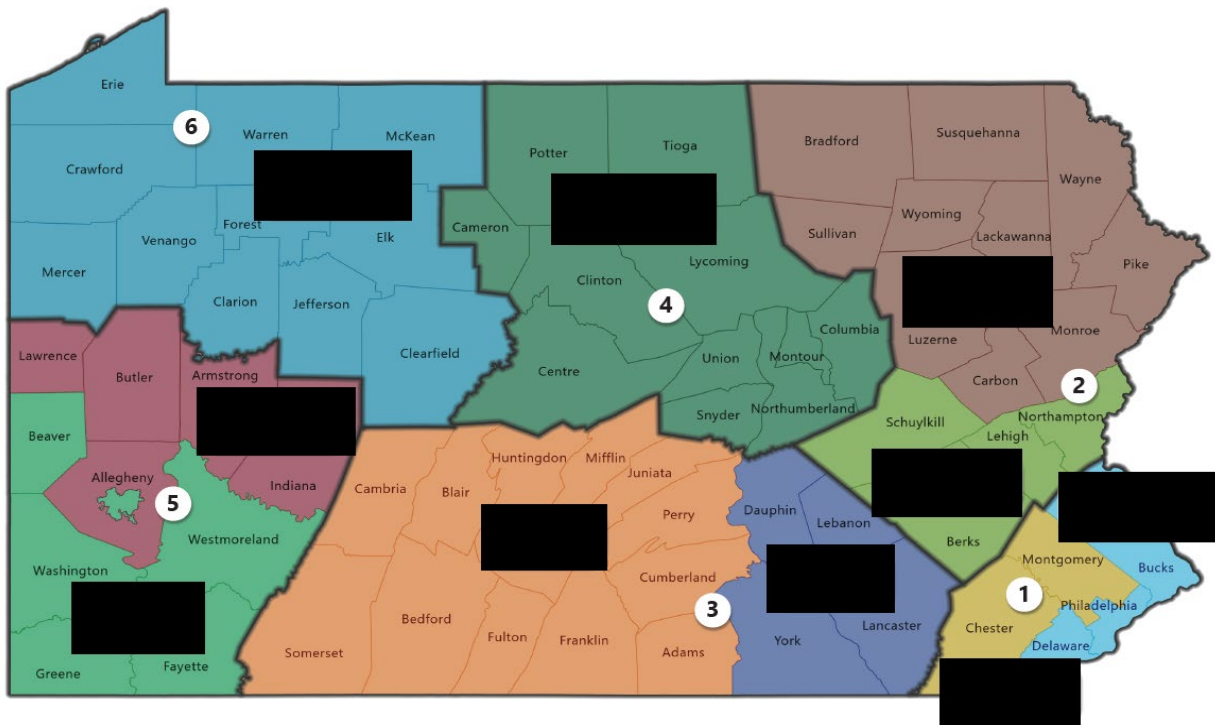
### Pennsylvania Department of Conservation and Natural Resources Community Conservation Partnerships Program

#### Appendix B

#### DCNR C2P2 Grant Program Regional Map

The map below shows the six regions of the commonwealth designated by the Pennsylvania Department of Conservation and Natural Resources (DCNR) to administer and monitor the Community Conservation Partnerships Program (C2P2) grants. Each region has at least one regional advisor (redacted) to oversee the C2P2 grant activities for their assigned region. The regional advisors provide information and guidance to prospective grant applicants, assist with the completion of grant applications, evaluate submitted applications for selection, and conduct inspections of funded projects during construction. Additionally, regional advisors conduct periodic post-completion site inspections for Land and Water Conservation Fund (LWCF) projects as required by federal LWCF policy.

#### DCNR Bureau of Recreation and Conservation (BRC) C2P2 Grant Program Regions



Source: Adapted from the BRC Regional Advisors Map (February 12, 2024) on DCNR's website by Department of the Auditor General staff (Names of DCNR Regional Advisors and contact information redacted).<sup>97</sup>

<sup>97</sup> [https://elibrary.dcnr.pa.gov/GetDocument?docId=1753442&DocName=d\\_001184.pdf](https://elibrary.dcnr.pa.gov/GetDocument?docId=1753442&DocName=d_001184.pdf) (accessed July 30, 2024).

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The six regions include:<sup>98</sup>

1. Southeast Region (1)
2. Northeast Region (2)
3. Southcentral Region (3)
4. Northcentral Region (4)
5. Southwest Region (5)
6. Northwest Region (6)

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<sup>98</sup> DCNR C2P2 Grant Manual 2023.

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#### Appendix C

#### DCNR C2P2 Grant Funding Sources

The Pennsylvania Department of Conservation and Natural Resources (DCNR) administers the Community Conservation Partnerships Program (C2P2), as described in the *Introduction and Background*. DCNR awards C2P2 grant funding to municipalities, non-profit organizations, and other community-based organizations for eligible projects. Grant funds are provided through various federal and state sources, as described below.

#### FEDERAL FUNDS

##### ***Highway Administration funds to the Pennsylvania Recreational Trails program (PRT)***

PRT is administered through DCNR's Bureau of Recreation and Conservation in consultation with the Pennsylvania Trails Advisory Committee. Funding is provided through the Federal Highway Administration. Eligible applicants include federal and state agencies, local governments, educational institutions, non-profits, and for-profit enterprises. Grants are for trails and trail-related facilities for motorized and non-motorized recreational trails.

##### ***Highlands Conservation Act, enacted in 2004 (HCA)***

The HCA was established to authorize the U.S. Secretary of the Interior to work in partnership with the U.S. Secretary of Agriculture to provide financial assistance to the Highlands States to preserve and protect high priority conservation land. The Highlands Region covers Connecticut, New York, New Jersey, and Pennsylvania. HCA is federally funded through the U.S. Fish and Wildlife Service to the Highlands States by providing up to 50 percent matching grants for the acquisition of high priority projects. Projects address key conservation objectives identified in the Act. These projects prioritize stewardship goals, such as clean water, recreational and cultural resources, forests, wildlife, and agriculture. The only eligible entities are state agencies in the Highlands region that have authority to own and manage land for conservation purposes. Federal entities are ineligible to receive funding. Eligible entities in Pennsylvania include DCNR, Pennsylvania Game Commission, Pennsylvania Fish and Boat Commission, and Pennsylvania Department of Agriculture.

##### ***Land and Water Conservation Fund (LWCF) State Assistance Program***

The LWCF was established by the LWCF Act of 1965. Its purpose is to aid in preserving, developing, and ensuring accessibility to outdoor recreation resources. The program provides matching grants to states, and through states to local units of government, such as C2P2 grants administered through DCNR. These grants are for the acquisition and development of public outdoor recreation sites and facilities. This program has been under the jurisdiction of the U.S. National Park Service since 1981.

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#### ***American Rescue Plan Act of 2021 (ARPA) – (available in 2022)***

ARPA was enacted by the U.S. government to provide relief from the economic impact of the COVID-19 pandemic. These federal funds allowed DCNR to administer a special grant round with approximately \$38 million of grants funds, of which \$25 million were from ARPA. Priorities for these funds included rehabbing existing parks, community and watershed forestry practices that help with clean water and climate resilience, and Heritage Area projects. Small community (municipalities with less than 5,000 people) projects also received special benefits with this funding source, such as their matching requirements reduced to 20 percent with no ceiling on project size.<sup>99</sup>

#### **STATE FUNDS**

#### ***Keystone Recreation, Park and Conservation Fund Act***

The Keystone Recreation, Park and Conservation Fund Act became law in 1993 and continues to be DCNR's primary source of funding for grants related to recreation and land conservation.<sup>100</sup> Grants are awarded to various project types, including Community Recreation Grants for planning, development and land acquisition; Rivers Conservation Plans and Projects; Land Trust Projects; and Rails-to-Trails Projects. Funding comes from the designated 15 percent of the State Realty transfer tax revenues. DCNR receives 65 percent of this funding.

#### ***Environmental Stewardship Fund***

Also known as the "Growing Greener Environmental Stewardship Fund," the fund was established in 1999 with an initial \$650 million planned over five years for investments. A second growing greener allocation was enacted in 2005 to expedite the work being done by the Environmental Stewardship Fund investments. A \$625 million bond referendum was put on the ballot, and ultimately, approved. Funding is provided for the purpose of clean water and sound land use, land reclamation, natural resource conservation and community recreation. Funding is also used for investment in state park and forestry facilities, grants for various natural areas, as well as community parks, and creation projects to conserve the biological diversity of Pennsylvania.

#### ***Heritage Areas Funding***

Pennsylvania's Heritage Areas Program was established in 1989. It is a 12-region program administered by DCNR. Its purpose is to identify, protect, enhance and promote the historic, recreational, natural and cultural resources of the commonwealth. Heritage Areas funding supports the implementation of these activities and is contingent upon appropriation through the state budget process.

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<sup>99</sup> DCNR Grant Round 28 Special Fall Round FAQ.

<sup>100</sup> DCNR, Bureau of Recreation and Conservation 2023 Community Conservation Partnerships Program Grant Round 29 Application Materials, Policies and Forms.

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#### ***Keystone Tree Fund***

These funds are provided to municipalities, organizations, and non-profits to support community tree plantings through the TreeVitalize program. The TreeVitalize program is now known as the “DCNR Urban and Community Forestry Program.” Donations come from a voluntary \$3 check-off box on Pennsylvania driver’s license and vehicle registration online applications.

#### ***Snowmobile and All-Terrain Vehicle (ATV) Restricted Accounts***

The Snowmobile and ATV restricted accounts provide funding to municipalities, appropriate/authorized organizations, and for-profit organizations through Act 97 of 2016. Funds are used for the planning, acquisition of land, development, and maintenance of areas and facilities for snowmobile use, the purchase or lease of equipment for trail construction and maintenance, and the development of educational materials and programs.<sup>101</sup>

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<sup>101</sup> DCNR C2P2 Grant Manual 2023: Grant Round 29 Application Materials, Policies and Forms. *See also* <https://www.dcnr.pa.gov/Communities/Grants/Pages/default.aspx> (accessed November 6, 2024).

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#### Appendix D

#### DCNR C2P2 Grant Application Scoring Guidelines

The Pennsylvania Department of Conservation and Natural Resources (DCNR) administers the Community Conservation Partnerships Program (C2P2), as described in the *Introduction and Background*. DCNR awards C2P2 grant funding to municipalities, non-profit organizations, and other community-based organizations for eligible projects. DCNR developed and implemented a grant application/project scoring process to rank and competitively award grant funds to applicants with the most desirable projects that meet eligibility requirements and are consistent with the 2020-2024 State Comprehensive Outdoor Recreation Plan.<sup>102</sup>

DCNR uses the methodology outlined below to score and rank eligible C2P2 projects submitted for grant funding in each grant application round. A DCNR regional staff person and a central office staff member independently evaluate and score each grant application/project, which is ranked to compete statewide or regionally depending on project type. The two evaluators' scores and comments are entered into the Recreation and Conservation Electronic Records System (RACERS), which averages the two scores to produce the final score.<sup>103</sup>

DCNR's C2P2 grant application/project evaluators use scoring criteria below to complete project scorecards. Not all criteria are applicable for every project type, as indicated below:

#### ***DCNR Scoring Guidelines for C2P2 Projects***<sup>104</sup>

##### **1. Ready-To-Go (0-15 points)**

*(All project types)*

DCNR developed Ready-To-Go checklists for the specific project types and included them in the C2P2 grant manual. Applicants use the checklist to ensure their projects are "Ready-To-Go". According to the grant manual, only projects that are Ready-To-Go will be given consideration for grant awards.<sup>105</sup> DCNR's evaluators also use the checklist during the application/project review and scoring process. Although some of the criteria on the checklists vary by project type, others are included on most checklists, such as:

- Eligible Applicant.
- Match Secured.
- Clear, concise, and detailed scope of work included.

<sup>102</sup> DCNR C2P2 Grant Manuals, 2021-2023.

<sup>103</sup> DCNR Grant Application Review SOP, October 27, 2021.

<sup>104</sup> DCNR *Selection Criteria Questions - Scoring Guidance* (Various project types).

<sup>105</sup> DCNR C2P2 Grant Manuals, 2021-2023.

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DCNR's scoring guidance documents note that the Ready-To-Go score for all projects will either be 0 or 15, except for Partnerships. A Partnerships project could receive a score of seven under specific circumstances as described in the guidance documents.<sup>106</sup>

#### 2. **Needs and Benefits (0-20 points)**

*(All project types)*

Applicants should provide an explanation of the needs and benefits addressed by the proposed projects, including detailed descriptions of how the scope of work will address or solve the identified needs.

Projects are awarded points as follows:

- A. **HIGH (14-20)** The needs and benefits are well defined, clearly communicates "why" the project is needed, and provides a clear detailed description on the benefits of the project.
- B. **MEDIUM (8-13)** The needs and benefits are somewhat defined, including "why" the project is needed. The benefits are somewhat described but lack sufficient detail.
- C. **LOW (1-7)** The needs and benefits are poorly defined and "why" the project is needed, and the benefits are poorly described.
- D. **NO ANSWER (0)**

#### 3. **Urgencies (0-5 points)**

*(All project types)*

Applicants should provide a compelling explanation for the urgency of the project and describe that the project may be lost if it is not selected. Examples of an urgent need might include, but is not limited to, a safety hazard, land purchase threatened by development, or loss of matching funds.

Projects are awarded points as follows:

- A. **HIGH (5)** An urgent need has been identified that: (1) needs to be addressed to tackle a safety hazard and/or (2) may result in the loss of the project (ex. match will be lost or property will be sold).
- B. **MEDIUM (3)** An urgent need has been identified but (1) does not pose a safety hazard and/or, (2) will not result in the loss of a project.
- C. **NO ANSWER/NO URGENT NEED (0)**

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<sup>106</sup> DCNR Selection Criteria Questions - Scoring Guidance (Partnerships).



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#### 4. Green and Sustainable Practices (0-10 points)

*(All project types)*

Applicants should describe how their project will reduce the severity of current and future climate impacts through green and sustainable practices.

Projects are awarded points as follows:

- A. **HIGH (8-10)** The Climate Resilient, Green, and Sustainable practice(s) and/or element(s) are well defined, incorporated into the scope of work, budget, and site plan and exceeds what would be expected for the site/project.
- B. **MEDIUM (4-7)** The Climate Resilient, Green, and Sustainable practice(s) and/or element(s) are somewhat defined, incorporated into the scope of work, budget, and site plan and are adequate for the site/project.
- C. **LOW (1-3)** The Climate Resilient, Green, and Sustainable practice(s) and/or element(s) are not well defined and substantially missing from the scope of work, budget and/or site plan, and may not be appropriate for the site/project.
- D. **NO ANSWER (0)**

#### 5. ADA Accessibility (0-5 points)

*(Development, Planning, and Trails – Planning and Development projects only)*

Applicants must comply with 2010 ADA Standards for Accessible Design. Each applicant should reference where the accessible accommodations can be found in the budget, scope of work, or site plan.

Projects are awarded points as follows:

- A. **HIGH (4-5)** The ADA requirements and/or best management practices are well defined, incorporated into the scope of work, budget, and site plan or sample scope of work (if applicable), meets or exceeds what would be expected for the site/project AND identifies how the project improves Accessibility for ALL or segments of their population.
- B. **MEDIUM (2-3)** The ADA requirements and/or best management practices are somewhat defined and incorporated but lacks specificity within the scope of work, budget, and/or site plan or sample scope of work (if applicable) and no mention of accessibility for ALL.
- C. **LOW (1)** The ADA requirements and/or best management practices were poorly defined and/or missing from the scope of work, budget, and/or site plan or sample scope of work (if applicable) and no mention of accessibility for ALL.
- D. **NO ANSWER (0)**

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#### **6. Public Access (0-5 points)**

*(Acquisition and Trail Equipment Purchase projects only)*

Applicants should describe the level of public access to the property being acquired or maintained and what benefits will be realized by the proposed access.

Projects are awarded points as follows:

- A. **HIGH (4-5)** The benefits of the acquisition are well described & supported. The proposed level of access is appropriate or exceeds the level expected for this type of project.
  - B. **MEDIUM (2-3)** The benefits of the acquisition are somewhat described & supported. The proposed level of access may be questionable for this type of project.
  - C. **LOW (1)** The benefits of the acquisition are poorly described & supported. The proposed level of access is questionable or inappropriate for this type of project.
  - D. **NO ANSWER (0)**
- #### **7. Create New Opportunities/Build Momentum (0-10 points)**

*(Partnership projects only)*

Applicants should describe how the project creates new opportunities not currently available, implements innovative approaches, or builds upon existing momentum.

Projects are awarded points as follows:

- A. **HIGH (8-10)** New opportunities developed or existing momentum capitalized upon are well defined and realistic as they relate to the scope of work and budget.
  - B. **MEDIUM (4-7)** New opportunities developed or existing momentum capitalized upon are somewhat defined but may be unrealistic as they relate to the scope of work and budget.
  - C. **LOW (0-3)** New opportunities developed or existing momentum capitalized upon are not well defined or are unrealistic.
- #### **8. Public Involvement (0-5 points)**

Applicants should describe how the public has been, or will be, engaged in the project.

Projects are awarded points as follows:

- A. **HIGH (4-5)** Public engagement is well-defined for the given project.
- B. **MEDIUM (2-3)** Public engagement is somewhat defined for the given project but lacked specificity.

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- C. **LOW (1)** Public engagement is perfunctory or poorly defined for the given project.
- D. **NO ANSWER (0)**

#### 9. **SCORP (0-15 points)**

*(All project types)*

Applicants should explain how the project will implement the actions described in the current State Comprehensive Outdoor Recreation Plan (SCORP) or PA Land and Water Trail Network Strategic Plan. The program specific priorities include closing a priority trail gap, rehabilitating existing community parks, addressing recreation in medium/high need areas, underserved populations, implementing watershed restoration, acquiring lands that enhance connectivity, climate resiliency, and/or recreational access.

Projects are awarded points as follows:

- A. **HIGH (8-10)** Application addresses at least (3) Actions that are well supported by project details and documentation and, if applicable, incorporated into their scope of work, budget, and site plan. Add an additional 5 points if the applicant is addressing a Bureau priority listed above.
- B. **MEDIUM (4-7)** Application addresses at least (2) Actions that are well supported by project details and documentation and, if applicable, incorporated into their scope of work, budget, and site plan. Add an additional 5 points if the applicant is addressing a Bureau priority listed above.
- C. **LOW (1-3)** Application addresses at least (1) Action and/or 1 priority that is well supported by project details and documentation and, if applicable, incorporated into their scope of work, budget, and site plan. Add an additional 5 points if the applicant is addressing a Bureau priority listed above.
- D. **NO ANSWER (0)**

#### 10. **Local County & Regional Plans (0-10 points)**

*(All project types)*

Applicants should identify and describe local, county, and regional plans that the project advances through the implementation of the project's scope of work.

Projects are awarded points as follows:

- A. **HIGH (8-10)** The scope of work is identified and documented as a high priority or early implementation of a local, county, or regional plan. All listed plans have detailed descriptions on how their scope of work implements the plan and all relevant documentation has been submitted for each plan.
- B. **MEDIUM (4-7)** The scope of work is identified and documented within a local, county, or regional plan but not as a high priority or early implementation. All

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listed plans have detailed descriptions on how their scope of work implements the plan and all relevant documentation has been submitted for each plan.

- C. **LOW (1-3)** The scope of work is identified and documented as being consistent with at least one local, county, or regional plan but the project is not specifically mentioned in the plan.
- D. **NO ANSWER (0)**

#### **11. Operation, Maintenance, Stewardship Plan (0-5 points)**

*(All project types)*

Applicants should describe an approach to feasibly and realistically maintain the project's major scope of work over the long-term.

Projects are awarded points as follows:

- A. **HIGH (4-5)** Long-term sustainability of all major scope of work items is well described and seems realistic.
- B. **MEDIUM (2-3)** Long-term sustainability of some scope of work items is well described and seems realistic.
- C. **LOW (1)** Long-term sustainability of scope of work items is poorly described including few if any details.
- D. **NO ANSWER (0)**

#### **12. Partners (0-10 points)**

*(All project types)*

Applicants should identify all partners (financial, technical, general) involved with the project.

Projects are awarded points as follows:

- A. **HIGH (8-10)** Appropriate partners critical to the success of the project are listed for the given project with letters of support and/or commitment uploaded to the application.
- B. **MEDIUM (4-7)** Some partners are listed but not all may be critical to the success of the project and/or some letters of support/commitment are missing.
- C. **LOW (1-3)** Partners listed are not defined or tangential to the project and/or no letters of support/commitment provided in the application.
- D. **NO ANSWER (0)**

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#### Appendix E

#### Example of DCNR’s Selection of a C2P2 Grant Project Not Consistent with BRC Scoring

The Pennsylvania Department of Conservation and Natural Resources (DCNR) administers the Community Conservation Partnerships Program (C2P2), as described in the *Introduction and Background*. DCNR’s Bureau of Recreation and Conservation (BRC) oversees the grants awarding process. This process includes an evaluation of each grant application/project received using BRC’s project scoring guidance documents described in *Appendix D*. A flowchart of the C2P2 grants awarding process is included as *Appendix F*.

We found, however, that DCNR awarded grants for certain projects regardless of BRC’s scoring and rankings (*see* further details described in *Finding 1*). DCNR management made discretionary decisions to award grants for certain projects that BRC ranked lower than other projects that did not receive a grant award. The following is an example that compares the BRC grant application/project evaluators’ scores assigned during the review process for a selected project which scored 49.5 points lower than a project not selected during grant round 28.6. Scoring categories with significant differences include Ready-To-Go, Urgencies, and Partners, as further explained after the table.

Scoring Category* (Maximum Points)	BRC Project Evaluators Scores@ (Average of two scores)		Difference
	Selected	Not Selected	
Ready-To-Go (15)	0	15	15
Needs/Benefits (20)	10.5	16.5	6
Urgencies (5)	0	3	3
Green/Sustainable Practices (10)	5.5	8	2.5
ADA Accessibility (5)	4	4	0
Public Access	N/A	N/A	N/A
Create New Opportunities/Build Upon Momentum	N/A	N/A	N/A
Public Involvement (5)	3	4.5	1.5
SCORP^ (15)	9.5	15	5.5
Operation, Maintenance, Stewardship Plan (5)	2	5	3
Local, County & Regional Plans (10)	3.5	7.5	4
Partners (10)	1	10	9
<b>Total</b>	<b>39</b>	<b>88.5</b>	<b>49.5</b>

\* - *See* DCNR’s project scoring categories in *Appendix D*.

@ - Although the total scores were included with the project data from RACERS, which we determined sufficiently reliable for our purposes, the accuracy and completeness of the individual scoring category scores DCNR management provided are of undetermined reliability, *see Appendix A*. We concluded, however, based on our review that they were sufficient for our purposes and there is sufficient evidence in total to support our finding and conclusions.

^ - State Comprehensive Outdoor Recreation Plan.

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N/A – Not Applicable for project type.

*Source: Developed by Department of the Auditor General staff from DCNR project evaluation scorecards.*

#### *Ready-To-Go*

BRC evaluated the Ready-To-Go status of each project using checklists designed to determine whether applicants are eligible, that the required matching funds are available, and that the projects' scope of work is clear, concise, and detailed.<sup>107</sup> Checklists may also include other criteria specific to the project type. DCNR included the checklists in the grant manual, which states that only projects that are Ready-To-Go will be given consideration for grant awards.<sup>108</sup>

#### *Urgencies*

Scoring of the Urgencies category indicated that the selected project had no urgencies identified that needed to be considered as signified by the zero score. In contrast, the project DCNR did not select, had a medium score of three assigned to it. This evidenced that the BRC evaluators confirmed an urgent need for the project but that it did not pose a safety hazard and/or would not result in the loss of the project if a grant was not awarded.<sup>109</sup>

#### *Partners*

The nine point difference in the Partners category scores between the two projects indicated that the project DCNR did not select for a grant had partner entities identified with letters of support included with the application. The score of one for the other project that received a grant meant that the partners were not defined or tangential to the project and no support/commitment letters were provided with the application.

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<sup>107</sup> See the descriptions of BRC's scoring criteria in *Appendix D*.

<sup>108</sup> See additional information presented in *Finding 1*.

<sup>109</sup> See the descriptions of BRC's scoring criteria in *Appendix D*.

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#### Appendix F

#### C2P2 Grants Awarding Process

The Community Conservation Partnerships Program (C2P2) grants awarding process at the Pennsylvania Department of Conservation and Natural Resources (DCNR) begins with electronic application submissions during the specified submission period. After the submission deadline, the Bureau of Recreation and Conservation (BRC) evaluates each grant application/project and assigns a score using BRC's project scoring guidance documents.<sup>110</sup> It ranks the projects by type and score. According to the C2P2 grant manual, the *highest scored projects will be selected for funding until available funds are exhausted.*<sup>111</sup>

BRC prepares a comprehensive list of projects indicating which it recommends for a grant and which it does not recommend based on rankings and available funding.<sup>112</sup> BRC consults with DCNR's executive management to finalize a list of approved projects with the proposed grant award amounts. DCNR receives the Governor's approval before publicly announcing the grants awarded. The following flowchart summarizes the grant awards process from application submission to the public grant awards announcement. The results of our review of DCNR's C2P2 grant awarding process are presented in *Finding 1*.

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<sup>110</sup> See a description of DCNR's C2P2 grants awarding process in the *Introduction and Background* and BRC's scoring criteria used to evaluate and rank grant applications/projects in *Appendix D*.

<sup>111</sup> DCNR C2P2 Grant Manuals, 2021-2023.

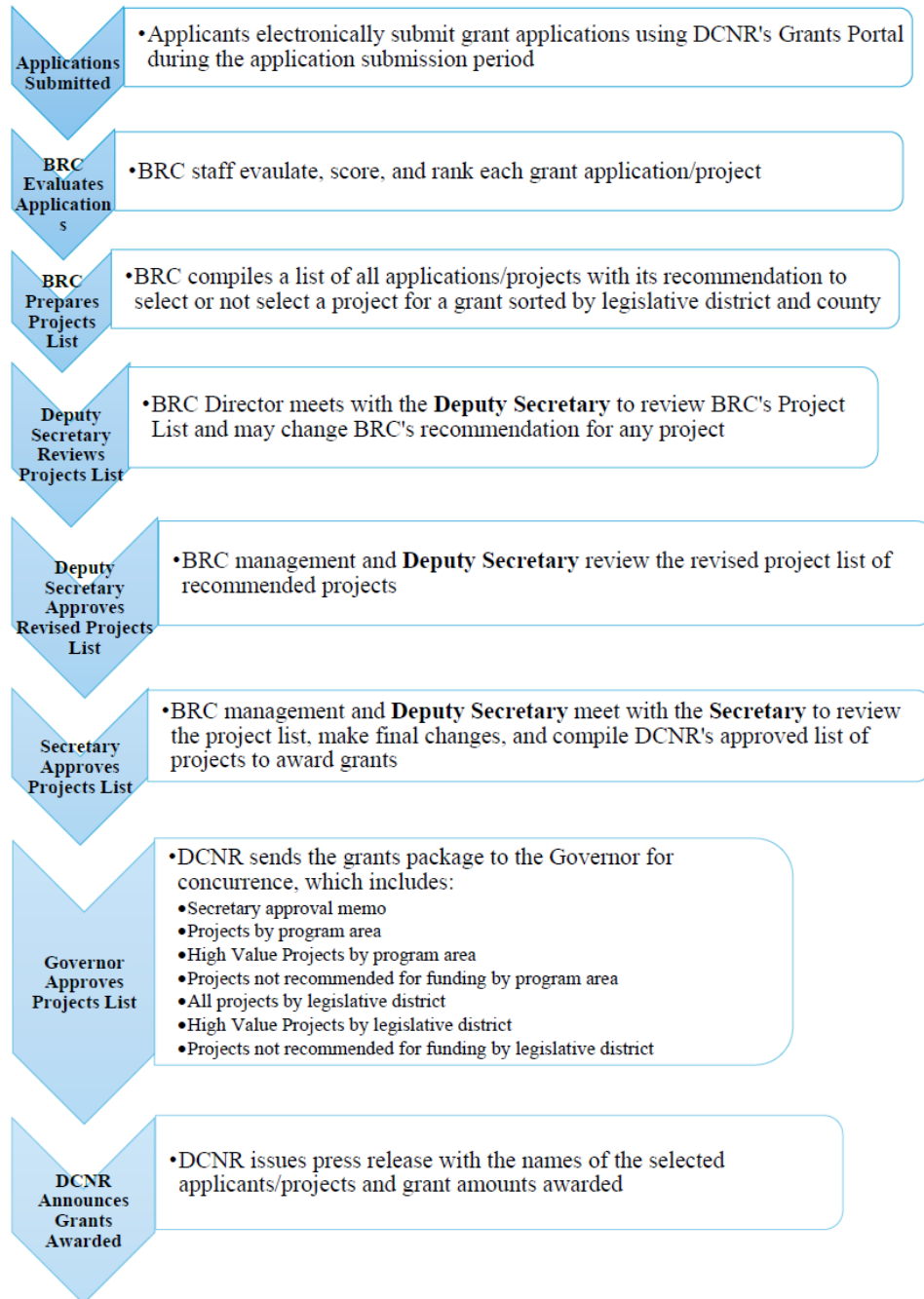
<sup>112</sup> BRC categorizes each project on the lists as; Recommend for funding; Recommend not select; High value project; or Hold for funds. High value projects are desirable projects; however, an issue exists that must be resolved before awarding a grant. Hold for funds projects may be moved to recommend for funding if additional funding becomes available.

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#### C2P2 Grant Awards Process



Source: Developed by Department of the Auditor General staff.



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#### Appendix G

#### Distribution List

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Pennsylvania Senate

**The Honorable Scott Hutchinson**  
Pennsylvania Senate

**The Honorable Justin N. Leventry**  
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