



FREDERICK COUNTY GOVERNMENT

INTERAGENCY INTERNAL AUDIT AUTHORITY

Tricia Reaver, Director of Internal Audit

Memorandum

To: Katie Stevens, Director, Office of Agriculture
Rebecca Tucker, Senior Business Development Manager, Office of Agriculture

A handwritten signature in black ink that reads "Tricia A. Reaver".

From: Tricia A. Reaver, CPA; Director, Internal Audit

Date: June 18, 2024

Subject: Review of Agriculture Innovation Grants Process

In April 2024, the Internal Audit Division (IAD) was contacted by the Frederick County Office of Agriculture to assist in providing recommendations for the betterment of the Agriculture Innovation Grant selection process. The Agriculture Innovation Grants are semi-annual grants provided to County farmers and agriculture professionals *"to improve the economic viability of the agriculture industry by encouraging Frederick County's agricultural producers to expand or diversify their business operations. Eligible applicants must be a crop or livestock producer, value-added producer, agricultural cooperative, seafood processor, or primary or secondary timber products processor. Applicants can receive grants for research and development, production buildings, major fixtures, and processing facilities. Prior recipients of an Agriculture Innovation Grant are eligible to apply but must be in good standing with the expense reporting for that prior grant."* The IAD met with the Office of Agriculture to learn more about the grant and grant selection process, reviewed the grant application, reviewed the grant score sheet, reviewed the selection committee conflict of interest form and attended the selection committee meeting. Through this review the IAD formulated verbal recommendations to the Office of Agriculture on the day of the selection meeting (May 1st, 2024) which are documented below in this memorandum.

The IAD performed the following tasks in this review:

- The IAD met with the Director and Senior Business Development Manager for the Frederick County Office of Agriculture
- The IAD reviewed the "Frederick County Agriculture Innovation Grant Application", dated March 2024
- The IAD reviewed the "Ag Innovation Grant Scoring Rubric"
- The IAD reviewed the "Frederick County Government Agriculture Innovation Grant March 2024 Conflict of Interest Form for Grant Reviewers"
- The IAD attended the May 1st, 2024 Grant Selection Meeting

- Individuals present for the meeting included four selection committee members, an IAD representative and the Office of Agriculture Senior Business Development Manager
- The IAD confirmed the grant selection committee is a four-member committee comprised of agricultural lenders and industry representatives

Recommendations

After meeting with the Office of Agriculture, reviewing the documents and observing the Grant Selection Committee (selection committee) meeting on May 1st, 2024, the IAD had the following recommendations to the Office of Agriculture and the selection committee:

1. Applications are split amongst selection committee members for review and grading. Committee members come to the meeting prepared to discuss their reviewed applications and scoring of those applications.
 - a. Currently the Senior Business Development Manager randomly splits up the applications for review amongst selection committee members. Committee members are required to submit score sheets and rankings to the Senior Business Development Manager prior to the meeting. The IAD recommends that it would be best if members see all of the applications to allow for a greater chance of each application being graded against the others. Members of the selection committee grading each application would allow the full population more of the same chance for selection and more open knowledgeable conversation during the meeting.
 - i. This recommendation could be onerous on the selection committee and the IAD understands with the volume of applications, it may not be efficient to have each committee member review all of the applications. Another option to this recommendation would be to assign every application to two selection committee members for review and grading. With four selection committee members that would split the applications in half between reviewers.
 - b. If applications are not viewed by every selection committee member, the IAD recommends the Office of Agriculture require applicants to include an executive summary to their application packet. This summary can be shared with each selection committee member. The selection committee members would then be provided their randomly selected full application packets along with the executive summaries for all other applications. Selection committee members would review and grade their assigned application packets and also be provided with the score sheets for those application reviewed by other members. This will allow each reviewer to gain familiarity with each application prior to live discussions. This also allows every application to be looked at in summary form for context. The IAD also recommends that each selection committee reviewer then come to the selection meeting with an updated score sheet that includes scoring on each application from their review of the summaries provided.
 - i. Another alternative if applications are not viewed by every selection committee member, would be a recommendation to have the members of

the selection committee review two sets of application packets. This will allow each application to be reviewed by at least two selection committee members who will score each for preparation and discussion ahead of the meeting. This allows for open grading and multiple grading of applications which leads to greater visibility of applications in the overall population of application packets.

2. During the selection process the IAD observed that the discussion and final grading of applications needed to be documented more thoroughly. The IAD recommends that the selection committee or Office of Agriculture assign a detailed note taker which would ensure that applications discussed and the thought process and final scores given to each application is documented and matches the final decisions of the selection committee.
3. The IAD recommends that the selection committee members put a final scoring mechanism in place for each application. This final scoring mechanism will show the final grade for each application which should match the final decisions made in grant selection and monetary funding provided. It is recommended that every application has a final scoring and that every application is shown in notes with the dollar value of award given. If only partial awards are provided, it is recommended that notes are provided to aspects of the application that did not meet criteria or aspects of a project that were deemed beneficial for funding by the selection committee. The IAD recommends the creation of a mechanism to perform this task going forward so that at the end of the meeting the highest scores and recommendation for funding aligns to the final decisions made by the selection committee reviewers as a whole.
4. The IAD recommends that the selection committee sign off or give a written approval of the final score and funding sheet as recommended in #3 above which reflects the final funding decisions made during the selection process and meeting.
5. The IAD recommends that the Office of Agriculture consider changing the selection committee to be a team of five individuals, this allows for a sway vote in case there are tied voting in grading applications.

Conclusion

This review was conducted to better understand the application and selection process of the Agriculture Innovation Grants through the Frederick County Office of Agriculture. This review did not include reviewing the full population of grant applications received by the Office of Agriculture. The IAD feels confident that with the above noted recommendations that the Office of Agriculture will be able to maintain an efficient, transparent and fair grant selection process. At the time of this memorandum, the Office of Agriculture was already working on implementing recommendations and was reviewing their scoring rubric to be more detailed to enhance selection committee scoring consistency.

During this review it was a pleasure to work with the County Office of Agriculture and the Agriculture Innovation Grant Selection Committee. The Division and Committee was transparent and provided information timely to the IAD. The IAD sincerely appreciates their full cooperation and assistance with the support and information required to perform the necessary work.

Please let the Director of the IAD, Tricia A. Reaver, CPA, know if you have any questions or concerns as it relates to this review. The IAD staff will be happy to assist in any way that we can.

Pc: Dawn Reed, Coordinator, Internal Audit Division
Interagency Internal Audit Authority
John Petersen, Chief Administrative Officer, Frederick County
Dan Lewis, Chief Financial Officer, Frederick County