DEPARTMENT OF NATURAL RESOURCES

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MEMORANDUM

April 24, 2023

TO: Forest Practices Board

FROM: Lori Clark, Adaptive Management Program Administrator (AMPA)

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SUBJECT: Washington State Auditor Office (SAO) Performance Audit Update

In January 2021, the Office of the Washington State Auditor (SAO) completed a performance audit of the Forest Practices Adaptive Management Program (AMP)[1]. The audit provided 13 recommendations for improving AMP program performance. The SAO report referred eleven of these recommendations to the Forest Practices Board (FPB). In May 2021, the Board approved staff suggested relative priorities among the recommendations in the form of a response plan. In October 2022, the Board approved the TFW Policy Workgroup & AMPA recommendations a list of five net gains options in support of the SAO recommendation #05, adopting a net gains model for TFW Policy. This memo is an update on the SAO Recommendations, including these Net Gains Options.

Tables 1-3 of the attachment to this memo provide an update to the Board on the status of each action item related to all SAO recommendations. The TFW Policy SAO Recommendations Action Plan in this memo is a pdf exported from a Smartsheet Gantt Chart which will be shared at the FPB May meeting.

Please let me know if you have any questions or need more information.

Attachments:

1- Update on Implementation of SAO Recommendations
2- TFW Policy SAO Recommendations Action Plan (Gantt Chart will be shared live and zoomed in for easier viewing at FPB Meeting)

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[1] Performance Audit of the Adaptive Management Program

Update on Implementation of SAO Recommendations

Table 1: Recommendations to be considered and acted upon by caucus principals that may be aided by third-party neutral assistance focusing on conflict transformation.

Focus Area	Action Item	SAO Rec #	Status	Update
Decision making process	1) Review consensus decision making model: 2) Require participation by caucus principals	1 and 2	**Delayed** Expected to be completed next biennium.	The status of these two recommendations have changed from on-track to delayed since the last update. This is primarily because any changes to the decision-making model would require a rule-change. A rule-change in the remainder of the current biennium is unlikely. Two rounds of TFW Principals meetings have been held this biennium. The FPB approved the MPS with funds to continue facilitating the Principals meeting in the next biennium. The principles are expected to continue discussions.

Table 2: Recommendations involving changes to AMP processes to be evaluated mainly through the appropriate **AMP committees.**

Focus Area	Action Item	SAO Rec #	Status	Update
Decision making process	Adopt decision criteria for determining actions that will occur depending on project results before those results have been found.	6	**Delayed** Progress is being made, although this recommendation will take more time than expected to complete.	TFW Policy SAO Workgroup has had a joint session with a CMER workgroup to discuss developing decision criteria for projects in the program to make progress on this recommendation. The group will draft a recommendation on a process for opening Schedule L-1 for revisions, including identifying which sections need revisions. The FPB can expect to receive a consensus recommendation at their August 2023 meeting.

Decision making process	Implement a "net gains" approach to each proposal, project, and decision that benefits more than one caucus by considering packages of projects instead of individual projects.	5	**On-Track**	FPB approved the TFW Policy's recommendation on the net gains options.
				Net Gains Option 1 - Adopt Multi-Criteria Decision Making/Structured Decision-Making. Est. due to FPB Feb 2024
				Net Gains Option 2 - Clarify Process for Outside (Non-CMER) Science (PI) Est. due to FPB Aug 2023
				Net Gains Option 3 - Set Clear AMP Priorities • Synchronize CMER Work Plan and MPS • List AMP Priorities • MPS Contingency Plan - complete
				Net Gains Option 4 - CMER Reform -Policy is expected to have a recommendation for the FPB meeting Aug 2023
				Net Gains Option 5 - Develop Guidance or Manual for TFW Policy. Consultant is working with Policy to develop these materials. FPB Aug 2023

Table 3: Recommendations that are administrative in nature to be evaluated primarily by Board and AMP staff and brought to the Board for decision and action.

Focus Area	Action Item	SAO Rec #	Status	Update
Decision making process	Update language in the board manual to reflect WAC which says dispute resolution is required when consensus cannot be achieved within the Science or Policy committees.	3	**Completed**	Board Manual 22 has been updated. Board staff presented revisions to the Board in February 2022 and obtained the Board's approval

Decision making process	The board should set a trigger for dispute resolution. It should work with the Adaptive Management Program Administrator and the chairs of the committees to determine the appropriate amount of time: 1- Identify and recommend to the Board schedule or process-based triggers for invoking dispute resolution. 2- Add line item for dispute resolution in the Master Project Schedule. 3- Establish on-call contracts for dispute resolution for Policy Committee. 4- Establish on-call contracts for a CMER technical arbitration panel. 5- Establish on-call statistical assistance contract for CMER.	4	**Completed**	Task 1 - The AMPA and Co-Chairs think that it would be good to allow time for the implementation of other SAO Recommendations before deciding on a trigger for the Board to initiate dispute resolution. Tasks 2-4 are completed. Task 5 will be completed with conclusion of solicitation for CMER on-call statistician (June 2023).
Transparency and Accountability	1) Tracking system for life cycle of projects 2) Public facing dashboard	10,11	**On track** Significant progress made since last update.	AMP staff have completed work on project tracking system and with cost and schedule metrics for continuous monitoring of projects. A DNR-supported SharePoint Online platform was created and will make this information available to the public with the launch of the Dashboard. CMER and TFW Policy members have received access and training on the SharePoint Online platform for increased transparency and access to TWF files, reports, and meeting materials. DNR worked with a consultant to build the AMP Dashboard this quarter. It is expected to be completed and launched by June 2023.
Transparency and accountability	Complete biennial fiscal and performance audits of the AMP every two years	9	**On track**	Draft language will be presented for FPB decision at their May 2023 meeting.
Transparency	Peer review science program every 5 years	7	**On track**	Board staff have developed mark-up draft language requiring 5-

and accountability				year review for part 6.1 of Board Manual Section 22. Draft language will be presented for FPB decision at their May 2023 meeting. The rule-required science review of the program will be fulfilled this biennium through a separate project lead by Washington Department of Fish and Wildlife. There is funding in the FY2027 MPS to fund the next 5-year AMP Science Review.
Decision making process	Onboarding and training for new members	8	**On track**	Draft language will be presented for FPB decision at their May 2023 meeting. Funds are added in the FY24-25 MPS for the develop of training materials.

TFW Policy SAO Recommendations Action Plan

Task Name	SAO Recommendation	Status	Start	Estimated Completion Date	FPB Meeting Target	Board Manual Section 22	Assigned to	Comments
1)Review consensus decision making model: 2)Require participation by caucus principals	1 & 2	🔴					TFW Caucus Principals	Principals meeting; The status of these two recommendations have changed from on-track to delayed since the last update. This is primarily because any changes to the decision making model would require a rule-change. A rule-change in the remainder of the current biennium is unlikely. Two rounds of TFW Principals meetings have been held this biennium. The FPB approved the MPS with funds to continue facilitating the Principals meeting in the next biennium. The principles are expected to continue discussions.
Update language in the board manual to reflect WAC which says dispute resolution is required when consensus cannot be achieved within the Science or Policy committees.	3	🟢				5	AMPA	Board Manual 22 has been updated. Board staff presented revisions to the Board in February 2022 and obtained the Board's approval
FPB trigger for dispute resolution	4	🟢					AMPA	
(1) Identify and recommend to the Board schedule or process-based triggers for invoking dispute resolution	4	🟢				5.4	AMPA	SAO Recommendation is that the board should set a trigger for dispute resolution. The AMPA and Co-Chairs think that it would be good to allow time for the implementation of other SAO Recommendations before deciding on a trigger for the Board to initiate dispute resolution. If this were to be added to the BM it would go into section 5.4.
(2) Add line item for dispute resolution in the Master Project Schedule	4	🟢				N/A	AMPA	
(3) Establish on-call contracts for dispute resolution for Policy	4	🟢				N/A	AMPA	
(4) Establish on-call contracts for a CMER technical arbitration panel	4	🟢				N/A	AMPA	
(5) Establish on-call statistical assistance contract for CMER	4	🟢				N/A	PMs	The solicitation for the on-call statistician will begin in May for the start of the 2024-2025 biennium contract.
Implement a "net gains" approach to each proposal, project, and decision that benefits more than one caucus by considering packages of projects instead of individual projects. 5 Net Gains Options were approved.	5	🟡					Policy Workgroup	
(1) Net Gains Option 1 - Adopt Multi-Criteria Decision Making/Structured Decision-Making	5	🟡	02/28/23	01/31/24	02/14/24	3.4	Policy Workgroup	BM Language drafted. Need SDM model (figure).
Revise Schedule L-1	5	🟡	02/28/23	01/31/24	02/14/24		Policy Workgroup	Policy to make consensus recommendations to the FPB. Will need to send a memo to Federal Servies after this is approved. Addendum to HCP. CMER and Policy have selected a workgroup to draft a recommendation to TFW Policy on a process for opening Schedule L-1 for revisions, including identifying which sections need revisions. This recommended process will be vetted through the TFW Policy SAO Workgroup, CMER, and TFW Policy prior to any edits made to Schedule L-1.
(2) Clarify Process for Non-CMER Science (PI)	5	🟡	01/24/23	07/12/23	08/09/23	3.1 4.5 5.4, Figure 3	CMER/Policy Co-Chairs	Goal August 9th FPB meeting. Mailing July 26. Need materials to be completed July 19.
(3) Net Gains Option 3 - Set Clear AMP Priorities	5	🔵			02/14/24	2	CMER/Policy	
Synchronize CMER work plan and MPS	5	🔵	08/10/23	05/01/25	05/13/26		AMPA	Currently, CMER delivers their Work Plan in January of odd years. CMER delivered their draft Work Plan to Policy in January 2023. This Work Plan will be used to inform the refinement of FY2024 -FY2025 and the development of the next biennium (FY2026-FY2027) MPS. The next Work Plan revisions, including adjusting prioritization of CMER projects, will be submitted to Policy in January of 2026 to synchronize the prioritization of projects to inform the MPS.
Set & List Program Priorities	5	🔵	05/02/24	05/01/25	05/13/26	2	Policy Workgroup	Policy will adopt and approve a standing list of program priorities for the FY2026-FY2027 biennium no later than May 2025 to communicated to CMER in time to be included in the development of the CMER Work Plan.
MPS Contingency Plan	5	🟢					Policy Workgroup	MPS Contingency Plan was approved by Policy 2/2/23. The MPS contingency plan is a living document that will need to be updated every six months. The MPS Contingency Plan will need a full update on odd fiscal years to inform the biennium adjustments to the MPS.
(4) Net Gains Option 4 - CMER Reform	5	🟡	03/15/23	07/12/23	08/09/23	2	Policy Workgroup	This SAO Recommendation includes potential reforms and changes in CMER. The TFW Policy committee is working on a recommendation on CMER membership for the FPB's consideration. Options include: to limit voting membership in CMER to one member per caucus and/or modifying the structure of CMER to carry out the science function by an independent research organization. Amend Board Manual Section 22 to require annual CMER and Policy interaction/conference. The Board can task the AMPA to facilitate a conference focused on CMER need for policy clarifications that frequently arise in the course of implementing CMER projects. The AMPA would consult both committees to identify topics for the conference and facilitate the sessions including with external support if needed. Goal August 9th FPB meeting. Mailing July 26. Need materials to be completed July 19.
(5) Develop Guidance or Manual for TFW Policy	5	🔵	03/27/23	05/04/23	08/09/23	2.2	Policy Workgroup	AMPA hired consultant to work on a Policy Charter/Manual. It is currently under development and should be completed by August 2023. Some tasks that are associated with this recommendation are reviewing/revising ground rules, co-chair roles/responsibilities, and operating procedures.
Adopt decision criteria for determining actions that will occur depending on project results before those results have been found	6	🟡	03/15/23	07/12/23	08/09/23	3.4	Joint CMER/Policy Workgroup	Incorporating decision criteria at the beginning of a scientific project allows an organization to agree up front what a certain result means. For example, if test results are above a particular threshold, program participants will consider that the rule is delivering its designed purpose. If results are below that threshold, they will recommend the board revise the rule. The U.S. Department of the Interior issued guidance that agreeing to decision criteria or pre-determined thresholds is a "critical element" of adaptive management. Deciding on thresholds beforehand allows groups to know whether the research will warrant a change. Establishing decision criteria at the outset reduces disagreement on whether there should be an adjustment to the rule. TFW Policy SAO Workgroup has had a joint session with a CMER workgroup to discuss developing decision criteria for projects in the program to make progress on this recommendation. The group will draft a recommendation on a process for opening Schedule L-1 for revisions, including identifying which sections need revisions. The FPB can expect to receive a consensus recommendation at their August 2023 meeting. Goal August 9th FPB meeting. Mailing July 26. Need materials to be completed July 19.
Peer review science program every 5 years	7	🟢	07/01/22	05/10/23	05/10/23	6	UW	The rule-required science review of the program will be fulfilled this biennium through a separate project lead by Washington Department of Fish and Wildlife. There is funding in the FY2027 MPS to fund the next 5-year AMP Science Review.
Onboarding and training for new members	8	🔵	03/15/23	03/15/24	05/10/23	6	Policy Workgroup	We have money in MPS next biennium- hybrid training materials. The required elements of Board member on-boarding training (and refreshers) are in RCW 42.56.150 (Public Records) and RCW 42.30.205 (OMPA). RCW 42.52.365 also recommends but does not require ethics training through the executive ethics board. For the OMPA and PRA, the statutory requirements are that training be received within 90 days of assuming office and refresher training occur every 4 years. The recommended interval for ethics training is 36 months.
Complete biennial fiscal and performance audits of the AMP every two years	9	🟢		05/10/23	05/10/23	6	AMPA	BM language will be considered at May 2023 meeting.

Task Name	SAO Recommendation	Status	Start	Estimated Completion Date	FPB Meeting Target	Board Manual Section 22	Assigned to	Comments
1)Tracking system for life cycle of projects 2)Public facing dashboard	10, 11	🔵	11/01/22	06/30/23	08/09/23	N/A	PMs	AMP staff have started work on a project tracking system and on introducing cost and schedule metrics for continuous monitoring of projects. A DNR supported SharePoint Online platform has now been created. CMER and TFW Policy members have access to the platform. AMP staff expect to complete the development of the dashboard by June 2023.

Delayed 🔒
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Slowly Progressing 🔒
🟡

Completed 🔒
🟢

Active 🔒
🔵