

Adaptive Management Program:

Improving decision-making
and accountability

Bill Wright, *Senior Performance Auditor*
Jolene Stanislawski, *Performance Auditor*

Joint Legislative Audit & Review Committee
March 10, 2021



Office of the
Washington
State Auditor
Pat McCarthy



Key audit findings



- The Adaptive Management Program is not operating as intended
- Without change, the program will languish, putting Washington at risk for litigation
- Using leading practices from similar adaptive management programs could help Washington improve decision-making, accountability and transparency

Background



- Timber industry is worth \$28 billion and employs 42,000 people
- It is difficult to balance between industry viability and environmental health
- Precursors to today's program include:
 - 1974 Forest Practices Act
 - 1987 Timber Fish Wildlife Agreement

Background



- Adaptive management was formally incorporated into Washington's forest policy-setting processes in 1999
- Adaptive Management Program brings together caucuses with competing interests in Washington's forest management practices. They include: the timber industry; tribes; environmentalists; state, county and federal government officials; private landowners.

Audit sought ways to improve processes



Audit questions included:

- Does the program use procedures that meet state and federal process requirements?
- Compared to similar programs, has the program applied leading practices?
- Are there delays in the process that prevent the Forest Practices Board from making timely decisions? If so, where are the delays and can they be mitigated?
- Has the program implemented process-related recommendations from previous evaluations?

Results addressed in three broad areas



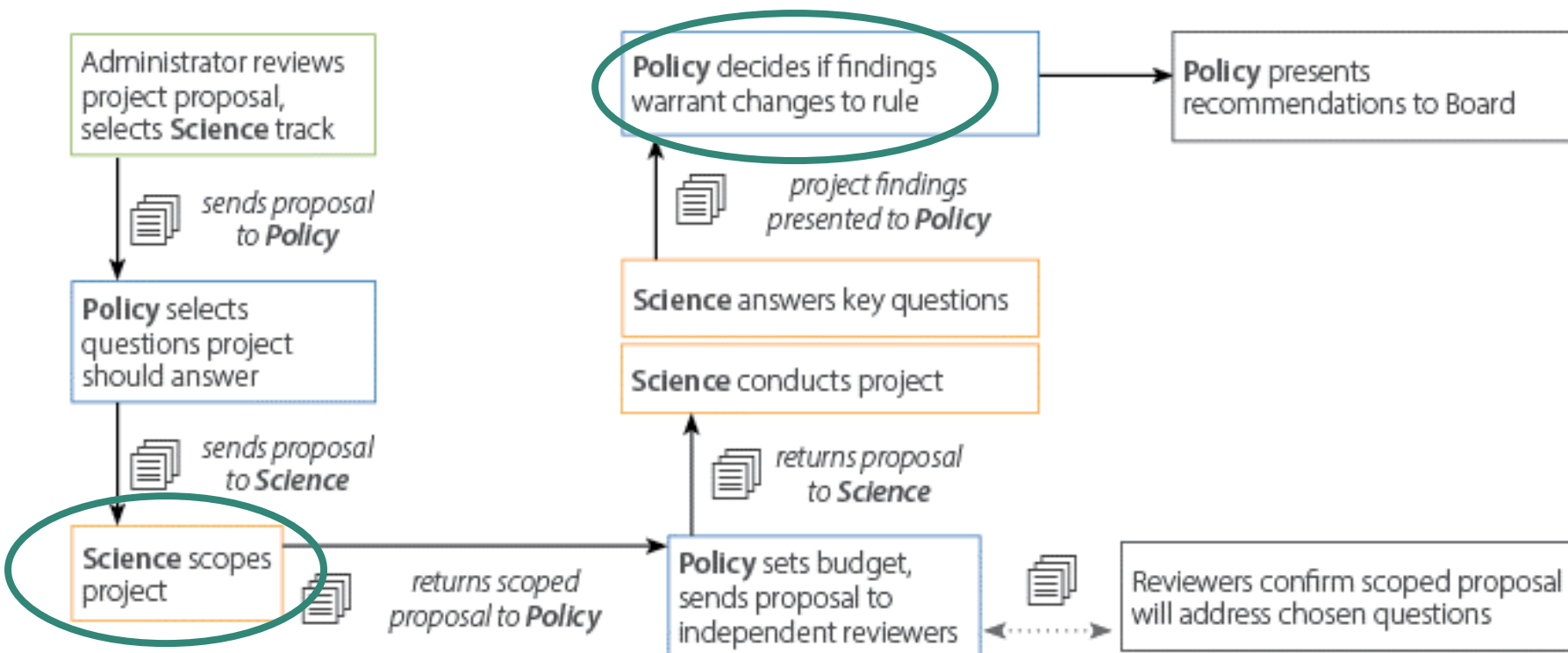
- **Functionality:** Is the program operating as intended?
- **Consequences:** What risks does the state face if the program does not improve its decision-making and recommendation processes?
- **Improvements:** Can leading practices and the experiences of other organizations help the program improve?

Functionality: Program is not operating as intended



- While not the only measure of success, the program has produced only two science-based rule changes since 2006
- Required unanimous voting paired with reluctance to use dispute resolution has resulted in little action by the board
- Program rules and guidance not set up to follow all requirements

A single veto can halt the process



Source: Auditor created.

Dispute resolution was designed to allow the process to move forward



WAC 222-12-045 requires Dispute Resolution, however participants treat it as an option

Without change, the state risks litigation and not meeting federal requirements



Caucus members highlighted two kinds of risks:

- Litigation
- Missing deadlines to meet federal reporting requirements



Recommendations to alleviate delays

- Adopt an **alternative to consensus** decision-making model currently in rule (WAC 222-12-045) and the board manual
 - ✓ Consider using voting models used by Chesapeake Bay Program and Snohomish Sustainable Lands Strategy
 - ✓ This change could require a consensus vote
- **Require participation from high-level principals** from each caucus on the Policy committee and on the board
- Update language in the board manual to reflect WAC: **“dispute resolution process is required”** whenever consensus cannot be achieved within either Science or Policy committees



Recommendations to alleviate delays

- The board should **set a trigger for dispute resolution**
- Use 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
- **Adopt decision criteria** for determining actions that will take place subject to project results *before* projects begin

Recommendations to improve accountability



- Ensure a **peer review** of the entire science program is conducted every five years.
 - ✓ Opportunities for public comment on those five years should also be given, as stated in WAC.
 - ✓ Update the manual to reflect this requirement.
- Create an **on-boarding or training** process so new members will have the necessary understanding of roles and responsibilities

Recommendations to improve accountability



- Develop procedures to ensure **required biennial performance audits** occur.
 - ✓ These audits can be conducted by a contracted company, another state agency, or an internal auditor with performance audit expertise.
- Implement a **tracking system** that follows each stage of a project and continuously shows how that work and the results align with the program's goals.

Recommendations to increase transparency



- Create a **public-facing dashboard** that provides real time information. Items that should be considered for inclusion in the dashboard include:
 - ✓ A list of all rules the program is expected to address
 - ✓ A list of current and past projects with their budgets and schedules, including reasons for any delays
 - ✓ A list of future projects with timelines and dependencies, such as deadlines imposed by other agencies

Recommendations to the Legislature



- Require the Forest Practices Board give the appropriate natural resource committees **periodic updates** on the program's progress on its projects and reaching its program mandates.
- If the board cannot agree to change the rule (WAC 222-12-045) governing consensus decision-making to an alternative method of voting, we recommend the Legislature **change the program voting structure in RCW**.

Questions



Contact Information



Pat McCarthy

State Auditor

Pat.McCarthy@sao.wa.gov

(564) 999-0801

Scott Frank

Director of Performance & IT Audit

Scott.Frank@sao.wa.gov

(564) 999-0809

Bill Wright

Senior Performance Auditor

William.Wright@sao.wa.gov

(564) 999-0850

Jolene Stanislawski

Performance Auditor

Jolene.Stanislawski@sao.wa.gov

(564) 999-0839

Website: www.sao.wa.gov

Twitter: @WASateAuditor

Facebook: www.facebook.com/WASateAuditorsOffice