

January 25, 2002

MEMORANDUM FOR: JOHN HENSHAW
Assistant Secretary for
Occupational Safety and Health Administration

/S/

FROM: JOHN J. GETEK
Assistant Inspector General
for Audit

**SUBJECT: NORTH CAROLINA COUNCIL FOR OCCUPATIONAL
SAFETY AND HEALTH**
Final Report No. 21-02-001-10-101

Attached is a report on the results of our audit of the costs claimed by the North Carolina Council on Occupational Safety and Health (NCOSH), under its Grant (No. 46D0-HT01) with the Department of Labor's (DOL) Occupational Safety and Health Administration (OSHA), for the period September 30, 2000 through September 30, 2001.

We are pleased to report that we accepted all of the claimed costs. We are providing a copy of our report to NCOSH and no response is necessary.

If your staff has any questions concerning this audit, please contact Joseph Ganci, Director of the Washington Audit Office on (202) 693-5179.

Attachment

cc: **OSHA**

Bob Poogach
Deputy Director of Administration

Paula White
Director, Federal and State Operations

Arlene Williams
Grant Officer

North Carolina Council for Occupational Safety and Health, Inc.

Tom O'Connor
Executive Director

Office of Inspector General

U.S. Department of Labor
Washington Audit Office

**NORTH CAROLINA COUNCIL FOR
OCCUPATIONAL SAFETY AND HEALTH**

**AUDIT OF COSTS CLAIMED UNDER
OCCUPATIONAL SAFETY AND HEALTH GRANTS
AWARDED BY
THE U.S. DEPARTMENT OF LABOR
GRANT NO. 46D0-HT01**

**FOR THE PERIOD
SEPTEMBER 30, 2000 THROUGH SEPTEMBER 30, 2001**

Audit Report No. 21-02-001-10-101

Date Issued:

TABLE OF CONTENTS

Page

BACKGROUND
1

ASSISTANT INSPECTOR GENERAL'S REPORT
2

**EXHIBIT A SCHEDULE OF COSTS REPORTED FOR THE PERIOD
SEPTEMBER 30, 2000 THROUGH SEPTEMBER 30, 2001** 4

**SCHEDULE 1 SCHEDULE OF PROPOSED AND AUDIT RECOMMENDED
COSTS AS REPORTED ON THE GENERAL LEDGER**5

BACKGROUND

NCOSH is a nonprofit organization that was founded in 1976 with a mission of improving workplace health and safety conditions in North Carolina. NCOSH is part of a National COSH Network that is made up of 18 local coalitions of workers, unions, community organizations, and health and technical professionals whose goal is to help improve workplace health and safety.

The national network selected NCOSH to administer and coordinate the work performed under the grant, and it carries out this mission through a program of training, public education, technical assistance, and advocacy. The target audiences are the vulnerable worker groups who are often exposed to serious hazards and have limited skills and knowledge to enable them to protect their health and safety. These groups are made up of youth, immigrants, and contingent, low literacy and low income workers.

The overall goals of the project of aiding the vulnerable workers are to:

- S Build on the COSH groups ability to provide training and technical assistance.
- S Develop organizations that directly represent vulnerable workers to train and educate their constituents about workplace hazards.
- S Increase the utilization of COSH and OSHA health and safety resources.
- S Aid in the formation of new Occupational Safety and Health committees to serve the health and safety needs of vulnerable workers.

OSHA awarded this Susan Harwood Training grant to NCOSH to enhance workers' knowledge of and ability to use their rights under the Occupational Health and Safety Act, and to develop and strengthen relationships with organizations in 13 states that aid vulnerable workers.

The grant was awarded for the period September 30, 2000 through September 30, 2001, in the amount of \$726,000. In addition, NCOSH was required to provide \$83,105 of in-kind services for a total project budget of \$809,105. NCOSH actually contributed \$126,291 of in-kind services.

We audited the costs claimed for reimbursement for the period September 30, 2000 through September 30, 2001. We found that the costs claimed were properly supported and that NCOSH complied, in all material respects, with the cost principles set forth in OMB Circular A-122 and the terms and conditions of the grant.



Mr. John Henshaw
Assistant Secretary for
Occupational Safety and Health Administration
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

ASSISTANT INSPECTOR GENERAL'S REPORT

We audited the costs claimed by the North Carolina Council for Occupational Safety and Health (NCOSH) in Financial Status Reports submitted to the U.S. Department of Labor (DOL) under its Occupational Safety and Health Grant for the period September 30, 2000 through September 30, 2001 (Exhibit A). The costs claimed in the Financial Status Report are the responsibility of NCOSH management. Our responsibility is to express an opinion on the accuracy of the schedule of costs claimed based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of costs claimed is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall schedule presentation. The financial presentation for the costs charged to the DOL grant for 2001 is included as Exhibit A. We believe that our audit provides a reasonable basis for our opinion.

The schedule of costs claimed was prepared in conformity with the accounting practices prescribed or permitted by the cost reimbursement principles of OMB Circular A-122 for determining costs claimed under the applicable grants, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the schedule of costs claimed referred to above presents fairly, in all material respects, the allowable incurred costs for the DOL grant awarded to NCOSH.

Compliance

As part of obtaining reasonable assurance about whether NCOSH’s schedule of costs claimed is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and grants, noncompliance with which could have a direct and material effect on the determination of amounts claimed. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under the *Government Auditing Standards*.

Internal Control

In planning and performing our audit, we considered NCOSH’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the schedule of costs claimed and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

- - - - -

This report is intended solely for the information and use of the management of the DOL and NCOSH and is not intended to be and should not be used by anyone other than these specified parties. This restriction, however, is not intended to limit the distribution of this report which, when issued, becomes a matter of public record.

JOHN J. GETEK
Assistant Inspector General
for Audit
October 18, 2001

**NORTH CAROLINA COUNCIL FOR OCCUPATIONAL
SAFETY AND HEALTH, INC.**

Schedule of Costs Reported for the Period
September 30, 2000 through September 30, 2001

	Cost Claimed on SF269	
Federal Share	\$528,554	<u>1/</u>
Recipient Share	<u>126,291</u>	
Total Net Outlays	<u>\$654,845</u>	

1/ - Schedule 1 itemizes the Federal expenses by Cost Element.

SCHEDULE 1

**NORTH CAROLINA COUNCIL FOR OCCUPATIONAL
SAFETY AND HEALTH, INC.**

Schedule of Proposed and Audit Recommended Costs
As Reported on the General Ledger
September 30, 2000 Through September 30, 2001

<u>Cost Element</u>	<u>Costs Claimed by NCOSH</u>	<u>Costs Accepted by Auditors</u>
Personnel Program	\$80,760	\$80,760
Fringe Benefits	14,457	14,457
Travel	21,417	21,417
Equipment	1,694	1,694
Supplies	4,226	4,226
Contractual	377,536	377,536
Other Direct Cost	<u>28,464</u>	<u>28,464</u>
Total	<u>\$528,554</u>	<u>\$528,554</u>