



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

We conducted this examination to determine whether the reported incurred costs for eight U.S. Environmental Protection Agency (EPA) cooperative agreements were reasonable, allocable, and allowable in accordance with the terms and conditions of the agreements and applicable regulations.

Background

EPA awarded eight cooperative agreements to the recipient to administer the Senior Environmental Employment (SEE) Program. The SEE program provides senior individuals to EPA to help it carry out its activities and programs.

For further information, contact our Office of Congressional and Public Liaison at (202) 566-2391.

To view the full report, click on the following link:
www.epa.gov/oig/reports/2008/20080925-08-1-0277.pdf

National Caucus and Center on Black Aged, Inc., Incurred Cost Audit of Eight EPA Cooperative Agreements

What We Found

In our opinion, the outlays reported in the recipient's Quarterly Financial Status Reports as of September 30, 2007, present fairly, in all material respects, the allowable outlays incurred in accordance with the terms and conditions of the agreements and applicable laws and regulations. We found, however, that the recipient did not clearly disclose its allocation methods in its indirect cost proposals. The recipient also charged employee leave costs to grants disproportionately to the amount of time employees spent on each assistance agreement.

What We Recommend

We recommend that EPA's Grants and Interagency Agreements Management Division require the recipient to:

- Revise its cost policy statement to clearly disclose the basis for allocation of costs, the costs being allocated, the intermediate cost pools used, and whether the costs are allocated individually or as a pool;
- have the revised proposals submitted to its cognizant Federal agency; and
- use a more equitable method for allocating employee paid absences to agreements.

In responding to the draft report, the recipient stated that it is working with its cognizant agency to revise its indirect cost proposals, and agreed to revise its policy for allocating employee paid absences to agreements. The corrective actions, when implemented, will address the findings and recommendations.