

# BRIEFLY...

Highlights of Report Number: 05-05-004-10-105, to the Acting Assistant Secretary for Occupational Safety and Health.

## WHY READ THE REPORT

The Occupational Safety and Health Administration (OSHA) provides grants to states for free consultation services to employers. This is authorized under Section 21(d) of the Occupational Safety and Health Act. Primarily targeted for smaller businesses, this safety and health consultation program is completely separate from OSHA inspections. No citations are issued or penalties proposed. Because the consultation is a voluntary activity, employers must request it. During the consultation, employers learn about potential hazards at their worksite. The employer learns not only what needs to be improved, but what it is doing right. The employer and consultant discuss problems, possible solutions, and abatement periods to eliminate or control any serious hazards identified through the walk-through.

## WHY OIG DID THE AUDIT

OSHA awarded grants to the Indiana Department of Labor (IDOL) to operate its consultation program. During the period October 1, 1999 through September 30, 2002, IDOL received over \$1.9 million in Federal funds and the State of Indiana provided IDOL an additional \$220,555.

The objective of our audit was to determine whether these funds were expended in accordance with the requirements of 29 Code of Federal Regulations (CFR) 97, Office of Management and Budget (OMB) Circular A-87 Cost Principles, and specific grant provisions.

## READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to:

<http://www.oig.dol.gov/public/reports/oa/2005/05-05-004-10-105.pdf>

JANUARY 2005

## INDIANA DEPARTMENT OF LABOR OSHA CONSULTATION GRANTS

### WHAT OIG FOUND

The OIG selected a statistical sample of travel vouchers and a judgmental sample of all other line items on the Financial Status Reports submitted to OSHA. We found that:

1. Grant funds were not always expended in accordance with 29 CFR 97.
2. Some grant costs were not allowable in accordance with OMB Circular A-87.
3. Indiana did not comply with some provisions of the grant agreements.

The overall cause for the problems we identified was a lack of adequate internal controls and management oversight to ensure that procedures were followed.

### WHAT OIG RECOMMENDED

We recommended that the Acting Assistant Secretary for Occupational Safety and Health:

- Recover \$136,241 and
- Direct IDOL to:
  - 1) Ensure costs claimed on the Financial Status Reports are adequately supported in the general ledger,
  - 2) Allocate employee costs to the grant using time reports, and
  - 3) Expend funds only for activities related to and/or listed in the grant agreements.

IDOL concurred with Finding 1 and generally disagreed with, or did not respond to, Findings 2 and 3.