



BRIEFLY...

ILAB PROPERLY PERFORMED OVERSIGHT IN COMPLIANCE WITH THE USAID MEMORANDUM OF AGREEMENT AND ENSURED CATHOLIC RELIEF SERVICES WAS IN COMPLIANCE WITH THE COOPERATIVE AGREEMENT REQUIREMENTS

September 23, 2021

WHY OIG CONDUCTED THE REVIEW

The Bureau of International Labor Affairs (ILAB) awarded \$3,478,000 received from the United States Agency for International Development (USAID) through a Memorandum of Agreement (MOA) to Catholic Relief Services (CRS). Public Law 114-113, Division K, Title VII, General Provisions, requires the Inspector General for the agency receiving the transfer or allocation of such [USAID] funds shall perform periodic audits of the use of the funds.

WHAT OIG DID

The Office of Inspector General (OIG) contracted with the independent certified public accounting firm of Castro & Company, LLC (Castro) to conduct a performance audit and answer the following questions:

Did ILAB ensure CRS performed in accordance with the cooperative agreement requirements?

Did ILAB ensure costs claimed under the MOA were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the cooperative agreement?

Did ILAB properly perform oversight over CRS in compliance with the MOA and its policies and procedures?

To answer these questions, Castro reviewed policies, procedures, and documents; interviewed officials; and reviewed selected costs claimed by CRS.

WHAT OIG FOUND

ILAB ensured CRS performed in accordance with the cooperative agreement requirements; ensured costs claimed under the award were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the cooperative agreement; and properly performed oversight over CRS in compliance with the MOA and its policies and procedures.

Although ILAB properly performed oversight over CRS in compliance with the MOA and its policies and procedures, Castro identified one instance where ILAB did not perform a thorough review of CRS' Inventory Listing, which resulted in a vehicle purchase that deviated from the approved budget justification. However, the purchased vehicle cost less than what was approved and achieved the purpose for which the original vehicle was approved.

In addition, CRS did not meet three performance indicators; however, this did not impact CRS achieving the overall goals of the project.

WHAT WAS RECOMMENDED

Castro made two recommendations to ILAB to update its Management Procedures and Guidelines to improve its oversight procedures for inventory management. In response to the draft report, ILAB concurred with one of the two recommendations to improve its oversight procedures for inventory management.

READ THE FULL REPORT:

<https://www.oig.dol.gov/public/reports/oa/2021/17-21-003-01-070.pdf>