



## BRIEFLY...

### OSHA NEEDS TO STRENGTHEN ITS PROCESS FOR AWARDING FUTURE EMERGENCY SUPPLEMENTAL FUNDS TO STATE PLANS

August 30, 2023

#### WHY OIG CONDUCTED THE AUDIT

On March 11, 2021, the President signed the American Rescue Plan Act of 2021 (ARPA) into law, providing additional relief to address the continued impact of the COVID-19 pandemic on the economy, public health, state and local governments, individuals, and businesses.

ARPA provided the Occupational Safety and Health Administration (OSHA) with no less than \$100 million in additional funding, of which no less than \$5 million was allotted for worker protection activities related to COVID-19. A prior audit identified concerns with the decreased level of COVID-19 inspections, leaving U.S. workers' safety at increased risk.

#### WHAT OIG DID

The Office of Inspector General (OIG) contracted with the independent certified public accounting firm of GenTech Associates, Inc. (GenTech) to conduct a performance audit to answer the following question:

Did OSHA appropriately budget and expend ARPA funds to carry out COVID-19 related worker protection activities?

To answer this question, GenTech reviewed guidance and public laws, conducted interviews, and analyzed financial and enforcement data.

#### WHAT OIG FOUND

GenTech determined OSHA appropriately budgeted ARPA funds to carry out COVID-19 related worker protection activities. Further, a review of 7 of 10 ARPA program areas found that, in general, OSHA appropriately expended ARPA funds. However, OSHA did not effectively manage the awarding process to maximize coverage across State Plans and had insufficient controls in place to expend funds designated for State Plan grants.

Specifically, OSHA neglected to adequately coordinate with the Departmental Budget Center regarding the time needed to afford State Plans the maximum opportunity to meet the grant matching requirement. Ultimately, only 5 of the 28 State Plans received ARPA funds. The limited time available to assess the grant opportunity, combined with the grant matching requirement, may have forced states to make decisions without sufficient analysis. As a result, states may have lost out on the opportunity to receive the appropriate federal assistance needed to ensure workers' safety in the COVID-19 environment.

OSHA also awarded \$7.5 million to a grantee with known financial and reporting issues without establishing mitigating controls to help ensure the appropriate use and reporting of funds. OSHA did not follow proper grant application procedures to determine if the state's financial system could track, account for, and report on expenditures before awarding the funds. These issues could hinder OSHA in detecting and preventing misuse of the grants, which were funded with taxpayer dollars.

#### WHAT OIG RECOMMENDED

GenTech made two recommendations to OSHA to develop a plan for future crises that affords State Plans the maximum opportunity to receive federal assistance and update its monitoring procedures to better respond to grantee noncompliance. OSHA agreed with the recommendations.

#### READ THE FULL REPORT

<http://www.oig.dol.gov/public/reports/oa/2023/19-23-009-10-105.pdf>