



At a Glance

Why We Did This Audit

The U.S. Environmental Protection Agency (EPA), Office of Inspector General (OIG), conducted this audit to determine whether costs claimed under cooperative agreements PA00J32201 and PA00J91201 were reasonable, allocable and allowable in accordance with applicable laws, regulations and cooperative agreement terms and conditions.

The Northwest Indian Fisheries Commission (NWIFC) was awarded these two cooperative agreements in order to provide sub-awards to federally recognized Puget Sound tribes for projects that protect and restore the estuary in a manner consistent with the Puget Sound Action Agenda.

This report addresses the following EPA goals or cross-agency strategies:

- *Protecting America's waters.*
- *Launching a new era of state, tribal, local and international partnerships.*

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Northwest Indian Fisheries Commission Complied With Most Federal Requirements but Claimed Some Unallowable Costs

What We Found

Of the \$14,706,052 claimed by NWIFC under cooperative agreements PA00J32201 and PA00J91201 through June 29, 2016, more than 99 percent (\$14,618,089) was reasonable, allocable and allowable in accordance with applicable laws, regulations, and cooperative agreement terms and conditions. However, the OIG did question \$87,963 of indirect costs reimbursed by NWIFC to the Sauk-Suiattle Indian Tribe (SSIT). These costs were not in compliance with federal requirements.

The vast majority of costs claimed by NWIFC for cooperative agreements PA00J32201 and PA00J91201 were reasonable, allocable and allowable. Only \$87,963 of indirect costs reimbursed to SSIT was questioned.

The questioned amount comprises the following unallowable and allowable costs:

- \$88,093 of unallowable costs resulting from improper application of SSIT's indirect cost rate.
- A \$130 offset of an allowable cost increase due to a calculation error.

The improper allocation occurred because SSIT and NWIFC personnel did not understand the requirements of 2 CFR Part 225 and the provisions contained in SSIT's indirect cost rate agreements.

Recommendation and Recipient's Response

We recommend that the Regional Administrator, Region 10, disallow and recover ineligible costs of \$87,963 reimbursed to NWIFC for the specified indirect costs claimed by SSIT.

We discussed our finding and recommendation with Region 10 on January 13, 2017, and with NWIFC on February 3, 2017. Region 10 had no questions or comments. NWIFC stated it was discussing the finding with SSIT and attempting to obtain additional documentation.