



HIGHLIGHTS

Office of Inspector General
United States Department of State

AUD-SI-23-27

What OIG Audited

The Bureau of International Narcotics and Law Enforcement Affairs (INL) awarded the National Center for State Courts (NCSC) more than 50 awards between FY 2016 and FY 2022 with a value of approximately \$385.6 million. NCSC is an independent, non-profit organization that promotes the rule of law and improves the administration of justice in state courts and courts around the world.

The Office of Inspector General (OIG) conducted this audit to determine whether selected federal assistance awarded to NCSC was expended in accordance with federal and Department of State (Department) requirements and fulfilled program goals outlined in the award terms and conditions. To conduct this audit, OIG selected three active awards, totaling \$28.2 million, to review. The locations of performance for the three awards selected was Costa Rica, Guatemala, and El Salvador.

What OIG Recommends

OIG made four recommendations to address the deficiencies identified with INL's award administration. On the basis of INL's response to a draft of this report, OIG considers two recommendations closed; one recommendation resolved, pending further action; and one recommendation unresolved. A synopsis of INL's response to the recommendations offered and OIG's reply follow each recommendation in the Audit Results section of this report. Responses from INL and NCSC to a draft of this report are included in their entirety in Appendices B and C, respectively.

September 2023

OFFICE OF AUDITS

SECURITY AND INTELLIGENCE DIVISION

Audit of Select Bureau of International Narcotics and Law Enforcement Affairs Assistance Awards to the National Center for State Courts That Were Performed in the Western Hemisphere

What OIG Found

NCSC expended federal assistance funds for three selected awards in accordance with federal and Department requirements and fulfilled program goals outlined in the awards' terms and conditions. Specifically, OIG tested 90 expenditures from three awards and found that all were supported and complied with the award terms and conditions. Additionally, OIG reviewed financial and performance reports and found that NCSC had complied with federal and Department requirements and the award terms and conditions. Based on its work, OIG concluded that NCSC had fulfilled program goals that were established by INL as required. NCSC's conformance with requirements occurred because it implemented a sound control environment and corresponding control activities to reduce the risk of noncompliance. For example, NCSC developed policies and procedures to provide guidance for NCSC projects abroad. Additionally, NCSC maintained field offices overseas to coordinate performance of awards. As a result, NCSC decreased the risk of noncompliance with award requirements.

Although NCSC adhered to award requirements, OIG found that the INL Grants Officer (GO) and Grants Officer Representatives (GOR) did not always maintain required documentation in the State Assistance Management System (SAMS) for the three awards reviewed. Additionally, the GO and GORs did not always document that they had reviewed and approved the quarterly financial reports in SAMS as required. Furthermore, the GO did not always approve NCSC's reimbursement requests in a timely manner to ensure that they were paid within the required 30 days. These deficiencies occurred for multiple reasons, including that the GO and GORs did not sufficiently oversee various aspects of award administration. Additionally, the GO stated that she lacked the necessary staff to properly monitor the awards. Until these deficiencies are corrected, INL will not be optimally positioned to provide programmatic, financial, and technical guidance or sufficient oversight in support of award execution and the fulfillment of program goals.