



Report in Brief

June 20, 2024

Background

The Jobs Bay National Estuarine Research Reserve (JBNERR) is on the southeastern coast of the island of Puerto Rico and encompasses 2,800 acres of diverse habitats. JBNERR's mission is to practice and promote coastal and estuarine stewardship through innovative research, monitoring, education, training, and community involvement. JBNERR is owned and operated by the Puerto Rico Department of Natural and Environmental Resources (PRDNER).

PRDNER is an agency within the government of the Commonwealth of Puerto Rico whose main function is to protect, conserve, and manage natural and environmental resources in an equitable way.

The National Oceanic and Atmospheric Administration (NOAA) annually allocates and distributes congressionally appropriated funds (that is, operational awards) to designated reserves, through PRDNER, for JBNERR's operations, research, monitoring, training, education, and stewardship. NOAA has also provided PRDNER with funding for construction and disaster relief projects.

Between October 1, 2015, and September 1, 2021, NOAA's National Ocean Service, Office for Coastal Management (OCM), and Office of Response and Restoration awarded PRDNER approximately \$5.5 million in federal funding across nine awards.

Why We Did This Audit

Our objective was to determine whether PRDNER (1) claimed allowable, allocable, and reasonable costs, and (2) met performance requirements of the grants.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

The Puerto Rico Department of Natural and Environmental Resources Needs to Fully Comply with Procurement Regulations When Executing NOAA Awards

OIG-24-028-A

WHAT WE FOUND

We reviewed \$1,676,515.45 in 182 claimed costs across nine JBNERR awards and found the following:

- I. PRDNER claimed costs that were generally allowable, allocable, and reasonable but did not comply with internal and federal regulations.
- II. PRDNER continues to encounter challenges in meeting the performance requirements of operational awards.

By not adequately meeting award performance requirements, PRDNER inhibits its efforts to protect and monitor the estuarine reserve and gather valuable data for coastal research and community decision-making.

WHAT WE RECOMMEND

We recommend that the NOAA Under Secretary of Commerce for Oceans and Atmosphere and NOAA Administrator:

1. Ensure OCM program staff document deviations from the cooperative agreement's budget and awards.
2. Implement a financial oversight process to ensure award recipients seek budget revision approvals for any changes to the approved budget categories.
3. Ensure PRDNER obtains and retains all required documentation, including (a) all procurement documentation including sole-source justifications and award decisions from General Services Administration, (b) notifications to NOAA of costs not included in the budget, and (c) approvals from the NOAA Grants Officer, when required.
4. Collaborate with PRDNER, Puerto Rico's Office of Management and Budget, and the Office of the Administration and Transformation of Human Resources administrators to develop and implement a plan to hire sufficient staff, or consider subcontracting personnel, to resolve JBNERR's staffing challenges.
5. Consider options for a split-operations award with a supporting entity to assist JBNERR in meeting its performance requirements.

We provided a draft of this report to NOAA for review and response. NOAA concurred with our recommendations.