

Government of the United States Virgin Island

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended September 30, 2014

Finding Number: 2014-02:

Federal Agency:	U.S. Department of the Interior
Program:	Economic, Social, and Political Development of the Territories
CFDA #:	15.875
Award #:	D12AP00354 and D12AP00100
Award Year:	2012
Pass through:	N/A

Compliance Requirement: Davis Bacon Act

Criteria - Non-federal entities must include in their construction contracts subject to Davis Bacon Act a requirement that the contractor or subcontractor comply with the requirements of Davis Bacon Act and the DOL regulations (29 CFR part 5, Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction. This also includes a requirement for the contractor or subcontractor to submit to the non-Federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payroll) (29 CFR sections 5.5 and 5.6)

Condition -The Davis Bacon Act clause was not included in the contracts of two construction related projects. Also, the Government was unable to provide evidence of receiving and reviewing the certified payrolls from the construction contractors to verify compliance with the Davis Bacon Act requirements.

Questioned Costs - Undeterminable

Context

This is a condition identified per review of the Government's compliance with specified requirements. There were two construction related projects funded with the grant funds for the fiscal year.

Effect - The construction contractors may not have paid their employees in accordance with the Davis Bacon Act requirements.

Cause - The Government did not have any policies and procedures in place to ensure compliance with the requirement. The Davis Bacon Act clause was only included in the procurement solicitation.

Recommendation - We recommend the Government develop policy and procedures related to the Davis Bacon Act. The Davis Bacon Act clause should be included in all construction contracts and individuals designated to receive and review the certified payrolls to verify compliance with the requirement.

Views of Responsible Officials and Planned Corrective Actions -