



Audit of MBDA Business Center Program

Audit Report OIG-26-001-A

October 1, 2025

► **What We Audited** | Our audit objective was to determine the adequacy of the Minority Business Development Agency's (MBDA's) oversight of the MBDA Business Center program to ensure requirements are met. We conducted this audit to follow up on a [2017 audit](#) that found issues with how MBDA administers the Business Center program.

► **Why This Matters** | MBDA's Business Center program is a network of centers supporting minority business enterprises that are funded through cooperative agreements with private-sector entities, state entities, native entities, and institutes of higher education.

MBDA has an oversight role to ensure that Business Centers meet the terms and conditions of their cooperative agreements and report accomplishments in a consistent, accurate manner. Proper monitoring and oversight are needed for MBDA to identify and correct potential instances of noncompliance and ensure program objectives are met.

► **What We Found** | We found significant issues with MBDA's oversight and monitoring of its Business Center program, similar to our 2017 audit. Specifically, we found the following:

- MBDA did not sufficiently monitor Business Center activities for compliance with award requirements.
- MBDA did not ensure performance metrics reported by Business Centers were accurate and reliable.
- MBDA did not address Business Center single audit findings.
- MBDA did not perform required Business Center site inspections.

Consequently, MBDA cannot ensure that Business Centers comply with award terms and conditions. Further, MBDA cannot ensure that Business Center program goals are being met.

► **What We Recommend** | We recommended that MBDA consider improvements to monitoring and oversight when finalizing its plan for continuing operations as it implements Executive Order 14238.