



NSF OIG CORNER

What's the Plan for FY 2021?

By Ken Lish

Each fiscal year, our Office of Audits publishes an annual work plan. The plan contains audits mandated by legislation, as well as discretionary, risk-based audits of NSF's programs, contracts, cooperative agreements, and grants to universities and other institutions. We audit NSF award recipients to detect improper spending or noncompliance with federal and NSF requirements. We tailor each audit depending on an auditee's unique risks, so the audits may focus on areas such as internal controls, accounting systems, or incurred costs. We also conduct internal audits of NSF's programs to identify ways to improve systems and operations.

How has the audit plan evolved?

Over the past five years, we have made several operational changes that affect the award recipient community. For example, in our audits of award recipients, we prioritize exploring the unique risks at individual auditees. This allows us to better use both our and auditee resources and target our recommendations to address the root causes of any problems we find. In our internal audits of NSF, we now often conduct audit work at award recipients to determine if NSF policies are being implemented and if they are effective. And our growing outreach program has expanded our communication with the recipient community, resulting in a more collaborative environment, increased stewardship of federal funds, and a better understanding of how we can keep improving our oversight.

Will you be conducting audits related to the COVID-19 pandemic in FY 2021?

We're auditing 10 NSF award recipients' use of temporary administrative flexibilities that the Office of Management and Budget provided to federal grantees during the ongoing COVID-19 pandemic. The audit periods cover March 1, 2020 to September 30, 2020, and we're expecting to issue the final reports in April and May 2021. To ensure consistency in approach and reporting, a single independent public accounting firm is conducting all 10 audits on our behalf. Our goal is to provide NSF with insight into how institutions have implemented these flexibilities and to establish a baseline for determining whether funds were spent as intended. Once the audits are completed, we expect to issue a capstone report, which could reflect common issues, best practices, or other insights we gained through these audits.

Are you planning other audits of award recipients in FY 2021?

To help evaluate whether NSF's policies are effective, our ongoing audit of NSF's oversight of the Established Program to Stimulate Competitive Research (EPSCoR) involves award recipients. Our audit will determine whether NSF is ensuring award recipients comply with NSF and federal requirements in the administration of EPSCoR awards. We are also conducting three related incurred cost audits of EPSCoR award recipients to determine if costs claimed on these awards were allowable, allocable, reasonable,

and in compliance with NSF award terms and conditions and applicable federal requirements.

Additionally, we are conducting an audit to determine whether NSF properly distributes, monitors, and accounts for Graduate Research Fellowship Program funding. We are reviewing the program's administration at three institutions to examine recipients' implementation of program policies.

Where can I find the Office of Audits' annual work plans?

Our annual work plans, as well our other reports and publications, are on our website at nsf.gov/oig.

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