



NSF OIG CORNER

What's the Plan for FY 2022?

By Vashti Young

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. We also conduct internal audits of NSF's programs to identify ways to improve systems and operations.

How do you decide which discretionary audits and reviews to include in the annual work plan?

We use a risk-based assessment to determine which audits, inspections, or reviews should be included in the plan. We also align our discretionary audits and reviews with NSF's top management and performance challenges, which we identify each year per the *Reports Consolidation Act of 2000* (Pub. L. No. 106-531). Since our discretionary audits and reviews are not mandated by legislation, we have the flexibility to adjust the plan to address any emerging issues or to respond to requests from Congress or other stakeholders.

Are you planning audits of award recipients in FY 2022?

We plan to audit NSF award recipients at various colleges, universities, and non-profit organizations. We will also focus on the grant management capabilities of institutions that have traditionally received smaller portions of NSF funds. Our staff will conduct some of these audits and contracted, independent public accounting firms will conduct the rest.

Our audits are designed to detect improper spending or noncompliance with federal and NSF requirements and include areas such as internal controls, accounting systems, and incurred costs. We also conduct audits to determine if NSF policies are being implemented and are effective. For example, we are conducting an audit to determine whether NSF properly distributes, monitors, and accounts for Graduate Research Fellowship Program funding. As part of this audit, we are reviewing the program's administration at three institutions to examine recipients' implementation of program policies.

Additionally, recipients that spend \$750,000 or more a year in federal awards are required to obtain an annual independent, financial audit, referred to as a "single audit." We will review the quality of single audits of NSF award recipients for which NSF is the cognizant or oversight agency (generally defined as the audited entity's predominant federal funding agency). We will also review other award recipients when we have concerns regarding the NSF-related information contained in their single audit reports. The purpose of our reviews is to determine whether the audits comply with federal requirements and professional audit standards.

How do audits and reviews of NSF's internal operations impact the recipient community?

Our audits and reviews of NSF's internal operations help ensure that NSF meets its mission to promote the progress of science and that taxpayer dollars are used appropriately. Even though the audit and review recommendations are written to NSF, the results of potential changes and updates to NSF's policies and procedures may filter down to recipients. Our planned internal audits and reviews for FY 2022 include audits of mid-scale projects, NSF's oversight of public-private partnerships, conflicts of interest for merit review panelists, and NSF's oversight of Industry University Cooperative Research Centers.

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

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

How can I report research misconduct or other forms of fraud, waste, abuse, or whistleblower reprisal?

- **Web:** <https://oig.nsf.gov/contact/hotline>
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