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DEVELOPING AN AUDIT OF RESEARCH ACTIVITIES LEVERAGING RESULTS OF OIG AND SINGLE AUDITS

December 8, 2022

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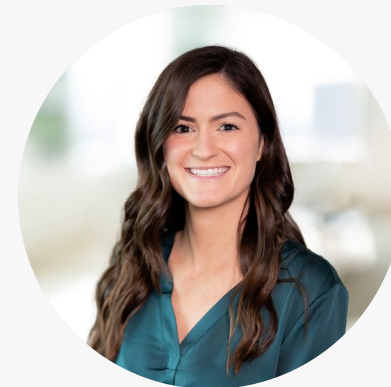


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Federal Funding Compliance & Oversight

Characteristics of Federal Grants

- ▶ For all **federal grants**: There are requirements that attach (1) to the grant recipient, and (2) to the funds received from the Government.
 - **Recipient requirements**: Grant performance and administration; compliance with procurement standards, and standards for financial management systems
 - **Funding requirements**: Award budget; compliance with allowable/unallowable cost principles, by all parts of the organization that are or may become involved in grant performance; single audit
- ▶ Grantees must comply fully with **both** types of requirements.



Federal Oversight

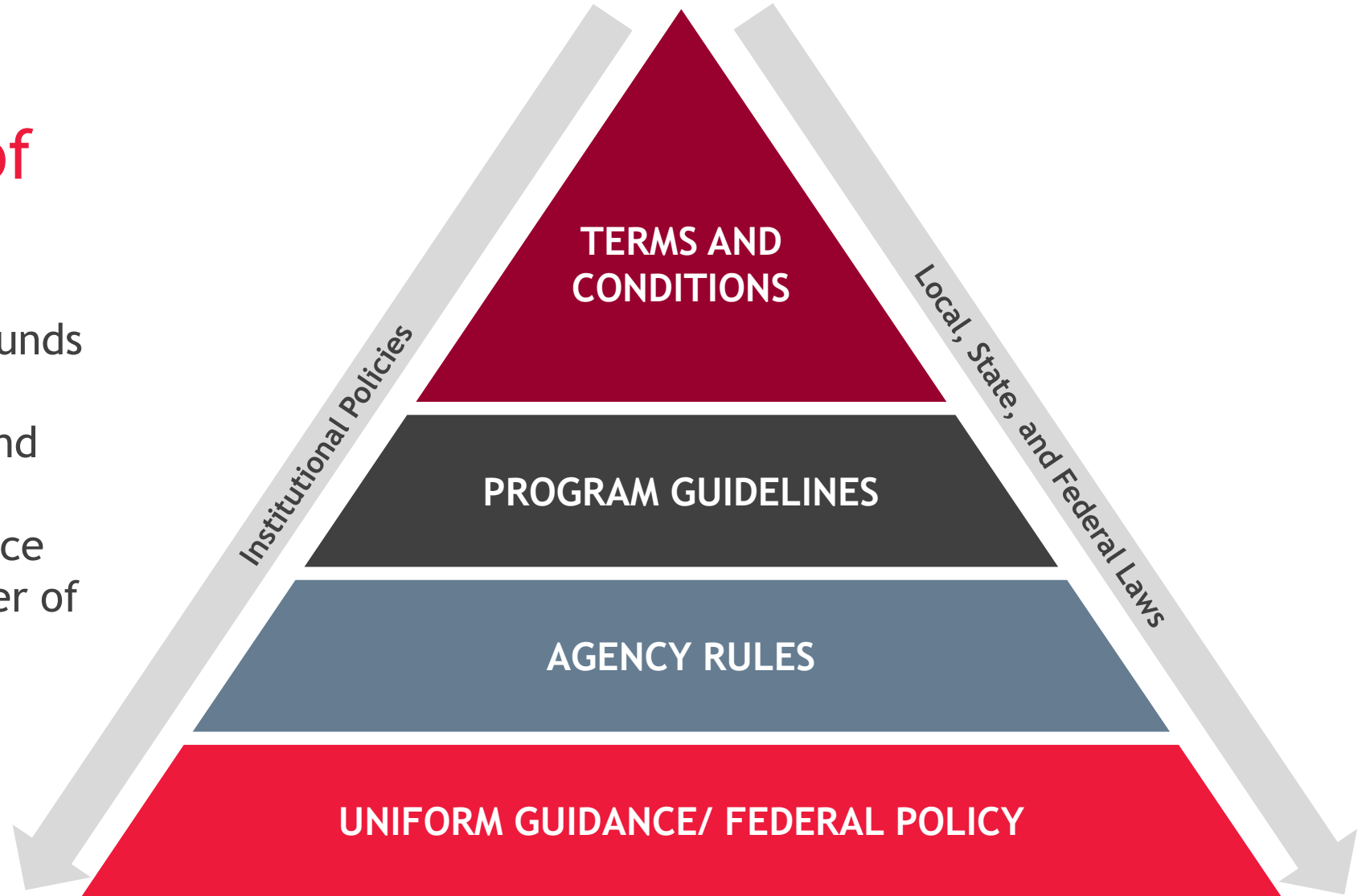
- ▶ In addition to the numerous compliance requirements mentioned previously, organizations that receive federal grant funds are subject to a variety of external oversight from sponsoring agencies and independent auditing firms.
- ▶ The results of such audits are published for public review and can provide valuable knowledge and insight into the common findings, concerns, and challenges for federal funding recipients.
- ▶ The federal government has been working to increase transparency in recent years and now shares detailed cost information through websites like *usaspending.gov*.

Grant audits can be performed by:

- ▶ Sponsoring Agency Program Staff
- ▶ *Sponsoring Agency Office of Inspector General (OIG)*
- ▶ *External Auditors (Single Audit)*
- ▶ Department of Justice or other elements of law enforcement

Regulatory Order of Precedence

The receipt of federal grant funds results in various federal and agency-specific compliance and audit requirements. The Regulatory Order of Precedence should help to clarify the order of importance.



Why Does Compliance Matter?

The Organizational Impact

Uniform Guidance section 200.399 “Remedies for noncompliance.” allows the Federal awarding agency or pass-through entity to take the following actions, in the event that a non-Federal entity fails to comply with the U.S. Constitution, Federal statutes, regulations or the terms and conditions of a Federal award:

- ▶ Temporarily withhold cash payments
- ▶ Disallow all or part of the cost of the activity or action not in compliance
- ▶ Suspend or terminate the Federal award
- ▶ Initiate suspension or debarment proceedings
- ▶ Withhold further Federal awards for the project or program
- ▶ Take other remedies that may be legally available



The False Claims Act

- ▶ The False Claims Act (FCA or 31 U.S.C. § 3729) imposes liability on anyone who “knowingly” submits false claims for payment or false records to conceal, avoid, or decrease an obligation in an attempt to defraud the government
- ▶ Previously, an individual found guilty of making a false claim was liable to pay no less than \$5,000, but no more than \$10,000 per false claim, in addition to 3 times the amount of damages. Where a person who has violated the FCA reports the violation to the government under certain conditions, the FCA provides that the person shall be liable for not less than double damages
- ▶ As of December 13, 2021, the penalty range for false claims has been increased to between \$11,803 and \$23,607 to adjust for inflation

Department of Justice
Office of Public Affairs

FOR IMMEDIATE RELEASE Thursday, January 14, 2021

Justice Department Recovers Over \$2.2 Billion from False Claims Act Cases in Fiscal Year 2020

The Department of Justice obtained more than \$2.2 billion in settlements and judgments from civil cases involving fraud and false claims against the government in the fiscal year ending Sept. 30, 2020, Acting Assistant Attorney General Jeffrey Bossert Clark of the Department of Justice's Civil Division announced today. Recoveries since 1986, when Congress substantially strengthened the civil False Claims Act, now total more than \$64 billion.

Department of Justice
Office of Public Affairs

FOR IMMEDIATE RELEASE Monday, March 25, 2019

Duke University Agrees to Pay U.S. \$112.5 Million to Settle False Claims Act Allegations Related to Scientific Research Misconduct

Duke University has agreed to pay the government \$112.5 million to resolve allegations that it violated the False Claims Act by submitting applications and progress reports that contained falsified research on federal grants to the National Institutes of Health (NIH) and to the Environmental Protection Agency (EPA), the Justice Department announced today.

How frequently does your audit team perform research audits?

Annually

At least every 3 years

Occasionally/As needed

We do not perform research audits





OIG Audit Figures & Trends

Who is the Office of Inspector General (OIG)?

Formally established through the Inspector General Act of 1978, Federal OIGs are presidential appointees charged with providing independent oversight of their assigned federal agency(ies).

What do they do?



Perform program and operational audits



Evaluate and make recommendations related to use of agency funds



Prevent and investigate fraud, waste, and abuse

Four agencies account for 91% of federal R&D obligations to the academic sector, including:

1. National Science Foundation (NSF)
2. Department of Health and Human Services (HHS)
3. Department of Defense (DOD)
4. Department of Energy (DOE)

[Federal Science and Engineering Support to Higher Education Increased 3% in FY 2020 | NSF - National Science Foundation](#)

What Can You Find on an OIG Website?

Each OIG website should include detail of:

Strategy and Plan

- Multi-year Strategic Plan
- Annual Audit Work Plans

Audit Results

- Individual audit reports
- Status of corrective actions
- Semi-annual Reports to Congress

Resources

- Whistleblower information
- Investigative press releases
- FAQs and data/fact sheets
- Links to key agency policies and procedures

Top Management Challenges

- The Reports Consolidation Act of 2000 requires each IG to prepare an annual statement that summarizes the “most serious management and performance challenges facing the agency”

Agency Overview: National Science Foundation (NSF)

- ▶ The National Science Foundation is an independent federal agency created by Congress “to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense...”
- ▶ NSF has an annual budget of over \$8.8B and provides more than 12,000 federal awards to grantees annually in fields related to math, science, and engineering.
- ▶ NSF is the funding source for approximately 25% of the federally-supported basic research conducted by America’s colleges and universities.



NSF OIG Audits Overview

- ▶ Between October 2021 and September 2022 (fiscal year 2022), NSF's OIG conducted 9 Performance Audits of incurred costs at university award recipients, testing 4% of the over \$213 million in total costs claimed by those recipients.
- ▶ During the first half of the fiscal year, the OIG conduct 7 investigations related to issues of program integrity and research misconduct.

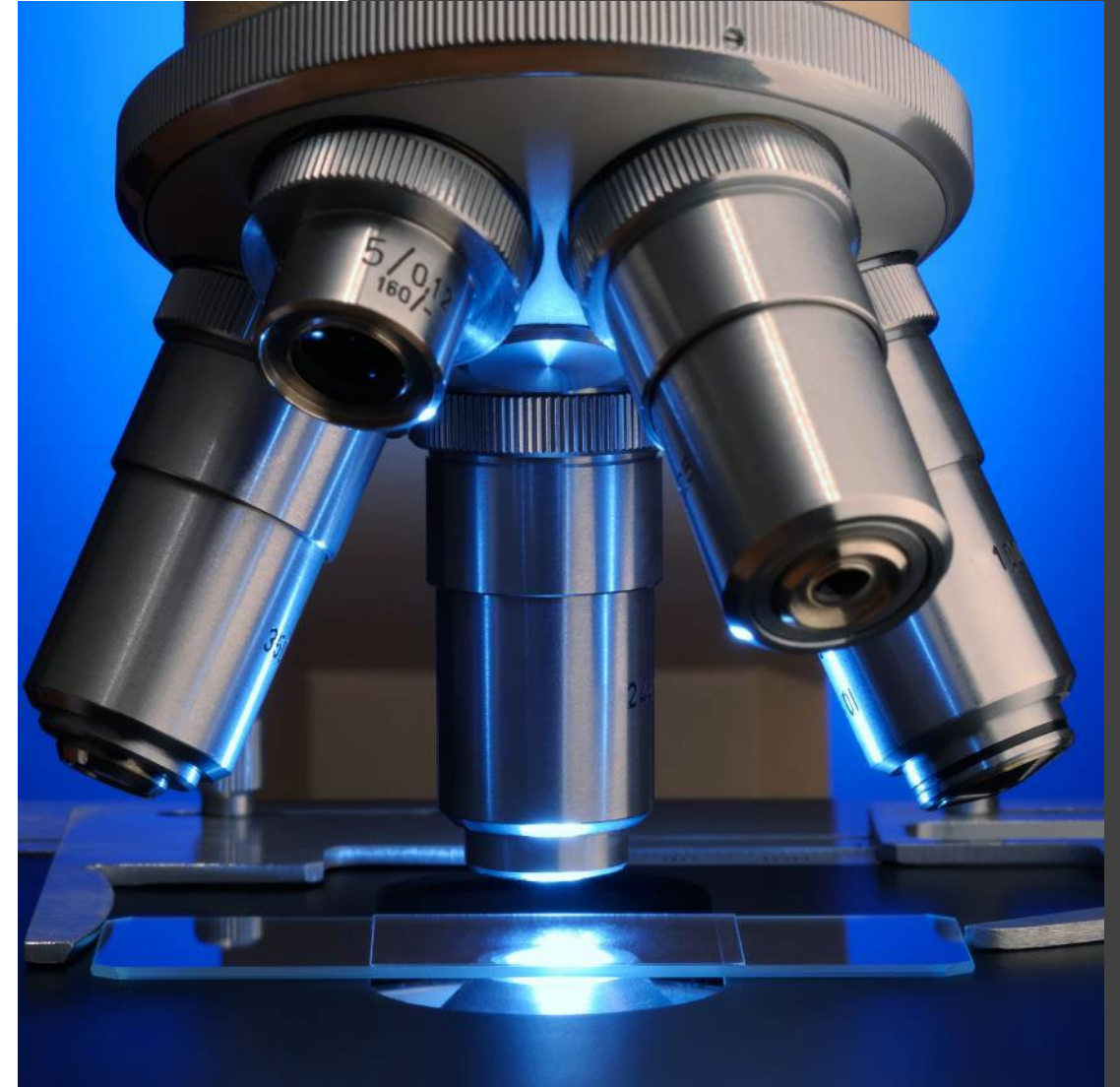
The screenshot shows the NSF OIG website homepage. At the top left is the NSF logo, a globe with 'NSF' in the center. To its right is the text 'National Science Foundation Office of Inspector General'. Further right is a red button labeled 'REPORT FRAUD, WASTE, & ABUSE' and a search bar. Below the header is a navigation menu with items: 'About', 'Reports & Publications', 'Audits', 'Investigations', 'Resources & Outreach', and 'Contact'. The main content area features a blue background with a network diagram and the headline 'Promoting Effectiveness, Efficiency, and Economy'. Below this is a sub-headline: 'We provide independent oversight of the National Science Foundation to improve the effectiveness, efficiency, and economy of its programs and operations and to prevent and detect fraud, waste, and abuse.' A green 'Learn more' button is positioned below the sub-headline. The 'Recent Reports' section lists four reports in a grid:

Date	Report Title	Report Number	Audit Location
November 18, 2022	Performance Audit of Incurred Costs – University of Mississippi	Report Number 23-1-003	AUDIT OXFORD, MS, UNITED STATES
November 14, 2022	Audit of the National Science Foundation's Fiscal Years 2022 and 2021 Financial Statements	Report Number 23-2-002	AUDIT ALEXANDRIA, VA, UNITED STATES
November 4, 2022	Performance Audit of the National Science Foundation's Information Security Program for FY 2022	Report Number 23-2-001	AUDIT ALEXANDRIA, VA, UNITED STATES
October 28, 2022	Performance Audit of Incurred Costs – Computing Research Association	Report Number 23-1-002	AUDIT WASHINGTON, DC, UNITED STATES

At the bottom of the reports section is a blue button labeled 'VIEW ALL REPORTS'.

NSF OIG Audit Observations

- ▶ A total of 12% of the costs sampled (~\$1.4M) were questioned.
- ▶ The main drivers of questioned costs were:
 - Expressly unallowable or unsupported costs;
 - Incorrect cost share;
 - Inappropriate indirect costs;
 - Inappropriately allocated expenses;
 - Salary and subaward costs; and
 - Purchases made near or after the award expiration.
- ▶ Fifteen (15) internal control findings were identified that did not result in questioned costs, including four of nine auditees having a control finding related to the application of indirect cost rates.



Recent Trends for NSF Audits

- ▶ In January 2022, one of the independent auditing firms used by NSF issued a capstone report detailing the audit findings across 18 audits conducted from 2018 - 2021 (OIG 22-6-002).
- ▶ To the right we have summarized the findings from the report.

Common Findings	No. of Reports with Finding Type	Common Sub-Findings	No. of Reports with Sub-Finding
Unallowable Expenses	17/18	Travel	11
		Participant Support Costs	9
		Salary and Wages	8
		Materials and Supplies	8
		Fringe Benefits	5
		Publication	4
		Consultant	3
		Subawards	4
Insufficient Internal Controls For Indirect Cost Rate Application	15/18	Indirect Costs Applied Using Incorrect Rates	14
		Indirect Costs Applied to an Incorrect Base	12
Inadequately Supported Expenses	12/18	Costs Claimed in ACM\$	7
		Internal Service Providers	5
		Travel	4
		Salary and Wages	2
		Consultant	2
Inappropriately Allocated Expenses	10/18	Travel	8
		Materials and Supplies/Equipment	9
		Publication	6
		Student Stipends/Tuition Remission	5
Non-Compliance with Policies and Procedures	9/18	Non-Compliance with Award Recipient Policies	8
		Non-Compliance with NSF Program-Specific Policies	5

Do you plan to perform a research audit this year?

Yes

No



Agency Overview: Health and Human Services (HHS)



- ▶ The Department of Health and Human Services is the largest grant-making agency in the US and is charged with providing advances in the sciences underlying medicine, public health, and social services.
- ▶ HHS provides over \$500B annually through grant programs and other award vehicles.
 - ▶ HHS has 12 operating divisions, including the National Institutes of Health (NIH) which is the largest funder of R&D in higher education.
- ▶ The NIH has an annual budget of \$45B, of which 84% is awarded through grants to researchers at universities, medical schools, and other research institutions.

HHS OIG Website

- ▶ The focus of HHS OIG is largely on auditing the Medicare and Medicaid programs.
- ▶ Between October 2021 and March 2022, HHS's OIG conducted 47 audits and 14 evaluations, resulting in \$1.6 billion in questioned costs and \$1.14 billion in expected recoveries.
 - Of these audits, 4 of them pertained to NIH, including:
 - NIH Grant Program Cybersecurity Requirements
 - Clinical Trial Results Reporting
 - Superfund Appropriations
 - Post-Award Process for the Oversight & Monitoring of Grant awards
- ▶ Additionally, the OIG participated in 320 criminal actions which are expected to recover 1.44 billion in American taxpayer dollars.

The screenshot shows the HHS OIG website header with the U.S. Department of Health and Human Services logo and the Office of Inspector General name. Navigation links include About OIG, Reports, Fraud, Compliance, Exclusions, Newsroom, Careers, and COVID-19 Portal. A search bar and a Submit a Complaint button are also visible.

2022 Top Management & Performance Challenges Facing HHS

What's New

November 25, 2022

- ▶ Medicare Improperly Paid Physicians for Co-Surgery and Assistant-at-Surgery Services That Were Billed Without the Appropriate Payment Modifiers
- ▶ National Government Services, Inc., Accurately Calculated Hospice Cap Amounts but Did Not Collect All Cap Overpayments

November 23, 2022

- ▶ Medicare Providers Did Not Always Comply With Federal Requirements When Billing for Advance Care Planning

November 22, 2022

- ▶ Puerto Rico MMIS and E&E Systems Security Controls Were Generally Effective, but Some Improvements Are Needed

[Read More What's New](#)

Enforcement Actions

November 23, 2022; U.S. Attorney's Office, Southern District of Illinois

- ▶ Ambulance Company Settles Allegations Of Billing Medicare For Unnecessary, Non-Emergency Ambulance Transportation

November 21, 2022; U.S. Attorney's Office, Eastern District of Wisconsin

- ▶ Milwaukee Man Sentenced To Federal Prison For Conspiracy To Defraud Medicare And Medicaid

November 21, 2022; U.S. Attorney's Office, Eastern District of Tennessee

- ▶ U.S. Attorney's Office And Federal Partners Receive National Investigation Of The Year Award From The National Health Care Anti-Fraud Association

[Read More Enforcement Actions](#)

What's Trending

- 1 New York Claimed \$196 Million, Over 72 Percent of the Audited Amount, in Federal Reimbursement for NEMT Payments to New York City Transportation Providers That Did Not Meet or May Not Have Met Medicaid Requirements
- 2 Featured Topic: Nursing Homes
- 3 Audit of Medicaid Applied Behavior Analysis for Children Diagnosed With Autism
- 4 Medicare Advantage Compliance Audit of Specific Diagnosis Codes That California Physicians' Service, Inc. (Contract H0504) Submitted to CMS
- 5 Medicare Providers Did Not Always Comply With Federal Requirements When Billing for Advance Care Planning

HHS Audit of Indirect Cost Rate Negotiation Process

Overview

- ▶ Within HHS Program Support Center (PSC), Cost Allocation Services (CAS) is responsible for negotiating and approving indirect cost rates and cost allocation plans.
- ▶ In FY2022, HHS OIG performed an audit of CAS rate-setting processes to determine whether they complied with federal regulations when negotiating rates.
- ▶ The OIG selected a judgmental sample of 19 indirect cost rates negotiated or renegotiated between January 1 through December 31, 2019, for testing.

Audit Findings

OIG found that CAS's indirect cost rate-setting process for nonprofits did not always comply with Federal regulations and HHS policies. Specifically, the OIG noted:

1. CAS did not ensure compliance with Federal regulations,
2. CAS did not always follow its Review Guide,
3. CAS did not always follow its internal guidance or negotiate rates in a timely manner,
4. Indirect cost rate proposals included potentially unallowable compensation costs.

Audit Sampling & Procedures Performed

Sampling Methodology

- ▶ CAS provided a list of 1,455 indirect cost rates negotiated or renegotiated during calendar year 2019,
- ▶ OIG removed 242 rates associated with hospitals,
- ▶ OIG judgmentally selected 19 indirect cost rates for testing, including:
 - 4 with Federal awards > \$6M,
 - 4 with Federal awards from \$2 to \$6M,
 - 4 with Federal awards < \$2M,
 - 3 Native American Tribal-affiliated nonprofits, and
 - 4 Community Action Agencies.

Audit Procedures

- ▶ OIG held discussions with CAS officials and negotiators to gain an understanding of the indirect cost rate-setting process,
- ▶ For each sample, reviewed:
 - The CAS case file containing the proposal,
 - Supporting documentation, and
 - CAS workpapers.
- ▶ OIG interviewed negotiators and supervisors assigned to the sampled rates

Note: *The scope of the audit did not include independently verifying the allowability of any proposed costs.*

Agency Overview: Department of Defense (DOD)

- ▶ The Department of Defense is America's largest government agency.
- ▶ The Department's mission is to provide military forces needed to deter war and ensure our nation's security.
- ▶ DOD has a \$852.9 billion budget, 2.91 million service members and civilians, and 4,800 sites in over 160 countries.
- ▶ The DOD is made up of eight components, including the Army, Marine Corps, Navy, National Guard, and more.
- ▶ While the DOD has an OIG with more than 50 field offices and 1,800 auditors, each of the DOD component agencies also has an OIG.



DOD OIG Website

- The DOD OIG performs audits, evaluations, defense criminal investigations, administrative investigations, overseas contingency operations, and diversity and inclusion oversight.
- The Defense Criminal Investigative Services (DCIS) team focuses on procurement fraud, financial crimes, public corruption, and cyber crimes in DOD programs, while administrative investigations response to allegations of misconduct within DOD.
- Between October 1, 2021 and March 31, 2022, the OIG Audit component issued 57 audit reports, including four (4) related to pandemic oversight.

DEPARTMENT OF DEFENSE OFFICE OF INSPECTOR GENERAL

HOME

DoD OIG Performs Audit of DoD Basic Financial Statements

[Read More](#)

In the Spotlight

Heads of Defense, State, and USAID Offices of Inspectors General Hold Joint Congressional Briefing Nov. 22, 2022

On November 18, 2022, the heads of the Offices of Inspectors General (OIGs) for the Department of Defense (DoD), Department of State (State), and U.S. Agency for International Development (USAID) held a joint congressional briefing on their coordinated and individual oversight activities related to Ukraine. [CONT. »](#)

Audits, Evaluations, and Administrative Investigations

Transmittal of the Independent Auditor's Report on the Defense Logistics Agency Military Construction Funds Sub-Allotted to the U.S. Army Corps of Engineers-Military Programs Financial Statements and Related Notes for FY 2022 and FY 2021 (DODIG-2023-027) Nov. 18, 2022

This audit report should not be distributed without the financial statements and report, file a Freedom of Information Act Request with the Department of the Army at <https://www.rmda.army.mil/foia/RMDA-FOIA-Contact.html>. [CONT. »](#)

Criminal Investigations

Doctor Sentenced for Accepting Illegal Kickback Payments in Return for Writing Prescriptions for Compounded Drugs, Will Pay \$3.1 Million in Civil Settlement Nov. 18, 2022

A doctor licensed in Virginia, Maryland, and elsewhere was sentenced today to 3 years for writing and referring compounded drug prescriptions in return for illegal kickback payments. The doctor previously entered into a civil settlement with the Government that requires him and the company he owned to pay \$3.1 million. [CONT. »](#)

Three Arrested for Illegal Scheme to Export Controlled Data and Defraud the Department of Defense Nov. 9, 2022

A federal indictment was unsealed today following the arrest of three defendants and their initial appearances in the U.S. District Court in the Western District of Kentucky. According to court documents, Phil Pascoe, 60, of Floyd's Knobs, Indiana; Monica Pascoe, 45, of Floyd's Knobs, Indiana; Scott Tubbs, 59, of Georgetown, Kentucky; and Quadcast Management LLC are charged.

Careers
Fraud, Waste, & Abuse
HOTLINE
Submit a Complaint



DOD OIG Audit Observations

A number of the audits performed were focused on contracting processes and contract and grant management, monitoring and compliance. Therefore, the common findings identified related to contracts and grants. For example, audit reports found:

- ▶ DOD contracting personnel and grant personnel were not effective in ensuring that contractors and subrecipients met contract/grant limitations or in managing and monitoring subcontractor/recipient compliance, and
- ▶ DOD contracting personnel could not confirm whether prime contractors for contracts reported first-tier subcontract award information in the Federal Funding Accountability and Transparency Act Subaward Reporting System.

In fact, the Department of Defense Education Activity Grant Oversight audit found that program personnel did not verify whether grantees met grant terms and conditions or interim goals. The DOD OIG projects that from FY2016 to FY2020, the program potentially wasted \$49.9 million providing noncompliant grantees with funds.

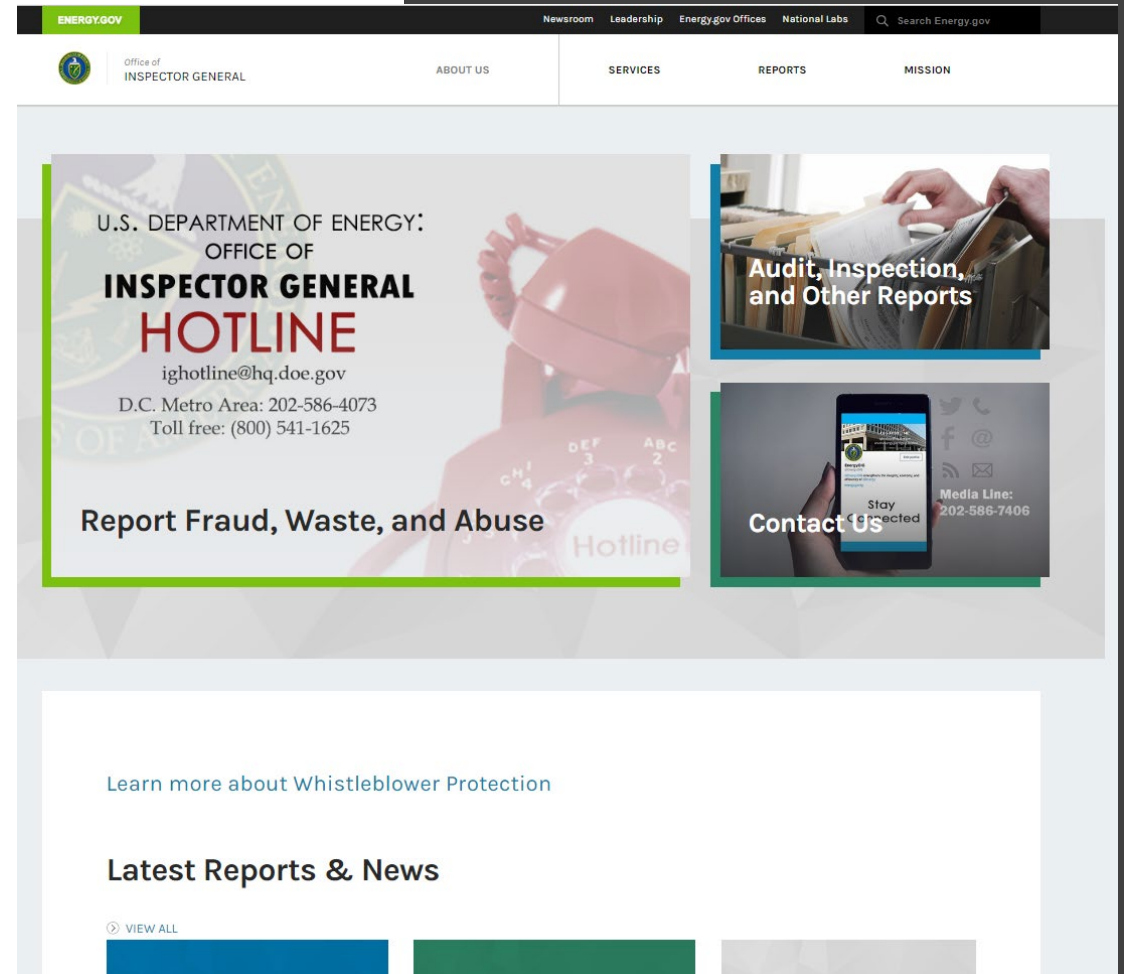
Agency Overview: Department of Energy (DOE)



- ▶ The mission of the Energy Department is to ensure America's security and prosperity by addressing its energy, environmental and nuclear challenges through transformative science and technology solutions.
- ▶ The DOE's FY2022 budget was \$46.2 billion, with \$7.4 billion in funding for research and development.

DOE OIG Website

- ▶ Between October 1, 2021 and March 31, 2022, the DOE OIG Technology Division issued 4 reports which included 45 recommendations to improve the Department's cybersecurity posture.
- ▶ In addition, the OIG issued 28 audit, 11 inspection, and 5 technology and data analytics reports, resulting in \$1.2 billion in questioned or unsupported costs.
- ▶ The Data Analytics Division supported more than 50 audits, inspections, and investigations, and analyzed millions of records.
- ▶ DOE OIG plans to continue to invest in the data analytics capabilities of its team with the passage of the Infrastructure Investment and Jobs Act.



DOE OIG Audit Findings

Construction Audits

1. *Objective:* to determine whether the UC administered construction subcontracts for LBNL in accordance with applicable regulations and policies. W
2. *Findings:*
 1. Subcontracts found to be administered out of compliance with regulations and policies,
 2. Subcontractors misclassified in the procurement system,
 3. Contract modifications made without the proper price reasonableness analyses performed, and
 4. Payment vouchers lacking supporting documentation.

Procurement Audits

1. *Objective:* To determine whether the contractor was identifying, tracking, and recording personal property items held by its subcontractors in accordance with applicable laws, regulations, and policies.
2. *Findings:*
 1. Subcontractors acquired personal property that were not authorized by the contractor's procurement team.
 2. Personal property items that were not barcoded, and
 3. Controls not consistently administered over administratively controlled items.

What types of research audits have you performed in the past?

Research administration

Grant compliance

Clinical trials

Subrecipient monitoring

None of the above



Overall IG Trends

- ▶ Inspector Generals (IG) have consistently ranked IT Security Management, Human Capital Management, and Financial Management as the biggest challenges facing their agencies.
- ▶ \$29.2B in audit savings in 2019 vs \$62.7B in 2021
- ▶ OIGs continue to increase their capabilities around and use of data analytics to assist in audit planning and testing.
- ▶ Focus on audits of workplace diversity and inclusion as well as compliance with specific special conditions of awards
- ▶ IG's processed a record number of hotline complaints - close to 1.5 million



Key Takeaways from OIG Audit Findings

- ▶ **Reminder:** In the event of an OIG audit, your organization will be held to your institution's policies. While you may follow Federal regulations or grant agreements, if you are out of compliance with internal policies, you will likely have a control finding.
- ▶ Sufficient documentation is critical to supporting costs charged to grants and contracts. Document, document, document!
- ▶ Procurement, subcontracting, and subrecipient management and monitoring are always areas of high risk and audit focus.
- ▶ Data analytics teams, sampling methodologies, and audit procedures are key to increasing the efficiency and effectiveness of audits.





Single Audit

Single Audit Applicability

- ▶ Single Audit, previously covered under OMB Circular A-133, is an organization-wide financial statement and federal awards audit of a non-federal entity that **expends** \$750,000 or more in federal funds in one year.
- ▶ Outlined in OMB Uniform Guidance 2 CFR 200.
- ▶ Non-federal entities typically include states, local governments, Indian tribes, universities, and non-profit organizations.
- ▶ The Single Audit test model examines non-federal entity post-award reporting requirements under the Single Audit Act.



Single Audit Overview

- ▶ The Single audit is designed to:
 - Gain an understanding of an organization's internal financial management policies,
 - Evaluate its compliance with the provisions of the specific awards it has received, and
 - Determine whether the recipient has adequate financial controls that provide full accountability for all revenue, expenditure, assets, and liabilities.
- ▶ An auditor will test whether an entity complied with financial and program reporting requirements and that claims for cash advances or reimbursement are compliant with applicable agreements.
- ▶ OMB releases a yearly Compliance Supplement based on the current audit environment and findings.



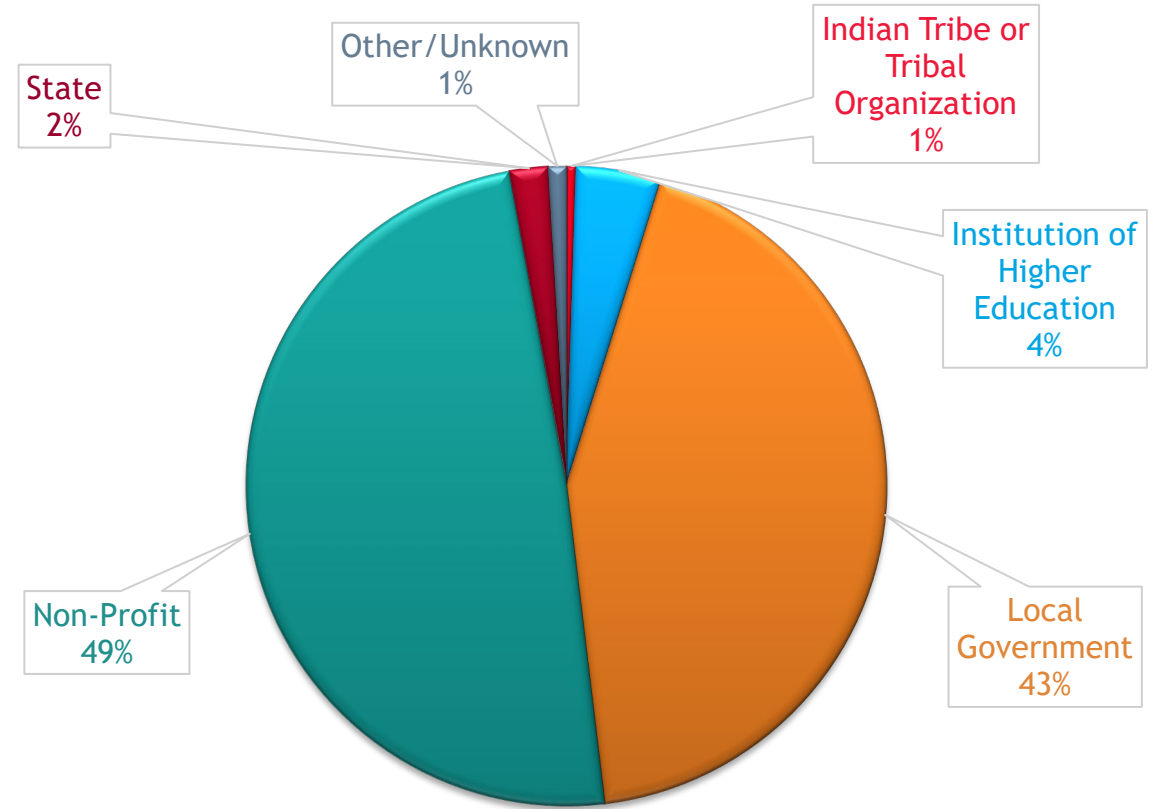
Matrix of Compliance Requirements

The Matrix identifies the compliance requirements that the federal government has determined are subject to audit for the programs included in the Supplement.

Requirement	A	B	C	E	F	G	H	I	J	L	M	N
	Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment Real Property Management	Matching, Level of Effort, Earmarking	Period of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Program Number												
10.000 (no matrix)												
10.500	Y	Y	N	N	N	Y	Y	N	N	Y	Y	N
10.511	Y	Y	Y	N	Y	Y	N	N	N	Y	N	N
10.512	Y	Y	Y	N	Y	Y	N	N	N	Y	N	N
10.514	Y	Y	Y	N	N	N	N	N	N	Y	Y	N
10.515	Y	Y	Y	N	N	N	N	N	N	Y	Y	N
10.516	Y	Y	Y	N	Y	N	N	N	N	Y	Y	N
10.517	Y	Y	Y	N	Y	N	N	N	N	Y	Y	N
10.520	Y	Y	Y	N	Y	N	N	N	N	Y	Y	N
10.521	Y	Y	Y	N	Y	N	N	N	N	Y	Y	N
10.542**	Y	N	N	Y	N	N	N	Y	N	Y	N	N
10.551/10.561 (SNAP Cluster)	Y	Y	N	N	N	Y	N	Y	N	N	Y	Y
10.553/10.555/10.556/10.559/10.582 (Child Nutrition Cluster)	Y	Y	N	Y	N	N	N	Y	N	Y	N	Y
10.557	Y	Y	Y	Y	N	N	Y	Y	N	N	N	N
10.558	Y	Y	Y	Y	N	N	N	Y	N	N	Y	Y
10.565/10.568/10.569 (Food Distribution Cluster)	Y	Y	Y	Y	Y	N	N	Y	N	N	N	Y
10.566	Y	Y	N	Y	N	N	Y	N	N	Y	N	Y
10.579 (deleted 2022)												
10.582	Y	Y	Y	Y	N	N	N	Y	Y	N	N	N
10.606	Y	Y	Y	N	Y	N	N	N	Y	Y	N	Y
10.607	Y	Y	Y	N	Y	N	N	N	Y	Y	N	Y
10.649**	Y	Y	N	N	N	N	Y	Y	N	Y	N	N

FY21 Single Audit by the Numbers - The Auditees

Organization Type	Number of Single Audits in FY21
Non-Profit	14,528
Local Government	12,840
Institution of Higher Education (IHE)	1,271
State	583
Other/Unknown	268
Indian Tribe or Tribal Organization	144
Grand Total	29,634



2021 Single Auditees

FY21 Single Audit by the Numbers - Findings and Observations

Compliance Requirement	Number of Findings
N=Special tests and provisions	7,243
B=Allowable costs/cost principles	5,330
A=Activities allowed or unallowed	4,165
L=Reporting	3,384
F=Equipment and real property management	2,927
P=Other	2,787
H=Period of availability of Federal funds	2,642
E=Eligibility	1,691
C=Cash management	1,532
I=Procurement and suspension and debarment	1,429
M=Subrecipient monitoring	1,045
G=Matching, level of effort, earmarking	517
J=Program income	314
O=None	0
K=Real property acquisition and relocation assistance	0
D=Davis-Bacon Act	0
Grand Total	35,006


Has your team referenced OIG audit reports for planning in the past?

Yes

No

I did not know they published reports





Developing Your Audit Program

Stay Informed of Publicly Available Resources



- ▶ Review information published by sponsoring agencies, including:
 - OIG Annual Audit Plan,
 - Audit reports and results, and
 - Semiannual Reports.
- ▶ Stay informed of regulatory changes and review the annual OMB Compliance Supplement.
- ▶ Engage in conversations with external resources, including agency contacts, peers, and industry experts.

Review the Compliance Supplement

- ▶ Specific program requirements are detailed in Part 4 and Appendix V.
- ▶ For FY2022, The listing of higher risk programs has been updated to include two additional programs.
- ▶ On October 1, 2022, the Federal Audit Clearinghouse (FAC) transitioned from Census to General Services Administration (GSA) so all data collection forms (DCF) should now be submitted to GSA.

2 CFR PART 200, APPENDIX XI

COMPLIANCE SUPPLEMENT



April 2022

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET



Perform a Risk Assessment

Before preparing and finalizing your audit program, you should perform a comprehensive risk assessment of research activities at your organization (or within the applicable school, department or program). The risk assessment process should include:

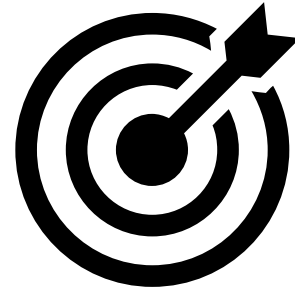
1. Conducting interviews with management and grants administration personnel to understand current processes, recent changes to people, processes, and systems, and areas of higher risk or concern.
2. Reviewing organizational policies related to federal grants management to identify any that have not been reviewed in recent years, appear to be outdated and/or inaccurate, and those that may be missing.
3. Performing data analytics of federal grant portfolio and spend activity, potentially identifying the highest spend departments and programs, PIs with many grants, the largest funding agencies, any activity or spend that appears inappropriate based on cost category or vendor name, etc.

Audit Considerations - Monitoring Activities

It is important to consider which departments or activities have ongoing monitoring processes versus those that do not.



Perform routine monitoring of spending, cost allowability, and program progress



Identify high-risk transaction types within your awards and establish enhanced review



Review and confirm documentation is complete and available

Helpful Resources


- ▶ USASpending.gov
- ▶ Oversight.gov
- ▶ PandemicOversight.gov
- ▶ Agency OIG websites
- ▶ OMB Office of Federal Financial Management
- ▶ Federal Audit Clearinghouse

The screenshot displays the USASpending.gov Advanced Search interface. The search results are filtered for FY 2022, National Institutes of Health (NIH) | Sub-Agency of HHS, and Award Amounts between \$1,000,000.00 and \$25,000,000.00. The results are presented in a table view, showing spending by prime award. The table includes columns for Award ID, Recipient Name, Start Date, End Date, and Award Amount. The table is sorted by Award Amount in descending order.

Award ID	Recipient Name	Start Date (Period of Performance)	End Date (Period of Performance)	Award Amount (Total Award Obligations to Date)	Bas
75N9002C00014	DLA TROOP SUPPORT	6/23/2022	9/30/2022	\$25,000,000	F
75N97021F00079	EDGEWATER FEDERAL SOLUTIONS...	6/30/2021	6/30/2023	\$24,968,827	F
HHSN268800002	PARAGON TECHNOLOGY GROUP INC.	2/17/2015	2/18/2018	\$24,775,189	II
HHSN272201700059C	SEATTLE CHILDREN'S HOSPITAL	7/27/2017	8/31/2022	\$24,736,568	II
HHSN31600001	PERATON INC.	11/30/2016	9/30/2022	\$24,628,498	II
HHSN272200800028C	ICON GOVERNMENT AND PUBLIC ...	5/30/2008	8/31/2018	\$24,488,883	F
75N91020F00005	LEIDOS BIOMEDICAL RESEARCH, L...	8/31/2020	8/30/2023	\$24,355,553	N
HHSN261201600002C	THE EMMES COMPANY LLC	6/16/2016	5/31/2021	\$24,329,365	II
75N93018C00077	TRUSTEES OF THE UNIVERSITY OF ...	9/15/2019	9/14/2023	\$24,312,201	F
HHSN272201700089C	FISHER BIOSERVICES INC.	9/11/2017	9/10/2022	\$24,133,098	II
75N98120F00002	DELOITTE CONSULTING LLP	3/9/2020	4/30/2022	\$24,100,978	T
75N93019F00151	MEDICAL SCIENCE & COMPUTING, ...	2/1/2019	11/30/2022	\$24,100,379	II
75N93018C00023	HAWAII BIOTECH, INC.	9/20/2018	9/8/2023	\$24,099,174	II
HHSN278201400072U	SAVIS FEDERAL SYSTEMS, INC.	1/27/2014	1/29/2023	\$23,950,580	II
75N97019F00085	AAC INC	9/29/2019	9/28/2023	\$23,945,528	N

Questions?





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Material discussed is meant to provide general information and should not be acted on without professional advice tailored to your needs.

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➤ Upcoming ACUA Events

Webinars

Your ACUA Virtual Learning team is currently working on webinar events for 2023 and will keep you updated as details are finalized. We hope you have a great holiday season and look forward to seeing everyone in the new year!

Audit Interactive

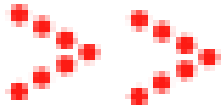
March 27-29, 2023 in Denver, CO



Did you know that Connect ACUA allows you to post new messages directly from your email without logging in to the Connect ACUA website?

For more details, check out the Quick Tip post on [Connect.ACUA.org](https://connect.acua.org)

Your Higher Education Auditing Connection

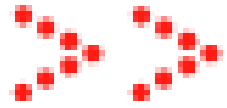


New Kick Starter Available!

Foreign Gift and Contract Reporting Process

Download today in the members-only Audit Tools section of www.ACUA.org



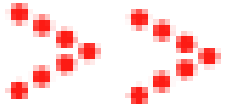


Next Kick Starter Release is December 15th!

Animal Care and Use in Research

Will be available in the members-only Audit Tools section of www.ACUA.org





ACUA Kick Starters

Use a Kick Starter to launch your next audit!

- Developed by ACUA members with subject matter expertise
- Focused on higher education specific topics

<https://acua.org/Audit-Tools/ACUA-Kick-Starters>



Do you have a great idea for an ACUA Kick Starter? Contact John Winn at HJWINN@mailbox.sc.edu.



ACUA Mentorship Program

- Mentorship is a proven method to help colleagues feel supported, drive workplace satisfaction, and foster member engagement in higher ed auditing.
- The program is no longer focused on only small audit shops! The program has been expanded to be more inclusive of all types of shops.
- The program is only a one-year commitment, but we encourage the mentorship to continue even after one year.
- Consider signing up! Watch for registration deadlines to be communicated via email. For more information, go to <https://acua.org/Member-Resources/Mentorship-Program>



Stay Updated

- The College and University Auditor is ACUA's official journal. Current and past issues are posted on the ACUA website.
- News relevant to Higher Ed internal audit is posted on the front page. Articles are also archived for your reference under the Resources/ACUA News.

Get Educated

- Take advantage of the several FREE webinars held throughout the year.
- Attend one of our upcoming conferences:
 - Audit Interactive**
March 26 – 29, 2023
Denver, CO
 - AuditCon**
September 2023
Miami, FL
- Contact ACUA Faculty for training needs.

Get Involved

- The latest Volunteer openings are posted on the front page of the website.
- Visit the listing of Committee Chairs to learn about the various areas where you might participate.
- Nominate one of your colleagues for an ACUA annual award.
- Submit a conference proposal.
- Present a webinar.
- Become a Mentor
- Write an article for the C&U Auditor.
- Write a Kick Starter.

Connect with us



www.ACUA.org

Connect with Colleagues

- Subscribe to one or more Forums on the Connect ACUA to obtain feedback and share your insights on topics of concern to higher education internal auditors.
- Search the Membership Directory to connect with your peers.
- Share, Like, Tweet & Connect on social media.

Solve Problems

- Discounts and special offers from ACUA's Strategic Partners
- Kick Starters
- Risk Dictionary
- Mentorship Program
- NCAA Guides
- Resource Library
- Internal Audit Awareness Tools
- Governmental Affairs Updates
- Survey Results
- Career Center.....and much more.



**Join us for
our upcoming
webinar.**

