

## Report on Research Compliance Volume 18, Number 7. June 24, 2021 In This Month's E-News: July 2021

---

By Theresa Defino

◆ In a review of more than 500 NIH awards, the HHS Office of Inspector General (OIG) found that about one-fifth were funded “out of rank order,” and for more than a third of those, “no reasoning was documented”—a violation of HHS policy. “That means that NIH lacks insight into whether the ICs [institutes and centers] are funding out of rank order to further NIH’s mission or because of problems that warrant NIH’s attention,” OIG said in the report released June 15. The agency explained that “NIH’s grantmaking process provides ICs with discretion to fund a grant application that was ranked less favorably by the first level of peer review over an application that was ranked more favorably. Funding out of rank order allows the ICs to fund grants that align with their research priorities or that address emerging threats to public health, for example.” OIG reviewed fiscal 2018 data for awards made by the National Institute of Neurological Disorders and Stroke (NINDS), National Institute of Diabetes and Digestive and Kidney Diseases (NIDDK), National Institute on Drug Abuse and several others.

All told, “ICs funded 109 of the 540 grants in our sample out of rank order,” but this was highly variable. For example, NIDDK “funded 67 of its 130 sampled grants out of rank order,” while NINDS “funded 8 of its 184 sampled grants out of rank order.” NIH was amenable to OIG’s recommendations for changes to increase transparency. “NIH stated that it will develop structured data for identifying, tracking, and providing compliance oversight on grants awarded out of rank order, with implementation planned for fiscal year 2021,” OIG said. “NIH also stated it will conduct a comprehensive review in the same year, and implement further internal controls, guidance, and compliance testing as needed based on the results of the review.” Further, NIH will revise “its internal policy and staff guidance to reflect the requirement of the HHS Grants Policy Administration Manual to tie funding justifications to factors documented in the Funding Opportunity Announcement.”  
(6/17/21)

This document is only available to subscribers. Please log in or purchase access.

[Purchase Login](#)