

# Report on Research Compliance Volume 18, Number 10. September 23, 2021

## NSF OIG to Focus on Smaller Institutions, Plans to Increase 'Foreign' Investigations

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By Theresa Defino

Hoping to beef up its investigative staff with a primary goal of further mitigating the impact of inappropriate foreign contacts or undeclared support, the National Science Foundation (NSF) Office of Inspector General (OIG) is seeking a 14% spending boost for the upcoming fiscal year (FY).<sup>[1]</sup>

Meanwhile, on the heels of completing 10 audits reviewing how NSF awardees handled administrative flexibilities related to the COVID-19 pandemic, OIG is planning to conduct a similar series also concluding with a “capstone” report. But this time auditors will focus on small and medium-sized institutions.

Mark Bell, assistant inspector general for audit, recently reviewed OIG’s COVID-19-related work and previewed some of its FY 2022 plans with the National Science Board (NSB) Committee on Oversight. FY 2022 begins Oct. 1.<sup>[2]</sup>

Bell’s presentation was fairly brief, and at one point he was interrupted by committee chair Anneila Sargent, who admonished him to “hurry up a little bit because the time is marching on.”

Still, Bell was able to provide details that federally funded institutions and compliance officials can use to plan their own areas of increased focus and oversight and stay alert to new and continuing OIG priorities.

### Lessons for the Future

As Bell explained, OIG completed the 10 audits to determine whether—and how—NSF auditees implemented a series of administrative flexibilities that were permitted by the Office of Management and Budget (OMB).

On Aug. 3, OIG released a capstone of its findings.<sup>[3]</sup> Among the 13 flexibilities, “allowability of salaries and other project activities” was used by all 10 universities; in contrast, just three had extended closeouts. The report does not mention that in some of the 10 reviews, auditors found unrelated questioned costs they said were unallowable and recommended NSF require repayment.

The analysis “provided a snapshot of the successes and challenges related to flexibilities and provided insights into how these flexibilities could be enhanced and built upon in a future emergency,” Bell explained. “The goal...was to create a report the federal government can use to inform future decisions in the event of another national emergency that warrants the use of these flexibilities or others.”

While the capstone report generally praised NSF—the agency “was both quick and thorough in issuing its guidance”—Bell said the “discussion in our report relates to the broader grant community.”

NSF-audited award recipients “used the flexibilities to continue performing essential research during the pandemic and were generally prudent in their stewardship of federal resources,” said Bell. “For example, recipients used the flexibilities to continue employing and paying salaries to individuals who were unable to

perform work due to COVID-19-related shutdowns and to purchase things such as air purifying systems, sanitizing material and other [personal protective equipment] to help ensure the health and safety of employees who could perform sponsored research.”

The capstone report “identified three conclusions for consideration in the event of another national emergency that warrants use of this type of flexibility,” Bell said.

“First, recipients might have been less hesitant to use flexibilities if they had access to more comprehensive guidance. More precise and comprehensive guidance would reduce the risk of inconsistent implementation and would help encourage risk-adverse recipients to use the flexibilities,” Bell said. “Second, recipients may have been able to use the flexibilities more effectively if they had been able to implement the flexibilities in a more timely and consistent manner.”

He added that “administrative flexibilities prior to the occurrence of another emergency would help alleviate the need to establish policies on the fly and would decrease recipient effort to implement them.”

Finally, OIG is recommending that federal agencies require recipients to formally track the use of implemented flexibilities.

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