

## Report on Research Compliance Volume 17, Number 7. June 25, 2020 RRC E-Alerts: June 11, 2020

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### **OIG Faults NEI, NCI for Preaward Risk Assessments**

In new audits, the HHS Office of Inspector General (OIG) concluded two NIH institutes need to make improvements in how they screen funding applicants before awards are made. In reviews of the National Eye Institute (NEI), issued May 22, and the National Cancer Institute (NCI), published June 1, auditors said both institutes had either failed to conduct a “financial capability” review or to adequately document such a review, which is required of organizations that have not received an award in the prior three years. This was the case for two of six NEI awards OIG reviewed and five of 14 at NCI. In addition, OIG faulted both NEI and NCI for inadequate reviews of certain applicants that have had previous funding.

OIG said NCI, for example, lacked required “written policies and procedures for conducting and documenting financial capability reviews,” and required reviews of “applicants that have received funding from NCI within the past 3 years and are experiencing financial difficulty.” The institutes’ preaward risk assessments “may not be identifying and mitigating all risks for applicants before grant funds are awarded,” OIG concluded, although it said that, overall, both NEI and NCI had “adequate policies and procedures in place.” In response to OIG recommendations, NIH officials said NEI’s grants management leaders are developing standard operating procedures and have “plans to provide training to grants management specialists by incorporating guidance on how to adequately document the review of grant applicants’ financial statements and the organization’s financial status into training that is currently provided on an annual basis.” NCI also intends to “strengthen its procedures and provide additional training to staff,” OIG said. In its fiscal year 2019 appropriations legislation, Congress required OIG “to ensure the integrity of its grant application evaluation and recipient selection processes,” and the audits are part of that effort.

[Link to NEI audit](#)

[Link to NCI audit](#)

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