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◆ **Arguing that the National Science Foundation (NSF) was “intricately involved” when it made a \$1.125 million fixed amount subaward, Oklahoma University (OU) objected to a recent finding by auditors for the NSF Office of Inspector General that the subaward should be repaid.** The audit, dated March 6, encompassed approximately \$42 million of costs claimed on 237 awards expended from Nov. 1, 2019, to Oct. 31, 2022. Auditors tested 49 transactions totaling \$1,615 million. In its response to draft audit findings, which contains redactions, OU officials said the director of a program had informed NSF about the subaward and that the agency “approved” the arrangement because the subawardee was “the only institution in the United States or Canada able to provide the expertise for the completion of time-sensitive research and would not accept a cost reimbursement subaward.” OU added that NSF was “intricately involved and even spoke directly with” an organization whose name was redacted. “The research could not have been completed without the [name redacted] and NSF provided additional funding for the work completed by them,” OU said. Auditors, however, maintained NSF did not specifically okay the subaward type and exact amount.

OU agreed to repay a total of \$126,322 that auditors also questioned, including \$74,373 in internal service provider expenses that auditors said “only resulted in OU recovering the aggregate costs of the services” and which lacked documentation; \$28,509 in Graduate Research Fellowship Program expenses auditors said exceeded per student limits; and \$20,317 disallowed because OU executed a technical agreement instead of a subaward agreement. Auditors also made a number of recommendations for changes to strengthen controls and noted instances when OU did not always comply with its own and/or federal requirements. In addition to partial repayment, OU said it would make improvements and cited “significant staff turnover, multiple system implementations and COVID” as contributing to procedural and policy failures. (3/14/24)

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