

Federal Audit Update

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Relevant 2013 Audits

Cornell – HHS OIG on behalf of NSF

Emory – Medicaid and Medicare

Northwestern – HHS OIG, FBI, US Attorney

University of Colorado – HHS OIG

Thomas Jefferson University – HHS OIG



NSF OIG 2014 Audit Work Plan

§ Two major areas for audits and reviews in FY 2014 (19 institutions planned):

§ Financial and/or program accountability

§ The American Recovery and Reinvestment Act (ARRA)



Financial/Accountability Audit Objectives

- § Costs charged are allowable, allocable, and reasonable
- § Assess the adequacy of internal controls over NSF funds
- § For FY 2014, these incurred cost audits will include ARRA funds.



ARRA Audit Objectives

- § Identify instances of unallowable, unallocable, and unreasonable costs
- § Identify instances of noncompliance with regulations
- § Determine if adequate accounting systems are in place
- § Determine if awardee is properly accounting, segregating, and reporting for these awards
- § ARRA quarterly reporting, including reporting of jobs created under ARRA and grant expenditures for the two most recent quarters



HHS OIG 2014 Work Plan

- § Adherence to general costing principles
- § Selected colleges and universities
- § On the basis of the dollar value of Federal grants received
- § Input from HHS operating divisions and Assistant Secretaries' for Financial Resources and Administration



General Expenditures

- § Magazine subscription that did not benefit the project [C]
- § Individual membership in a professional organization [TJ]
- § Visa expenses outside the project performance period [C]
- § Late fees for publishing a thesis [C]
- § Office supply costs [C, UC]



General Expenditures (cont)

- § Foreign travel in excess of allowable of per diem rate; with unallowable expenses (alcohol, laundry); not reasonable; and not adequately documented [C]
- § Monthly local telephone line charges [UC]



Supplies

- § Claims for items such as laptops, monitors, toner cartridges, binder clips, post it notes, pens without sufficient documentation to support direct cost treatment [C, UC, TJ]
- § Lab supplies without proof of receipt or any other documentation supporting the charge [UC]



Participant Support

- § Lack of documentation (e.g. signed attendance sheets) [C]
- § Using funds budgeted for participant support spent in other cost categories without NSF Approval (i.e. “conference meal”) [C]
- § Stipend paid to a program attendee greater than paid to other attendees [C]



Compensation Charges

- § Hourly employee timesheets did not identify the projects on which they worked. [UC]
- § The University stated that such employees generally did not know which projects their work benefitted, or the proportion of time devoted to each project if they worked on multiple projects. [UC]



Administrative and Clerical Salaries

- § No justification of unusual degree of administrative support
- § Administrative activities were not related solely to the project
- § No documentation of rationale for meeting the definition of “major project”



Cost Transfers

- § Cornell – selected all positive cost transfers greater than \$200
- § Univ of Cal Santa Barbara – transfer six months after award end date and 50% of cost transfers relate to one PI



Fraud, Waste and Abuse

Federal grant allegedly billed for PI family trips; meals and hotels for himself and friends; and “consulting fees” for unqualified friends and family members (including brother and cousin). [N]



Clinical Trial Billing

- § Qui Tam action - Emory
- § Emory allegedly billed Medicare and Medicaid for services clinical trial sponsor paid, thus resulting in Emory being paid twice for the same service.



Select Agent Requirements

§ Inventory recordkeeping

§ Access controls

§ Employee training



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