

Report in Brief

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U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Review

The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) established the trust fund known as Superfund. The CERCLA requires the Inspector General of a Federal organization with Superfund responsibilities to audit all uses of the fund in the prior fiscal year (FY).

To meet this requirement, OIG conducts an annual audit of the Superfund program at the National Institutes of Health (NIH), National Institute of Environmental Health Sciences (the Institute), to determine whether NIH administered Superfund appropriations in accordance with applicable Federal requirements.

How OIG Did This Review

Our audit covered \$77 million of obligations and \$73 million of disbursements related to the FYs 2010 through 2015 Superfund appropriations that occurred from October 2014 through September 2015 (audit period). We also (1) analyzed cumulative obligations, totaling \$466 million, and cumulative disbursements, totaling \$378 million, for unusual balances or activity; (2) reviewed a judgmental sample of 19 grants and related files from which we assessed NIH's efforts to ensure grantee compliance with grant terms and conditions; and (3) conducted onsite audit procedures at a grantee that we found to have significant grant noncompliance issues.

The National Institutes of Health Did Not Always Administer Superfund Appropriations During Fiscal Year 2015 in Accordance With Federal Requirements

What OIG Found

During FY 2015, NIH did not always administer Superfund appropriations in accordance with applicable Federal requirements. NIH generally obligated and disbursed Superfund appropriations in accordance with Federal requirements, including obligations and disbursements related to administering the Superfund program. However, NIH (1) did not ensure grantee compliance with grant terms and conditions in 6 of 19 grants that we reviewed, (2) improperly recorded Superfund grant disbursements totaling \$145,237 in the NIH accounting system, and (3) did not resolve findings contained in three Superfund grantee audit reports as required.

What OIG Recommends and NIH Comments

We recommend that NIH (1) issue new or updated guidance, as applicable, that provides to NIH grants management personnel clear examples of circumstances that require the review of Federal Cash Transaction Reports and corrective or enforcement actions against noncompliant grantees and incorporate into the *NIH Policy Manual* or the *NIH Grants Administration Manual* grant closeout procedures (consistent with the *Grants Policy Administration Manual*) when grantees fail to provide final reports; (2) provide additional training to grants management personnel to ensure awareness of applicable grants management responsibilities and compliance with applicable policies and procedures, including new or updated guidance; (3) formalize procedures for identifying and resolving negative unliquidated grant obligation balances recorded in NIH's accounting system; and (4) update policies and procedures to require the reconciliation of audit reports in the Division of Financial Advisory Services database to monthly reports generated by the National External Audit Review Center.

In written comments on our draft report, NIH did not concur with our first two recommendations to issue new or updated guidance and provide additional training. However, NIH concurred with our third and fourth recommendations. NIH also provided technical comments on our draft report that we incorporated into the final report.

We maintain that our findings and recommendations are correct. However, we added clarifying language to our first recommendation based on NIH's comments.