Northwestern University Did Not Always Comply With Federal Requirements To Perform Risk Assessments of Subrecipients, but Claimed Allowable Costs

What OIG Found
Although Northwestern claimed allowable expenditures on subawards it awarded and received, it did not always perform required subaward risk assessments. For 24 of the 30 grants to subrecipients, Northwestern did not perform a risk assessment on 1 or more of the subrecipients. The 30 grants had subawards to 61 subrecipients, 48 of which should have had a risk assessment, but did not. The remaining 13 subrecipients either had a risk assessment or were not required to have a risk assessment. As a result, Federal funds of approximately $9.7 million were awarded to subrecipients without performing the required risk assessment.

What OIG Recommends and Northwestern Comments
We recommend that Northwestern (1) establish policies to perform subrecipient risk assessments for affiliates, Federal Demonstration Partnership members, and non-Federal subrecipients subject to 45 CFR part 75, and (2) ensure that subrecipient risk assessments are performed on all non-Federal subrecipients subject to 45 CFR part 75.

In written comments on our draft report, Northwestern concurred with our recommendations and provided details about corrective actions it has taken such as establishing policy that addresses the roles and responsibilities associated with managing subawards, including performing risk assessments on all subrecipients.