

Report in Brief

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Report No. A-05-17-00016

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



Why OIG Did This Review

HHS codified the Uniform Guidance at 45 CFR part 75, which governs awards and award increments made on or after December 26, 2014. The new rule requires prime Federal award recipients to perform pre-award subrecipient risk assessments and monitor the programmatic activities of subrecipients throughout the life of each subaward.

Our objectives were to determine whether Northwestern (1) awarded subawards and monitored subaward recipients in compliance with Federal regulations and (2) complied with Federal regulations and NIH grant policies relating to expenditures for subawards.

How OIG Did This Review

Northwestern was the prime recipient of 229 NIH grants, totaling more than \$467 million, that contained subawards to other entities. Northwestern was the subrecipient of 304 grants, totaling more than \$92 million, which other NIH prime recipients awarded to Northwestern. The grants were for the period December 26, 2014, through December 31, 2016.

We reviewed 30 grants for which Northwestern was the prime recipient and 30 grants for which Northwestern was the subrecipient. We reviewed the awards, monitoring of the subawards, and costs claimed.

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.