

Report in Brief

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



Why OIG Did This Audit

The Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act 2019, P.L. No. 115-245, directed OIG to examine the efforts of the National Institutes of Health (NIH) to ensure the integrity of its grant application evaluation and recipient selection processes. This audit is part of OIG's response to this directive. Previous OIG audits evaluated the pre-award risk assessment process at NIH's National Eye Institute and National Cancer Institute.

Our objective was to determine whether the National Human Genome Research Institute (NHGRI) had adequate policies and procedures in its pre-award process for assessing risk when awarding grant funds.

How OIG Did This Audit

We obtained a list of all 557 grant awards, totaling \$468.2 million, that NHGRI made in fiscal year 2019. We interviewed NIH and NHGRI officials familiar with the grant pre-award process. We obtained and reviewed NHGRI policies and procedures covering its grant pre-award process.

To review the grant pre-award risk assessment process for different types of recipients and awards, we selected a non-statistical sample of 32 grant awards, totaling \$107.9 million, intended to cover a mix of the types of research awards that NHGRI funds.

The National Human Genome Research Institute Should Strengthen Procedures in Its Pre-Award Process To Assess Risk for Certain Foreign and Higher Risk Applicants

What OIG Found

NHGRI generally had adequate policies and procedures in place for assessing risk in its grant pre-award process when awarding grant funds. However, we determined that NHGRI had inadequate policies and procedures as they relate to assessing the risk to NHGRI grant programs presented by foreign applicants and mitigating potential risk associated with applicants demonstrating higher risk factors. As a result, some risks associated with foreign applicants and applicants demonstrating higher risk factors may not have been identified and mitigated before grant funds were awarded.

What OIG Recommends and National Institutes of Health Comments

We recommend that NIH direct NHGRI to: (1) improve its policies and procedures to ensure Grants Specialists monitor whether required audit reports are submitted for foreign applicants; (2) clarify existing procedures to specify when Grants Specialists should take additional steps, including the imposition of specific award conditions, to mitigate risk for new grantees; and (3) update policies and procedures for Grants Specialists to require that they review available Internal Revenue Service (IRS) Form 990s regarding grant applicants' risk factors before awarding grant funds.

In written comments on our draft report, NIH concurred with our first and third recommendations and considered our second recommendation to be closed and implemented. With regards to the first recommendation, NIH stated that it plans to issue enhanced guidance to monitor whether required audit reports are submitted for all applicants, not limited to foreign entities. With regards to the second recommendation, NIH stated that it takes appropriate steps to mitigate risk for new recipients and has provided guidance that specifically addresses new grantee risk reviews and appropriate consideration of specific award conditions. We revised the second recommendation to specifically address the need to clarify when special award conditions should be imposed. With regards to the third recommendation, NIH stated that it will review its pre-award risk assessment policies and procedures and integrate the review of available IRS Form 990s where appropriate. NIH plans to complete this process by the summer of 2022.