

Report in Brief

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



Why OIG Did This Audit

HHS, National Institutes of Health (NIH), is subject to Federal audits of its internal activities as well as Federal and non-Federal audits of activities performed by its grantees and contractors. As a followup to these audits, NIH is responsible for resolving Federal and non-Federal audit report recommendations related to its activities, grantees, and contractors within 6 months after formal receipt of the audit reports. HHS, OIG, prepares and forwards to NIH monthly stewardship reports that show the status of these reported audit recommendations.

Our objectives were to determine whether NIH resolved audit recommendations in a timely manner during Federal fiscal years (FYs) 2015 and 2016 and to identify all unresolved audit recommendations that were due for resolution as of September 30, 2016.

How OIG Did This Audit

We reviewed the “Outstanding Audits and Actions Taken by Cognizance” stewardship reports to identify all outstanding audit recommendations that NIH resolved during FYs 2015 and 2016, as well as all outstanding recommendations that remained unresolved and were due for resolution as of September 30, 2016. These stewardship reports identified 226 audit reports and 487 corresponding recommendations.

The National Institutes of Health Submitted OIG Clearance Documents for Just Over One-Half of Its Audit Recommendations, and the Remaining 225 Recommendations Were Unresolved as of September 30, 2016

What OIG Found

NIH did not always resolve audit recommendations in a timely manner during FYs 2015 and 2016. Specifically, NIH resolved 262 of the 487 audit recommendations that were outstanding during FYs 2015 and 2016. However, it did not resolve 166 of the 262 recommendations (63.4 percent) within the required 6-month resolution period. In addition, as of September 30, 2016, NIH had not resolved 225 audit recommendations that were past due for resolution. These 225 recommendations were procedural and did not involve dollar amounts such as recommended disallowances.

NIH had some policies and procedures in place; these included references to the Federal criteria that require resolution of audit recommendations within 6 months of the audit report’s issue date. However, those policies and procedures did not differentiate between issuing a management decision (and submitting a related clearance document) within the required 6-month resolution period and proceeding with corrective action as rapidly as possible. According to NIH officials, NIH believed that audit resolution timeframe requirements called for recommendations to be resolved and corrective action implemented within the 6-month period. Therefore, NIH did not submit the clearance documents until both of those actions had been completed, so submission was not always in a timely manner.

What OIG Recommends and NIH Comments

We recommend that NIH update its policies and procedures related to the audit resolution process, to include issuing management decisions and submitting related clearance documents to OIG—regardless of whether any corrective action has yet been taken—within the required 6-month resolution period and promptly resolve the 225 outstanding audit recommendations that were past due as of September 30, 2016.

NIH concurred with both of our recommendations and described corrective actions that it had taken or planned to take. NIH stated that it would update its procedures to include issuing management decisions and submitting clearance documents within the required 6-month resolution period and that it would work toward resolving the backlog of outstanding recommendations.