

## Report on Research Compliance Volume 18, Number 4. March 23, 2021

### OIG Turns Sights to 'Flexibilities,' Keeps Focus on Foreign Influences

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By Theresa Defino

Early results from two audits of institutions funded by the National Science Foundation (NSF) show they have been meeting guidelines on spending "flexibilities" offered by the Office of Management and Budget (OMB) during the COVID-19 pandemic. The NSF Office of Inspector General (OIG) is planning a total of 10 such audits.

These come amid its continuing investigations into allegations of inappropriate foreign influences in NSF-supported research. OIG officials also have been educating other federal agencies about the use of debarment in such cases, according to a recent update on OIG activities Inspector General (IG) Allison Lerner and Mark Bell, assistant inspector general for audit, provided to the National Science Board (NSB).<sup>[1]</sup>

By law, OIG is required to annually assess NSF's "most serious management and performance challenges facing the agency...and the agency's progress in addressing those challenges," OIG explained in its fiscal year 2021 report of NSF management challenges.<sup>[2]</sup>

OIG is reviewing both awardee and institutional compliance with OMB's guidance, Bell said. OIG has identified NSF's oversight of grants during a pandemic as a management challenge that correlates to items in OIG's work plan. Bell added that OIG officials "also include the impacts of the pandemic in other challenge areas."

### 'Capstone' Report to Be Issued

Speaking before the most recent pandemic relief bill was signed into law, Bell said that, "to date, NSF has procedures and plans in place to effectively manage the programs funded by the Coronavirus Relief Act...and other related legislation." He noted that the "greater risk may come from the pandemic's impact on institutions of higher education and other recipient organizations" and that concerns "may extend to nonpandemic funding, as well."

OMB, Bell said, has permitted "significant flexibilities on the use of grant funds during the pandemic" that may "continue to change." In addition, NSF could "receive significantly more money and have a tight time frame for obligating funds." In this situation, OIG would "continue to monitor that risk," he said.

NSF "has already begun to identify risk areas, develop mitigation strategies, and determine financial impacts of the pandemic. We are monitoring NSF's efforts to ensure that its strategies for mitigating impacts are fully developed and address the areas of greatest concern," Bell said.

Once these audits are completed, OIG plans to issue a "capstone report to highlight the best practices, challenges and make appropriate recommendations in the event we ever have something like this happen again," he said.

"We're in the early process, but preliminary indications from two grantees show successful implementation [by] NSF and the grantees," Bell told NSB members.

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