

Report on Research Compliance Volume 15, Number 3. March 31, 2018 NSF Sides with Cornell U., Allows 95% of Costs Questioned by OIG

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The National Science Foundation (NSF) is seeking repayment of just \$38,363 from Cornell University, out of nearly \$800,000 flagged by auditors reviewing costs claimed on awards, according to a new audit resolution report. Some of the awards in question date back 10 years, from the era when universities and other organizations received stimulus or Recovery Act funds. The resolution is the first NSF has issued in six months.

The bulk of the questioned costs were for supplies that auditors for the HHS Office of Inspector General (OIG) said were unallowable. Part of NSF's decision-making on the audit findings was based on its rejection of the extrapolation method the auditors used to make what the agency called "statistical projections" of questioned costs.

As part of an audit, OIG may make recommended findings to the funding agency, including that the auditee be asked to submit repayment and implement enhancements to the auditee's oversight policies or systems. Audited organizations are permitted to comment on a draft report to indicate whether they agree with the findings. The funding agency, in this case NSF, then reviews the audit, makes comments, and issues a resolution stating its view of the auditors' findings and what actions, if any, it will require of the institution.

The Cornell audit covered costs claimed from April 1, 2008, through June 30, 2011. Although all the awards reviewed were made by NSF, the HHS OIG completed the Cornell audit on behalf of NSF's OIG.

Resolution of the audit took nearly five years, as it was issued Sept. 26, 2013. "We are pleased with the final resolution of the audit," Jeffrey Silber, senior director in Cornell's Sponsored Financial Services, told RRC in an email. NSF's support "is appreciated," as is the "collaborative approach taken by the Resolution and Advanced Monitoring Branch to address the concerns raised in the report," he added.

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