



Management Challenges for FYs 2009-2018

1

Committee on Oversight National Science Board February 21, 2018

Mark Bell
Assistant Inspector General
Office of Audits
National Science Foundation

Management Challenges

2

- Annual OIG Reporting per Reports Consolidation Act of 2000.
- Some areas such as Grants Administration, Major Multi-Use Facilities (MMF), and Intergovernmental Personnel Act (IPA)/Human Capital will always pose challenges at NSF.
- Our focus is on strengthening controls within challenges areas to reduce risks.
- We are developing criteria to better evaluate challenges areas.
- Reporting - more clearly illustrate the breadth of each challenge, and NSF's progress in addressing them.

Most Repeated Challenges (FYs 2009-2018)

3

**Management of Large Facilities (Major Multi-Use Facilities/MMF)
Accountability over Large Cooperative Agreements**

9 Years

Grant Administration

Encouraging Ethical Conduct of Research

Business Operations

Human Capital/IPAs

8 Years

USAP

7 Years

Contract Administration

6 Years

IT Issues

4 Years

Management of Large Facilities/MMFs; Accountability over Large Cooperative Agreements

4

Challenges over 10 Years

- Adequate processes for:
 - End-to-end cost surveillance of large facilities/MMFs
 - Accurate and reasonable construction cost proposals
 - Earned Value Management systems
 - Contingency funds

Current Status

- ☑ End of 5-Year Significant Deficiency
- ☑ AICA (2017) requirements
- ☑ Chief Officer for Research Facilities for lifecycle oversight for facilities (1/2/18)
- ☑ Procedures for holding and allocating contingency

Remaining Challenges:

- ☐ *Implementing new policies and procedures*
- ☐ *Ensuring oversight of the full lifecycle of facilities from construction to operations and divestment (continuing challenge)*

Grant Administration

5

Challenges over 10 Years

- Effective oversight throughout the lifecycle of awards
- Audit resolution process
- Clear guidance for awardees

Remaining Challenges:

- Balancing stewardship and oversight*
- Continuing to oversee large volume of awards with limited resources*

Current Status

- ☑ Use of Award Monitoring and Business Assistance Program (AMBAP), which includes baseline and advanced monitoring activities
- ☑ ACM\$
- ☑ iTRAK
- ☑ Revised proposal and award policies and procedures to implement new Uniform Guidance (now 2 CFR 200)
- ☑ Stewardship Collaborative
- ☑ FY 16 closure of two grants-related issues from prior Financial Statement Audits/Management Letters

Human Capital/IPA

6

Challenges over 10 Years

- Performance Evaluations for IPAs
- IPA costs
- Controls over Independent Research/Development Program (IRD), including tracking use of the program
- IPA Conflicts of Interests

Remaining Challenges:

- IPA costs*
- COI*
- Turnover, especially of IPAs in leadership positions*

Current Status

- ☑ Annual performance evaluations for IPAs
- ☑ Mandatory training for new executives
- ☑ Updated policies and procedures to strengthen guidance on potential conflicts of interests, such as IPAs' submission of preliminary and continuing proposals while at NSF
- ☑ IPA Steering Committee (April 2016) to identify cost savings
- ☑ Pilot requiring cost sharing 10% of salary and fringe benefits (estimated savings \$ 2.8 M)
- ☑ Elimination of lost consulting payments
- ☑ Track IRD travel costs and limit number of trips

Conclusions

7

- Management Challenges highlight programs that may be high risk or have inherent risks.
- Granular focus within the challenges on underlying issues will ultimately reduce risk and move programs forward.
- Team effort with OIG and NSF to identify and mitigate risk.
- Management Challenges should be used to inform risk management, audit planning, and focus for the future.



Questions?

8

Mark Bell

703-292-7100

mbell@nsf.gov