



# At a Glance

## Audit of the National Science Foundation's Fiscal Years 2016 and 2015 Financial Statements

Report No. OIG 17-2-001 | January 17, 2017



### Why We Did This Audit

The *Chief Financial Officer's Act of 1990*, as amended, requires NSF's Inspector General or an independent external auditor, as determined by the Inspector General, to audit NSF's financial statements. Under a contract we monitored, Kearney and Company, an independent public accounting firm, performed the audit of NSF's FY 2016 financial statements.

### Links

<https://www.nsf.gov/pubs/2017/nsf17002/pdf/nsf17002.pdf#page=39> for the Financial Section of NSF's FY 2016 Agency Financial Report (AFR), which includes the audit reports.

<https://www.nsf.gov/pubs/2017/nsf17002/pdf/nsf17002.pdf> contains the complete AFR.

### Audit Results

Kearney and Company (Kearney) issued an unmodified opinion on NSF's financial statements. In its *Report on Internal Control over Financial Reporting*, Kearney did not report any material weaknesses in internal control; however, it did report one significant deficiency in internal control, which relates to NSF's Information Technology control environment. Kearney reported no instances of noncompliance with certain provisions of laws, regulations, contracts, and grant agreements that is tested.

### Recommendations

Kearney made three recommendations to improve the access controls process across the three financial systems it tested.

### Agency Response

NSF generally agreed with the internal control finding, but did not agree that it constitutes a deficiency significant enough to merit a reportable condition in financial reporting oversight. NSF will take corrective action to address the findings, and has taken immediate actions to address the risks raised.

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