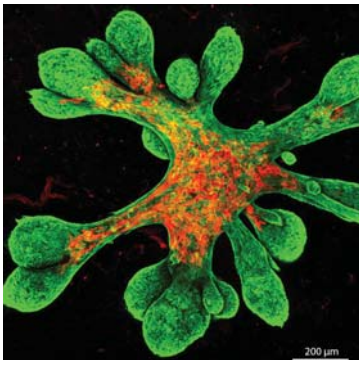
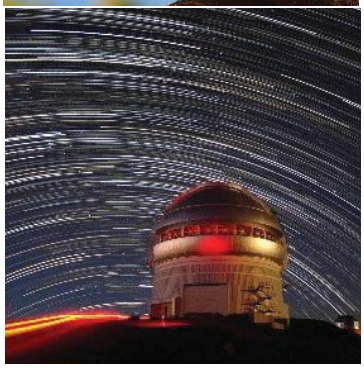
National Science Foundation • Office of Inspector General

Fiscal Year 2017

Office of Audits
Annual Work Plan

Providing independent oversight of NSF programs and operations to promote efficiency and effectiveness and to prevent and detect fraud, waste, and abuse.





National Science Foundation • Office of Inspector General

Office of Audits Annual Work Plan Fiscal Year 2017

About OIG

The Inspector General Act, as amended in 1988, authorizes an Office of Inspector General (OIG) for the National Science Foundation (NSF). The OIG is independent and does not engage in management activities or program operations; it reports directly to Congress and the National Science Board (NSB). The OIG promotes effectiveness and efficiency, and prevents and detects fraud and abuse in NSF programs and operations. Its work is divided into three functional areas:

1. Audits, which assess the adequacy of business systems and processes, determine compliance with federal requirements, and identify ways to improve the effectiveness and efficiency of operations;

2. Investigations, which address allegations of serious wrongdoing, such as unauthorized use or theft of federal funds and property;

3. Management, legal, legislative, and external affairs, which oversee OIG administrative functions; provides legal advice; and communicates with Congress and other external stakeholders; and report on selected NSF and NSB issues.

Introduction

The Office of Audits Annual Work Plan has five focus areas in FY 2017:

1. Accountability over Large Cooperative Agreements

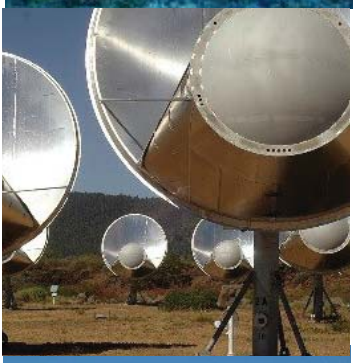
2. Management of the U.S. Antarctic Program

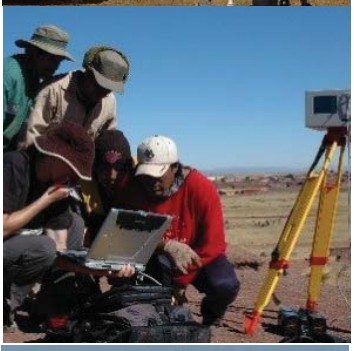
3. Moving NSF Headquarters to a New Building

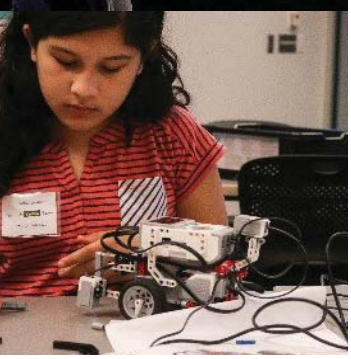
4. Management of NSF's Business Operations

5. Grant Administration

Our Annual Plan is flexible, and we may modify it to address high priority issues that come up during the year, or to respond to requests from NSF, NSB, Congress or other stakeholders.







Large Cooperative Agreements

As of September 2016, NSF had more than 30 large facility projects, including 9 in various stages of design or construction. NSF's management of its high-risk-high dollar cooperative agreements for its large facility projects has been a focus of our work for the past six years. NSF approved proposed budgets for four of these projects, totaling more than $1.4 billion, although it lacked sufficient information to ensure that the budgets represented the basis for a fair and reasonable price. Once projects were underway, NSF did not adequately monitor expenditures to ensure charged costs were allowable and reasonable.

In FY 2017, Office of Audits plans to continue monitoring proposals and plans for construction of new large facilities (external focus) and NSF's management of planning, construction, and operation of large facilities (internal-NSF focus).

Planned for 2017

- **Battelle Memorial Institute Awards for the National Ecological Observatory Network**
- **Modernization of NSF facilities in Antarctica**
- **NSF's Management of Large Facilities**

Management of the U.S. Antarctic Program

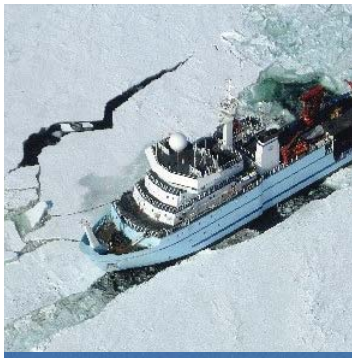
In December 2011, NSF awarded an Antarctic Support Contract to support NSF's management of the U.S Antarctic Program to Lockheed Martin. The contract is NSF's largest, valued at nearly $2 billion over 13 years. The Antarctic Support Contract and its subcontracts provide logistical support for information technology, food, and laboratory management, and other services, which enable the U.S. Antarctic Program's three-year research stations (McMurdo, South Pole, and Palmer Stations) to operate year-round.

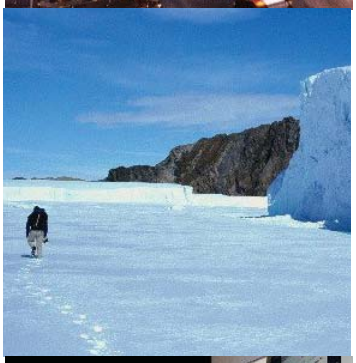
Planned for 2017

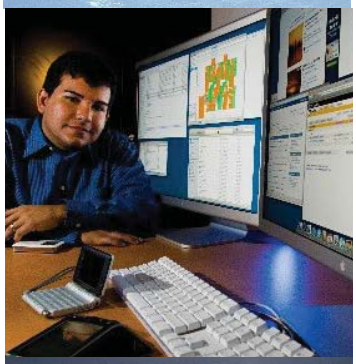
- **Incurred Cost Audit of the Antarctic Support Contract**

In addition to the incurred cost audit for the Antarctic Support Contract planned in FY 2017, future audits will address the August 16, 2016 merger between Lockheed Martin's Information Systems and Global Solutions business segment with Leidos Holding, Inc.

OIG *U.S. Antarctic Program Health and Safety* audit team on a site visit to the South Pole station in November 2014







Moving NSF Headquarters to a New Building

In 2013, the U.S. General Services Administration signed a 15-year lease agreement on behalf of NSF for a new headquarters building to be built in Alexandria, Virginia. In 2014, as part of our oversight responsibilities, we initiated an inspection of NSF's management of its relocation and we have issued memorandums as we identified risks.

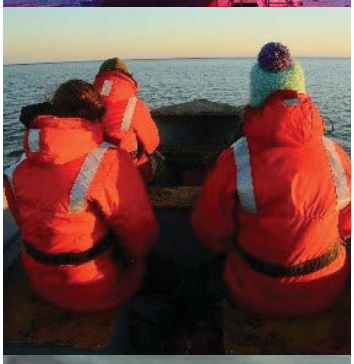
Our first memorandum, *Alert Memorandum on NSF's Relocation to its New Headquarters Location*, issued on September 8, 2014, expressed concern about missed schedule milestone dates that had occurred and could continue, and the potential financial impact of such delays (OIG Report No. 14-3-003).

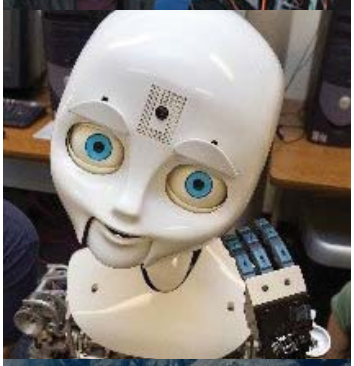
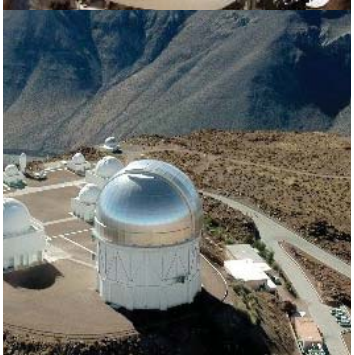
In FY 2017, Office of Audits plans to continue monitoring NSF's management of the relocation process.

Planned for 2017

- **Baseline Schedule for Moving into the New Building**
- **Management of Records During the Relocation Process**

NSF's New Headquarters Building in Alexandria, VA



Management of NSF Business Operations

NSF is accountable for the quality, integrity, and performance of its research programs and stewardship of its annual appropriations. This accountability is mandated by NSF's chartering legislation and numerous other laws including the Budget and Accounting Procedures Act, the Federal Managers Financial Integrity Act, the Chief Financial Officers Act, the Federal Financial Management Improvement Act, and OMB guidance. Conducting audits to evaluate whether NSF is fulfilling its responsibilities for financial and/or program accountability is central to the OIG mission of preventing and detecting fraud, waste, and abuse and promoting effectiveness, efficiency, and economy.

Mandatory Audits and Reviews in 2017

- **Audit of NSF's FYs 2016 and 2017 Financial Statements**
- **FYs 2016 and 2017 Evaluations of NSF's Compliance with the Federal Information Security Modernization Act of 2014 (FISMA)**
- **NSF's Compliance with the Improper Payments Elimination and Recovery Act (IPERA) of 2010, as amended**
- **NSF's Compliance with the Digital Accountability and Transparency Act of 2014 (DATA Act)**

Planned for 2017

- **Managing Conflicts of Interests among Non-Permanent NSF Staff**
- **Subrecipient Monitoring**
- **Conference Spending**

Grant Administration

Making grants in support of promising scientific research is NSF's primary business. In FY 2015, NSF evaluated over 49,600 proposals for research, education and training projects through a competitive review process, and funded over 12,000 new competitive awards. As of June 30, 2016, NSF had a portfolio of over 42,000 active awards totaling approximately $28.2 billion to over 2,800 awardees. Given the size and exposure to risk that its portfolio represents, it is vital that NSF's grant administration practices ensure that grantees spend their funds appropriately.

Planned for 2017

- **Audits of Various Universities, Non-Profits, and For-Profit Entities**
- **Review of Quality of Single Audits**

Report Fraud, Waste, Abuse, Mismanagement, and Research Misconduct

NSF employees, grantees, principal investigators, or others working on NSF programs, grants, or contracts, are in the best position to detect problems.

You can help the Office of Inspector General (OIG) improve management and eliminate fraud by providing information to OIG about allegations or suspicions of fraud, waste, abuse, mismanagement, research misconduct (fabrication, falsification, plagiarism), or unnecessary government expenditures.

Website
www.nsf.gov/oig/report-fraud/

Email
oig@nsf.gov

Phone
703-292-7100 (business hours)
703-328-3932 (non-business hours)

Anonymous Hotline
1-800-428-2189

Fax
703-292-9159

Mail
4201 Wilson Boulevard, Suite II-705
Arlington, VA 22230
ATTN: OIG HOTLINE

Photo Credits Index

The Work Plan includes the following photos/credits from the NSF Multimedia Gallery at https://www.nsf.gov/news/mmg/. Click the photo thumbnail hyperlinks for more information about each photo.

Images and other media in the National Science Foundation Multimedia Gallery are available for use in print and electronic material by NSF employees, members of the media, university staff, teachers and the general public. All media in the gallery are intended for personal, educational and nonprofit/non-commercial use only.

Thumbnail Hyperlink	Credit
Cover	Maria B. Barnes, National Science Foundation (also appears on page 3)
Page 1	Daniel Miller and Ethan Sokol, Gupta Lab, Whitehead Istitute, MIT Ryan Choi, Utah State University Gemini Observatory Jessica Hochreiter/Ira A. Fulton Schools of Engineering at Arizona Carnegie Mellon University Ryan Choi, Utah State University
Page 2	Zafer Kizilkaya Seth Shostak, SETI Institute Angie Payne, University of Arkansas/CC BY-SA 2.0 Terry Anderson, chief engineer, R/V Sikuliaq Photo by Lance Long; courtesy Electronic Visualization Laboratory, University of Illinois at Chicago Sara Parks, NSF Iowa EPSCoR, Iowa State University
Page 3	Val Ihde Evan R. Buechley, University of Utah LIGO Laboratory Edward S. Grew, University of Maine Virginia Tech ©University Corporation for Atmospheric Research
Page 4	Daniel Luong-Van, National Science Foundation Ryan Choi, Utah State University penguinscience.com Katie Morzinski, University of Arizona Mary Knox Merrill, Northeastern University NOAO/AURA/NSF
Page 5	Ari Friedlaender, National Science Foundation Nathan Biletnikoff, National Science Foundation Jeff Kerby, Eric Post lab, Penn State University Paul Sesink Clee Daniel Luong-Van, National Science Foundation Nicolle Rager Fuller, National Science Foundation