

Statistical Data

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Reporting Terms Defined

Some of the more common terms that we use in reporting audit statistics and findings are defined below:

Questioned Cost. Auditors question costs because of an alleged violation of a provision of a law, regulation, grant, cooperative agreement, or contract. In addition, a questioned cost may be a finding in which, at the time of the audit, either a cost is not supported by adequate documentation, or the expenditure of funds for the intended purpose is deemed unnecessary or unreasonable.

Unsupported Cost. A cost that is questioned because it is not supported by adequate documentation at the time of audit.

At-Risk Cost Sharing. Cost sharing is identified as “at risk” if an awardee is lagging in meeting its cost-sharing obligation for an award that is still active. In some situations, the awardee may purport to be funding its obligation but lacks internal controls and documentation to support its claim, making it difficult to determine their allowability under federal cost principles.

Management Decision. Management’s evaluation of the findings and recommendations included in the audit report, and the issuance of a response or final decision. It is important to note that NSF is responsible for making a management decision regarding questioned costs that determines whether they will be sustained (i.e., disallowed) or allowed.

Funds Put to Better Use. Audit recommendations that identify ways to improve the efficiency of programs frequently lead to prospective benefits over the life of an award or funds put to better use. Examples include reducing outlays, deobligating funds, or avoiding unnecessary expenditures.

Final Action. The completion of all management actions that are described in a management decision with respect to audit findings and recommendations. If management concluded that no actions were necessary, final action occurs when a management decision is issued.

Compliance or Internal Control Issues. Audits often result in recommendations either to improve the auditee’s compliance with NSF and federal regulations, or to strengthen the auditee’s internal control structure to safeguard federal funds from fraud, waste, abuse, and mismanagement.

Audit Reports Issued with Recommendations for Better Use of Funds

	Dollar Value
A. For which no management decision has been made by the commencement of the reporting period	\$4,619,248
B. Recommendations that were issued during the reporting period	\$7,400,000
C. Adjustments related to prior recommendations	\$0
Subtotal of A+B+C	\$12,019,248
D. For which a management decision was made during the reporting period	\$280,455
i) Dollar value of management decisions that were consistent with OIG recommendations	\$280,455
ii) Dollar value of recommendations that were not agreed to by management	\$0
E. For which no management decision had been made by the end of the reporting period	\$11,738,793
For which no management decision was made within 6 months of issuance	\$4,338,793

Audit Reports Issued With Questioned Costs

	Number of Reports	Questioned Costs	Unsupported Costs
A. For which no management decision has been made by the commencement of the reporting period	10	\$2,877,430	\$39,247
B. That were issued during the reporting period	9	\$702,359	\$117,300
C. Adjustments related to prior recommendations	2	\$337	\$0
Subtotal of A+B+C	21	\$3,580,126	\$156,547
D. For which a management decision was made during the reporting period:	9	\$2,951,456	\$39,247
1. Dollar value of disallowed costs	N/A	\$1,606,227	N/A
2. Dollar value of costs not disallowed	N/A	\$1,345,229	N/A
E. For which no management decision had been made by the end of the reporting period	10	\$628,670	\$117,300
For which no management decision was made within 6 months of issuance	2	\$50,987	\$0

Audit Reports Involving Cost-Sharing Shortfalls

	Number of Reports	Cost-Sharing Promised	At Risk of Cost Sharing Shortfall (Ongoing Project)	Actual Cost Sharing Shortfalls (Completed Project)
A. Reports with monetary findings for which no management decision has been made by the beginning of the reporting period:	1	\$5,758,278	\$0	\$1,209,714
B. Reports with monetary findings that were issued during the reporting period:	0	\$0	\$0	\$0
C. Adjustments related to prior recommendations	0	\$0	\$0	\$0
Total of Reports with Cost Sharing Findings (A+B+C)	1	\$5,758,278	\$0	\$1,209,714
D. For which a management decision was made during the reporting period:	1	\$5,758,278	\$0	\$1,209,714
1. Dollar value of cost-sharing shortfall that grantee agreed to provide	N/A	N/A	\$0	\$0
2. Dollar value of cost-sharing shortfall that management waived*	N/A	N/A	\$0	\$1,209,714
E. Reports with monetary findings for which no management decision has been made by the end of the reporting period	0	\$0	\$0	\$0

*Indicates the dollar value waived by management primarily due to additional documentation provided during audit resolution to support the at-risk amounts.

Status of Internal NSF Recommendations

Open Recommendations (as of 9/30/03)	
Recommendations Open at the Beginning of the Reporting Period	41
New Recommendations Made During Reporting Period	22
Total Recommendations to be Addressed	63
Management Resolution of Recommendations ³	
Awaiting Resolution	28
Resolved Consistent With OIG Recommendations	35
Management Decision That No Action is Required	0
Final Action on OIG Recommendations ⁴	
Final Action Completed	15
Recommendations Open at End of Period	48
Aging of Open Recommendations	
Awaiting Management Resolution:	
0 through 6 months	22
7 through 12 months	4
More than 12 months	2
Awaiting Final Action After Resolution:	
0 through 6 months	7
7 through 12 months	8
More than 12 months	5

³“Management Resolution” occurs when the OIG and NSF management agree on the corrective action plan that will be implemented in response to the audit recommendations.

⁴“Final Action” occurs when management has completed all actions it agreed to in the corrective action plan.

List of Reports

NSF and CPA Performed Reviews

Report Number	Subject	Questioned Costs	Unsupported Costs	Better Use of Funds	Cost Sharing At-Risk
04-1-001	Non-profit Corporation	\$0	\$0	\$0	\$0
04-1-002	State university	\$189,114	\$0	\$2,400,000	\$0
04-1-003	Community college	\$115,763	\$111,222	\$0	\$0
04-1-004	Community college	\$0	\$0	\$0	\$0
04-1-005	State university system	\$0	\$0	\$0	\$0
04-1-006	For-profit company	\$0	\$0	\$0	\$0
04-1-007	Non-profit Foundation	\$25,160	\$6,078	\$0	\$0
04-2-002	NSF internal review	\$0	\$0	\$0	\$0
04-2-004	NSF internal review	\$0	\$0	\$5,000,000	\$0
04-6-001	Non-profit corporation	\$0	\$0	\$0	\$0
	Total:	\$330,037	\$117,300	\$7,400,000	\$0

NSF-Cognizant Reports

Report Number	Subject	Questioned Costs	Unsupported Costs	Cost Sharing At-Risk
04-4-001	Non-profit research institute	\$0	\$0	\$0
04-4-002	School district	\$0	\$0	\$0
04-4-003	School district	\$0	\$0	\$0
04-4-004	Science museum	\$0	\$0	\$0
04-4-005	Educational association	\$0	\$0	\$0
04-4-006	Science organization	\$0	\$0	\$0
04-4-007	School district	\$13,705	\$0	\$0
04-4-008	Non-profit society	\$0	\$0	\$0
04-4-010	State university	\$0	\$0	\$0
04-4-011	School district	\$0	\$0	\$0
04-4-012	Non-profit consortium	\$0	\$0	\$0
04-4-013	Non-profit organization	\$0	\$0	\$0
04-4-014	Scientific society	\$0	\$0	\$0
04-4-015	Professional association	\$124,676	\$0	\$0
04-4-016	Scientific consortium	\$0	\$0	\$0
04-4-017	School district	\$0	\$0	\$0
04-4-018	School district	\$0	\$0	\$0
04-4-019	Non-profit corporation	\$0	\$0	\$0
04-4-020	School district	\$0	\$0	\$0
04-4-021	Research institute	\$0	\$0	\$0
04-4-022	Educational association	\$0	\$0	\$0
04-4-024	Non-profit association	\$0	\$0	\$0
04-4-025	School district	\$0	\$0	\$0
04-4-028	Non-profit academy	\$202,168	\$0	\$0
	Total:	\$340,549	\$0	\$0

Other Federal Audits

Report Number	Subject	Questioned Costs	Unsupported Costs	Cost Sharing At-Risk
04-5-009	College	\$9,068	\$0	\$0
04-5-013	Non-profit research center	\$705	\$0	\$0
04-5-045	Public School	\$22,000	\$0	\$0
	Total:	\$31,773	\$0	\$0

Audit Reports With Outstanding Management Decisions

This section identifies audit reports involving questioned costs, funds put to better use, and cost sharing at risk where management had not made a final decision on the corrective action necessary for report resolution with 6 months of the report's issue date. At the end of the reporting period there were three reports remaining that met this condition. The status of recommendations that involve internal NSF management is described on page 50.

The IG is continuing discussions with Agency management on audit report number 03 1007 to reach a final decision on audit resolution. OMB Circular A-50 defines resolution as "the point at which the audit organization and agency management...agree on action to be taken on reported findings and recommendations; or, in the event of disagreement, the point at which the audit follow-up official determines the matter to be resolved." In keeping with OMB Circular A-50, the IG considers audit report number 03-1007 unresolved. In contrast, the Agency believes the audit is resolved. Recommendations for better use of funds and questioned costs in the subject report total \$3,100,438 and \$4,661, respectively.

Investigations Case Activity

October 1, 2003 - March 31, 2004

	Preliminary	Civil/Criminal	Administrative	Total
Active Cases at Beginning of Period	75	40	40	155
Opened Cases	109	54	46	209
Closed Cases	150	28	32	210
Active Cases at End of Period	34	66	54	154

Investigations Case Statistics

Referrals to DOJ	2
Criminal Convictions/Pleas	2
Civil Settlements	0
Administrative Actions	4
Investigative Recoveries	\$147,978.10
Research Misconduct Findings by NSF	1
Cases Forwarded to NSF Management for Action	3
Cases Forwarded to NSF Management in Prior Periods Awaiting Action	1
Assurances and Certifications ⁵	
Number of Cases Requiring Assurances During This Period	2
Number of Cases Requiring Certifications During This Period	2
Assurances Received During This Period	3
Certifications Received During This Period	0
Number of Debarments in Effect During This Period	5

⁵ NSF accompanies some actions with a certification and/or assurance requirement. For example, for a specified period, the subject may be required to confidentially submit to OIG a personal certification and/or institutional assurance that any newly submitted NSF proposal does not contain anything that violates NSF regulations.

Freedom of Information Act and Privacy Act Requests

Our office responds to requests for information contained in our files under the freedom of Information Act ("FOIA," 5 U.S.C. paragraph 552) and the Privacy Act (5 U.S.C. paragraph 552a). During this reporting period:

- We received 10 FOIA requests this reporting period. The response time ranged between 4 days and 20 days, with a median of 16 days and the average around 15 days.
- No Privacy Act requests were received this reporting period.