

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**THE NATIONAL INSTITUTES OF
HEALTH DID NOT RECEIVE
81 OF 109 REQUIRED AUDIT
REPORTS FOR FOREIGN
GRANT RECIPIENTS**

*Inquiries about this report may be addressed to the Office of Public Affairs at
Public.Affairs@oig.hhs.gov.*



Amy J. Frontz
Deputy Inspector General
for Audit Services

December 2023
A-05-21-00019

Office of Inspector General

<https://oig.hhs.gov>

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OFFICE OF AUDIT SERVICES FINDINGS AND OPINIONS

The designation of financial or management practices as questionable, a recommendation for the disallowance of costs incurred or claimed, and any other conclusions and recommendations in this report represent the findings and opinions of OAS. Authorized officials of the HHS operating divisions will make final determination on these matters.

Report in Brief

Date: December 2023

Report No. A-05-21-00019

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES

OFFICE OF INSPECTOR GENERAL



Why OIG Did This Audit

Approximately 80 percent of National Institutes of Health (NIH) funding goes to support research grants, including grants to foreign organizations. In Federal fiscal year (FY) 2022, NIH awarded approximately \$257 million in funding to 224 foreign grant recipients. A prior Office of Inspector General (OIG) audit of NIH, National Human Genome Research Institute, found that some foreign grant recipients did not submit a required audit report, and NIH was unaware of this omission. In addition, OIG previously identified NIH's oversight of grants to foreign applicants as a risk to the Department of Health and Human Services (HHS) in terms of meeting program goals and the appropriate use of Federal funds. NIH must effectively monitor and administer Federal awards to ensure that Federal funding is spent, and associated programs are implemented, in full accordance with statutory and public policy requirements.

Our objectives were to determine whether: (1) NIH foreign grant recipients submitted required audit reports and (2) NIH used the audit reports to monitor the grant recipients and take corrective action when necessary.

How OIG Did This Audit

NIH provided a list of all NIH foreign grant recipients during the period FY 2019 through FY 2020 (audit period). Our audit covered the 90 NIH grant recipients from the list that reported annual expenditures in excess of \$750,000 in either FY 2019 or 2020. From the group of 90 NIH grant recipients, we determined that 109 annual audit reports should have been prepared and submitted.

The National Institutes of Health Did Not Receive 81 of 109 Required Audit Reports for Foreign Grant Recipients

What OIG Found

NIH did not ensure that NIH foreign grant recipients completed and submitted required annual audit reports. NIH did not receive 81 of the 109 annual audit reports for foreign grant recipients that met the requirements for an audit and for which NIH provided the majority of HHS funding. As a result, NIH did not have information needed from the 81 annual audit reports to effectively monitor these foreign grant recipients for potential findings or recommendations noted in the audit reports. Of the 28 audit reports received by NIH, 18 did not contain any information that indicated a need for further NIH monitoring or corrective action on the part of the foreign grant recipient, and 10 contained findings that required follow-up actions by NIH and the foreign grant recipient. However, for 7 of the 10 audit reports that required follow-up actions, NIH did not follow up with a management decision letter or did not timely issue the letter.

What OIG Recommends and NIH Comments

We recommend that NIH: (1) follow up with the foreign grant recipients to confirm the 81 outstanding audits were completed, obtain the outstanding audit reports, and issue management decision letters where appropriate; (2) issue management decision letters for the two audit reports that indicated a need for increased monitoring; (3) work with HHS Audit Resolution Division officials to identify foreign grant recipients required to submit annual audit reports and address audit report submission delinquencies by NIH foreign grant recipients; and (4) develop policies and procedures to issue timely management decision letters for foreign grant recipient audit reports, with audit findings, within 6 months of the date HHS accepts the audit report package.

In written comments on our draft report, NIH concurred with all four recommendations. NIH stated that it would follow up with the foreign grant recipients to confirm the 81 outstanding audit reports were completed, obtain the reports, and issue management letters where appropriate; and increased the number of auditors assigned to determine whether the delinquent audit reports have been completed. In addition, NIH stated that it issued one of the two outstanding management decision letters and plans to complete the second management decision letter; implemented improvements in the HHS Single Audit Resource Center system to identify delinquent foreign grant recipients; and will develop policies and procedures to issue timely management decision letters. NIH plans to complete all recommendations by September 2024.

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INTRODUCTION

WHY WE DID THIS AUDIT

Approximately 80 percent of National Institutes of Health (NIH) funding goes to support research grants, including grants to foreign organizations. In Federal fiscal year (FY) 2022, NIH awarded approximately \$257 million in funding to 224 foreign grant recipients. A prior Office of Inspector General (OIG) audit of NIH, National Human Genome Research Institute, found that some foreign grant recipients did not submit a required audit report, and NIH was unaware of this omission.¹ In addition, OIG previously identified NIH's oversight of grants to foreign applicants as a risk to the Department of Health and Human Services (HHS) in terms of meeting program goals and the appropriate use of Federal funds.² NIH must effectively monitor and administer Federal awards to ensure that Federal funding is spent, and associated programs are implemented, in full accordance with statutory and public policy requirements.

OIG's oversight efforts help to ensure the integrity and effective management of NIH's grant application and selection processes, and OIG has reviewed NIH-funded research institutions' compliance with Federal requirements and NIH policies that establish controls for NIH grants, contracts, and other transactions.³ This audit builds upon our prior work examining NIH grants to foreign entities.

OBJECTIVES

Our objectives were to determine whether: (1) NIH foreign grant recipients submitted required audit reports⁴ and (2) NIH used the audit reports to monitor the grant recipients and take corrective action when necessary.

¹ *The National Human Genome Research Institute Should Strengthen Procedures in Its Pre-Award Process To Assess Risk for Certain Foreign and Higher Risk Applicants*, A-05-20-00026, August 2021, available at <https://oig.hhs.gov/oas/reports/region5/52000026.asp>.

² *The National Institutes of Health and EcoHealth Alliance Did Not Effectively Monitor Awards and Subawards, Resulting in Missed Opportunities to Oversee Research and Other Deficiencies* (A-05-21-00025), Jan. 25, 2023. See also Testimony of Gary L. Cantrell, Deputy Inspector General for Investigations, Office of Investigations, before the Senate Committee on Health, Education, Labor and Pensions, April 22, 2021, available at https://oig.hhs.gov/documents/testimony/316/Gary_Cantrell_Testimony_Senate_HELP_Foreign_Influence.pdf.

³ The Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019, and Continuing Appropriations Act, 2019, P.L. No. 115-245, directed OIG to examine the efforts of NIH to ensure the integrity of its grant application evaluation and recipient selection processes.

⁴ Foreign grant recipients are subject to requirements to complete and submit annual audit reports.

BACKGROUND

National Institutes of Health

NIH is the agency responsible for the Nation's medical and behavioral research. Its mission is to seek fundamental knowledge about the nature and behavior of living systems and to apply that knowledge to enhance health, lengthen life, and reduce illness and disability. In FY 2020, NIH awarded more than \$30.8 billion in extramural research awards. In FY 2021, NIH awarded more than \$32.3 billion. The 27 Institutes and Centers of NIH provide leadership and financial support to researchers both inside and outside the United States.

Grant-Related Requirements

NIH grant monitoring requirements are addressed through Federal regulations and departmental and awarding agency policies. The regulations at 45 CFR part 75 establish uniform administrative requirements, cost principles, and audit requirements for HHS awards to non-Federal entities.

Foreign grant recipients that spend \$750,000 or more in HHS funds in 1 FY are subject to certain audit requirements intended to provide assurance to the Federal Government that the recipient has adequate internal controls in place and is generally in compliance with program requirements.⁵ 45 CFR 75 subpart F sets forth standards for obtaining consistency and uniformity among HHS agencies for the audit of entities expending Federal awards. Audits must be performed in accordance with government auditing standards.⁶ Resolution and corrective actions on audit recommendations by non-Federal auditors shall be performed within 6 months after receipt of the report by the Federal Government.⁷

Audits must be completed and submitted to the HHS Audit Resolution Division (ARD) within 30 days after the receipt of the auditor's reports or 9 months after the end of the audit period, whichever is earlier, as required by the NIH GPS 18.4.5. However, NIH allowed grant recipients directly affected by COVID-19 to delay the completion and submission of the report for up to 12 months beyond the normal due date per NIH Notice NOT-OD-20-086.

⁵ NIH Grants Policy Statement (GPS) 16.7.4 and 45 CFR § 75.501.

⁶ Foreign recipients are subject to the same audit requirements as commercial or for-profit organizations. For-profit recipients spending \$750,000 or more in HHS awards during their FY are required to submit an audit to HHS using one of two options, either: (1) a financial related audit of a particular award or a financial related audit of all HHS awards in accordance with government auditing standards or (2) an audit that meets the requirements in 45 CFR § 75.501.

⁷ Office of Management and Budget Circular No. A-50 (8)(a)(2), *Audit Followup*. Revised September 29, 1982.

Submission and Review Process for Foreign Grant Recipient Audit Reports

The major steps of the submission and review process for foreign grant recipient audit reports are summarized below.



Foreign grant recipients send their audit report directly to ARD. ARD assigns the audit report to the HHS Operating Division (OpDiv) from which the foreign grant recipient received the preponderance or majority of its HHS awards. If an audit report is assigned to NIH, the audit report is forwarded to the NIH Division of Financial Advisory Services (DFAS) through the HHS Single Audit Resource Center (SARC). DFAS auditors review the audit report for programmatic and monetary findings and work with the recipient to resolve audit findings. Once the audit findings are successfully resolved, a Management Decision Letter is uploaded in SARC, and the review is considered complete.⁸ DFAS prepares the Management Decision Letter to notify the recipient of NIH’s decision regarding the audit report findings. The letter is based on an evaluation of the report, recipient comments in the report package, and additional DFAS communications with the recipient.

As of October 1, 2018, ARD assumed responsibility for receipt of foreign grant recipient audit reports. However, ARD did not collect and assign foreign audit reports until October 2020. Since October 2021, ARD has maintained a delinquency list of foreign grant audit reports that had not been timely received. ARD includes on the delinquency list foreign grant recipients it believes to have over \$750,000 in annual Federal grant expenditures that have not submitted an audit report. DFAS is responsible for determining whether recipients were required to submit an audit report. DFAS works with the recipients to resolve the delinquency and updates the SARC database once the audit report is obtained, or a determination is made that an audit report is not required.

HOW WE CONDUCTED THIS AUDIT

NIH provided a list of all NIH foreign grant recipients during the period FY 2019 through FY 2020 (audit period). Our audit covered the 90 NIH grant recipients from the list that reported annual expenditures in excess of \$750,000 in either FY 2019 or 2020. From the group of 90 NIH grant recipients, we determined that 109 annual audit reports should have been prepared and submitted.⁹

⁸ Audit report findings for non-NIH programs are addressed separately.

⁹ See Appendix B for a detailed list of foreign grant recipients and report submission status.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix A contains the details of our audit scope and methodology.

FINDINGS

NIH did not ensure that NIH foreign grant recipients completed and submitted required annual audit reports. NIH did not receive 81 of the 109 annual audit reports for foreign grant recipients that met the requirements for an audit and for which NIH provided the majority of HHS funding. As a result, NIH did not have information needed from the 81 annual audit reports to effectively monitor these foreign grant recipients for potential findings or recommendations noted in the audit reports. Of the 28 audit reports received by NIH, 18 did not contain any information that indicated a need for further NIH monitoring or corrective action on the part of the foreign grant recipient, and 10 contained findings that required follow-up actions by NIH and the foreign grant recipient. However, for 7 of the 10 audit reports that required follow-up actions, NIH did not follow up with a management decision letter or did not timely issue the letter.

NIH DID NOT ENSURE FOREIGN GRANT RECIPIENT AUDIT REPORTS WERE COMPLETED AND SUBMITTED

OpDiv awards must clearly specify the audit requirements and the potential consequences of not submitting required audit reports in a timely manner.¹⁰ The OpDiv must determine the availability of the most recent required audit report and review it, as appropriate, for possible effect on the pending and current awards.¹¹

The majority of NIH foreign grant recipients did not submit required annual audit reports. Foreign grant recipients that spend \$750,000 or more in HHS funds in 1 FY are required to complete and submit audit reports. We determined that 54 of the 90 foreign grant recipients were required to complete an annual audit report in 2019, and 55 foreign grant recipients were required to complete an annual audit report in 2020.¹² NIH could not provide OIG with 81 of the 109 annual audit reports that met the requirements for an audit and for which NIH provided the majority of HHS funding.

¹⁰ 45 CFR 75.205(c)(4) and HHS Grants Policy Administration Manual (GPAM) Part I, chapter 1(b)(1).

¹¹ HHS GPAM Part I, chapter 1(b)(3).

¹² There were 48 foreign grant recipients that failed to submit at least 1 annual audit report, and 33 failed to submit a report in both years.

NIH grants management officials did not provide evidence that they actively reached out to foreign grant recipients to obtain required audit reports for our audit period. Instead, NIH relied on foreign grant recipients to submit audit reports directly to ARD. According to NIH, ARD, in turn, should have sent audit reports assigned to NIH to DFAS via the SARC.

As of October 1, 2018, ARD assumed responsibility for receipt of domestic and foreign grant recipient audit reports. However, ARD focused on domestic nonprofit entities first and then turned to obtaining delinquent foreign and for-profit reports. The ARD process to identify potential delinquent reports did not include foreign and for-profits until October 2021, which is subsequent to the scope of this audit. Without ensuring that foreign grant recipients submit required audit reports, NIH was unable to obtain insights regarding these entities' financial management operations and stewardship of Federal funds, thus limiting NIH's ability to effectively monitor these foreign grant recipients and to identify potential findings or recommendations impacting NIH grant awards.

NIH DID NOT FOLLOW UP ON FINDINGS AT ALL FOREIGN GRANT RECIPIENTS FROM WHICH IT RECEIVED AUDIT REPORTS

The HHS awarding agency must ensure that audits are completed and reports are received in a timely manner, provide technical advice and counsel to auditees and auditors as requested, and follow up on audit findings to ensure that the recipient takes appropriate and timely corrective action. As part of audit follow-up, the HHS awarding agency must issue a management decision and monitor the recipient taking appropriate and timely corrective action.¹³

NIH did not follow up on all of the audit reports it received from foreign grant recipients. Of the 28 audit reports received by NIH, 18 did not contain any information that indicated a need for further NIH monitoring or corrective action on the part of the foreign grant recipient, and 10 audit reports contained findings that required follow-up actions by NIH and the foreign grant recipient. For three of these reports, NIH issued a timely management decision letter. However, for 7 of the 10 audit reports that required follow-up actions, NIH did not follow up with a management decision letter or did not timely issue the letter.

Of the seven audit reports mentioned above, two reports contained findings that indicated a need for increased monitoring, such as: fund/cash balance reconciliations were not performed, cash advances were inconsistent with university policy, and employee benefit expenses were not reconciled. NIH did not issue a management decision letter to follow up with the grant recipient on these findings and related recommendations because the two reports were incorrectly classified as having no findings. The remaining five audit reports contained findings that indicated a need for increased monitoring, such as: incomplete subrecipient monitoring,

¹³ 45 CFR 75.513(c).

inadequate competitive bidding policy, and no policy for verification of suspension and debarment. Although NIH determined that the grant recipients' corrective action plans were responsive to the recommendations, NIH issued its management decision letters more than 6 months after the receipt of the audit reports, and only after NIH received notification of our review.

RECOMMENDATIONS

We recommend that the National Institutes of Health:

- follow up with the foreign grant recipients to confirm the 81 outstanding audits were completed, obtain the outstanding audit reports, and issue management decision letters where appropriate;
- issue management decision letters for the two audit reports that indicated a need for increased monitoring;
- work with HHS ARD officials to identify foreign grant recipients required to submit annual audit reports and address audit report submission delinquencies by NIH foreign grant recipients; and
- develop policies and procedures to issue timely management decision letters for foreign grant recipient audit reports, with audit findings, within 6 months of the date HHS accepts the audit report package.

NIH COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

In written comments on our draft report, NIH concurred with all four recommendations and described actions it had taken or planned to take. For our first recommendation, NIH stated that it would follow up with the foreign grant recipients to confirm the 81 outstanding audits were completed, obtain the outstanding audit reports, and issue management letters where appropriate. In addition, NIH stated that it “has increased the number of auditors assigned to determine whether the delinquent audit reports have been completed and coordinate the proper actions.”

For our second recommendation, NIH stated that it issued one of the two outstanding management decision letters, and it plans to complete the other by March 2024.

For our third recommendation, NIH stated that ARD officials implemented improvements in the HHS Single Audit Resource Center system to ensure delinquent foreign grant recipients are identified by year, as well as a notification system to NIH when the delinquent grant recipients are identified. In addition, NIH stated that it increased the number of resources to address the existing delinquent actions.

For our fourth recommendation, NIH stated it will develop policies and procedures to issue timely management decision letters for foreign grant recipient audit reports within 6 months of the date HHS accepts the audit report package.

NIH plans to complete all recommendations by September 2024. NIH's comments are included in their entirety as Appendix C.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

NIH provided a list of all NIH foreign grant recipients during the period FY 2019 through FY 2020. Our audit covered the 90 unique NIH grant recipients that reported annual expenditures in excess of \$750,000 in either FY 2019 or 2020. We determined that 109 annual audit reports should have been performed and submitted for NIH grant recipients that reported annual expenditures greater than \$750,000 and that received a majority of their HHS funding from NIH during the FY.

We reviewed NIH procedures for the submission and use of foreign audit reports and reviewed the monitoring of all 28 audit reports received by NIH to determine compliance with requirements in 45 CFR part 75 and the NIH GPS.

We assessed internal controls and compliance with laws and regulations necessary to satisfy the audit objectives, which included a review of NIH's policies and procedures related to the foreign grant recipient audit report submission process. As part of our internal control review, we reviewed NIH's policies and procedures related to risk assessment, control activities, and monitoring of the foreign grant recipient audit reports. However, because our review was limited to these aspects of internal control, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit. Any internal control deficiencies we found are discussed in this report.

We conducted our fieldwork from May 2021 to October 2023.

METHODOLOGY

To accomplish our audit objectives, we:

- reviewed applicable Federal laws, regulations, and guidance;
- reviewed NIH grant monitoring policies and procedures;
- interviewed NIH and HHS ARD officials familiar with the foreign grant recipient audit report submission process;
- reviewed foreign grant recipient expenditure data for all 90 unique recipients to determine whether audit reports should have been prepared and submitted to NIH; and
- discussed the results of our audit with NIH.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX B: AUDIT REPORT SUBMISSION STATUS FOR NIH FOREIGN GRANT RECIPIENTS

Recipient	Country	Recipient Type	Reports Required	Required Reports Received
Addis Ababa University	Ethiopia	College/ University	1	0
Adera	France	Foreign Business	1	0
All-India Institute Of Medical Sciences	India	College/ University	0	0
Asociacion Civil Impacta Salud Y Educacn	Peru	Nonprofit	2	2
Botswana Baylor Child/Clinical Ctr/Excell	Botswana	Nonprofit	2	1
Cardiff University	United Kingdom	College/ University	0	0
Centre For Addiction And Mental Health	Canada	Nonprofit	2	0
Centre For Infectious Disease Research	Zambia	Nonprofit	0	0
Centre/Aids Programme/Res/South Africa	South Africa	Nonprofit	2	1
Centro Internacional (Cideim)	Colombia	Nonprofit	0	0
Chiang Mai University	Thailand	College/ University	2	1
College Of Health Sciences, University Of Ghana	Ghana	College/ University	2	0
College Of Health Scis Univ Of Zimbabwe	Zimbabwe	College/ University	2	0
Desmond Tutu HIV Foundation	South Africa	Nonprofit	0	0
Eduardo Mondlane University	Mozambique	College/ University	0	0
European Molecular Biology Laboratory	Germany	Foreign Govt	2	2
Federal University Of Bahia	Brazil	College/ University	0	0
Foundation For Professional Development	South Africa	Other	2	0
Fundacao Oswaldo Cruz	Brazil	Nonprofit	0	0
Gheskio Center	Haiti	Nonprofit	0	0
Hospital District Of Southwest Finland	Finland	Nonprofit	2	0
Hospital For Sick Children (Toronto)	Canada	Nonprofit	2	0
Infectious Diseases Institute	Uganda	Nonprofit	0	0
Infectious Diseases Res Collaboration	Uganda	Nonprofit	0	0
Inserm Paris 5 (Sante Et La Recherche)	France	Foreign Govt	0	0
Institut Pasteur	France	Nonprofit	0	0
Institute Of Human Virology	Nigeria	Nonprofit	0	0
International Agency For Res On Cancer	France	Nonprofit	2	0
Karolinska Institute	Sweden	College/ University	1	1

Recipient	Country	Recipient Type	Reports Required	Required Reports Received
King's College London	United Kingdom	College/ University	2	0
Kwame Nkrumah University/Science/Tech	Ghana	College/ University	2	0
Kwazulu-Natal Research Institute TB-HIV	South Africa	Nonprofit	2	0
Laval University	Canada	College/ University	0	0
London Sch/Hygiene & Tropical Medicine	United Kingdom	College/ University	0	0
Lund University	Sweden	College/ University	2	0
Mahidol University	Thailand	College/ University	2	1
Makerere University	Uganda	College/ University	0	0
Max Planck Inst/Social Law/Social Policy	Germany	Nonprofit	1	0
Mbarara University/Science/ Technology	Uganda	College/ University	2	0
McGill University	Canada	College/ University	2	0
McGill University Health Ctr Res Inst	Canada	College/ University	2	1
McMaster University	Canada	College/ University	2	0
Medical Research Council Of South Africa	South Africa	Nonprofit	2	0
Monash University	Australia	College/ University	2	0
Muhimbili University/ Allied Hlth Scis	Tanzania	College/ University	1	0
Noguchi Memorial Institute / Medical Res	Ghana	Foreign Govt	2	1
Ontario Institute For Cancer Research	Canada	Nonprofit	2	0
Provincial Health Services Authority	Canada	Nonprofit	1	0
Queen's University At Kingston	Canada	College/ University	2	2
Redeemer's University	Nigeria	College/ University	2	0
Simon Fraser University	Canada	College/ University	2	1
Sinai Health System	Canada	Nonprofit	1	1
Statens Serum Institute	Denmark	Foreign Govt	0	0
Stellenbosch University Tygerberg Campus	South Africa	College/ University	2	1

Recipient	Country	Recipient Type	Reports Required	Required Reports Received
Stichting Katholieke Universiteit	Netherlands	College/ University	0	0
Sunnybrook Research Institute	Canada	Nonprofit	2	0
Tel Aviv University	Israel	College/ University	0	0
U Of L Imperial Col Of Sci/Technlgy/Med	United Kingdom	College/ University	2	0
Univ Of Sciences, Tech & Tech Of Bamako	Mali	College/ University	2	0
Univ/London-Queen Mary& Westfield Coll	United Kingdom	College/ University	0	0
Universidad Peruana Cayetano Heredia	Peru	College/ University	2	2
Universitat Bern	Switzerland	College/ University	1	1
University College London	United Kingdom	College/ University	2	0
University Health Network	Canada	College/ University	2	0
University Medical Center Utrecht	Netherlands	College/ University	1	0
University Of Abuja	Nigeria	College/ University	0	0
University Of Alberta	Canada	College/ University	2	0
University Of British Columbia	Canada	College/ University	2	2
University Of Calgary	Canada	College/ University	2	0
University Of Cambridge	United Kingdom	College/ University	2	0
University Of Cape Town	South Africa	College/ University	2	2
University Of East Anglia	United Kingdom	College/ University	0	0
University Of Ghana	Ghana	College/ University	2	0
University Of Ibadan College Of Medicine	Nigeria	College/ University	2	0
University Of Kwazulu-Natal	South Africa	College/ University	2	0
University Of Malawi	Malawi	College/ University	0	0

Recipient	Country	Recipient Type	Reports Required	Required Reports Received
University Of Manchester	United Kingdom	College/ University	2	0
University Of Melbourne	Australia	College/ University	2	1
University Of Montreal Hospital	Canada	College/ University	0	0
University Of Nairobi	Kenya	College/ University	0	0
University Of New South Wales	Australia	College/ University	2	0
University Of Oxford	United Kingdom	College/ University	2	0
University Of Queensland	Australia	College/ University	0	0
University Of Sheffield	United Kingdom	College/ University	0	0
University Of Sydney	Australia	College/ University	2	0
University Of The West Indies	Jamaica	College/ University	0	0
University Of Toronto	Canada	College/ University	2	2
University Of Zambia	Zambia	College/ University	0	0
Wits Health Consortium (Pty), Ltd	South Africa	Nonprofit	2	2
World Health Organization	Switzerland	Nonprofit	0	0
		Total	109	28

APPENDIX C: NATIONAL INSTITUTES OF HEALTH COMMENTS



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

National Institutes of Health
Bethesda, Maryland 20892
www.nih.gov

DATE: November 27, 2023

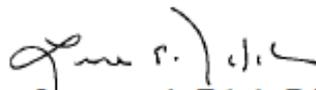
TO: Amy J. Frontz
Deputy Inspector General for Audit Services

FROM: Principal Deputy Director, National Institutes of Health

SUBJECT: NIH Comments on Draft Report, "*The National Institutes of Health Did Not Receive 81 of 109 Required Audit Reports for Foreign Grant Recipients*" (A-05-21-00019)

Attached are the National Institutes of Health's (NIH) comments on the draft Office of Inspector General's (OIG) report, "*The National Institutes of Health Did Not Receive 81 of 109 Required Audit Reports for Foreign Grant Recipients*" (A-05-21-00019).

NIH appreciates the review conducted by the OIG and the opportunity to provide clarifications on this draft report. If you have questions or concerns, please contact Tiffany Brown in the Office of Management Assessment at 301-496-2464.


Lawrence A. Tabak, D.D.S., Ph.D.

Attachment

GENERAL COMMENTS OF THE NATIONAL INSTITUTES OF HEALTH (NIH) ON THE DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) OFFICE OF INSPECTOR GENERAL (OIG) DRAFT REPORT ENTITLED: "THE NATIONAL INSTITUTES OF HEALTH DID NOT RECEIVE 81 OF 109 REQUIRED AUDIT REPORTS FOR FOREIGN GRANT RECIPIENTS "(A-05-21-00019)

The National Institutes of Health (NIH) appreciates the review conducted by OIG and the opportunity to provide clarifications on this draft report. NIH respectfully submits the following general comments.

OIG Recommendation 1:

We recommend that the National Institutes of Health follow up with the foreign grant recipients to confirm the 81 outstanding audits were completed, obtain the outstanding audit reports, and issue management decision letters where appropriate.

NIH Response:

NIH concurs with the OIG's finding and corresponding recommendation to follow up with the foreign grant recipients to confirm the 81 outstanding audits were completed, obtain the outstanding audit reports, and issue management decision letters where appropriate. NIH has increased the number of auditors assigned to determine whether the delinquent audit reports have been completed and coordinate the proper actions. The expected completion date is September 2024.

OIG Recommendation 2:

We recommend that the National Institutes of Health issue management decision letters for the two audit reports that indicated a need for increased monitoring.

NIH Response:

NIH concurs with the OIG's finding and corresponding recommendation to issue management decision letters for the two audit reports that indicated a need for increased monitoring. At the time of this response, one of the two management decision letters has been issued and the second one is expected to be completed by March 2024.

OIG Recommendation 3:

We recommend that the National Institutes of Health work with HHS ARD officials to identify foreign grant recipients required to submit annual audit reports and address audit report submission delinquencies by NIH foreign grant recipients.

NIH Response:

NIH concurs with OIG's finding and corresponding recommendation to collaborate with HHS ARD officials to identify foreign grant recipients required to submit annual audit reports and address audit report delinquencies by NIH foreign grant recipients. At the time of this response, HHS ARD officials have implemented improvements in the HHS Single Audit Resource Center (SARC) system to ensure delinquent grant recipients are identified by year as well as a notification system to NIH at the time of identification. Additionally, NIH has increased the number of resources being applied to address the existing delinquent actions as stated in the response to Recommendation 1. The expected completion date is September 2024.

GENERAL COMMENTS OF THE NATIONAL INSTITUTES OF HEALTH (NIH) ON THE DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) OFFICE OF INSPECTOR GENERAL (OIG) DRAFT REPORT ENTITLED: "THE NATIONAL INSTITUTES OF HEALTH DID NOT RECEIVE 81 OF 109 REQUIRED AUDIT REPORTS FOR FOREIGN GRANT RECIPIENTS "(A-05-21-00019)

OIG Recommendation 4:

We recommend that the National Institutes of Health develop policies and procedures to issue timely management decision letters for foreign grant recipient audit reports, with audit findings, within 6 months of the date HHS accepts the audit report package.

NIH Response:

NIH concurs with the OIG's finding and corresponding recommendation for developing policies and procedures to issue timely management decision letters for foreign grant recipient audit reports within 6 months of the date HHS accepts the audit report package. The expected completion date is September 2024.