

Developments in the Single Audit and Federal Oversight Landscape

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Why this Session?

- ▶ For most institutions, single audits are in process covering FY 2020, which includes special provisions and funding associated with the COVID-19 Pandemic – National Emergency (effective March 2020) ... and (by the way) the Federal Government commissioned us to respond!
- ▶ Institutional responses around the National Emergency will span (at a minimum) both FY 2020 and FY 2021 audit years.
- ▶ “Normal” federal research compliance around grants management does not disappear during a pandemic ...
- ▶ Nor do concerns around research security, foreign influence, faculty disclosures, and related activities.

FY20 Compliance Supplement

- 1559 pages, mostly routine
- Biggest issue for us pertain to funding for the COVID-19 pandemic (Appendix VII)
 - Identification of COVID-19 designated expenditures
 - Breakout of COVID-19 funding on SEFA and Data Collection Forum
 - Requirement to notify subrecipients of COVID-19 funding
 - Only extensions previously authorized in M-20-26 (previous memoranda rescinded)
 - Promise of a Compliance Supplement Addendum in the fall with “additional audit guidance for new COVID-19 related programs and existing programs with compliance requirement changes”

Identification of Programs

- Challenge:
 - Some programs have unique CFDA numbers, others do not
 - Some COVID-19 funding flow through discrete awards, others did not
 - Language may be buried in notice of award.
 - May not be tracked in institutional systems
 - May have come into the institution through non-traditional routes

This award provides supplemental funds for emergency response to COVID-19. These funds are restricted to prevent, prepare for, and respond to coronavirus, domestically or internationally only and may not be rebudgeted or used for any other purpose without (NIAID) prior approval.

This award includes funding identified by NSF as COVID-19 related. The recipient is reminded of the importance of maintaining appropriate cost documentation and records as required by 2 CFR 200.302, "Financial Management and 2 CFR 200.333, Retention Requirements for Records".

Tips on Finding COVID-19 Programs

- Review awards received, and track within your systems
- Search USAspending.gov by DUNS and DEFC

The screenshot displays the USAspending.gov interface for COVID-19 spending. At the top, filters include 'FY 2020', 'RECIPIENT | 872612445', 'RECIPIENT | 060217502', and 'COVID-19 Spending (5)'. Below the filters, navigation options include 'TABLE', 'TIME', 'MAP', and 'CATEGORIES'. The main heading is 'Spending by Prime Award'. A filter bar shows 'Contracts 0', 'Contract IDVs 0', 'Grants 16', 'Direct Payments 0', 'Loans 0', and 'Other 0'. The table below lists award details with columns for 'COVID-19 Obligations', 'COVID-19 Outlays', 'Awarding Agency', 'Awarding Sub Agency', and 'Award Type'.

COVID-19 Obligations	COVID-19 Outlays	Awarding Agency	Awarding Sub Agency	Award Type
\$300,000	\$0	Department of Health and Human S...	National Institutes of Health	COOPERATIVE /
\$2,419,315	\$0	Department of Health and Human S...	National Institutes of Health	COOPERATIVE /
\$986,007	\$131,643	Department of Health and Human S...	National Institutes of Health	COOPERATIVE /
\$150,000	\$0	Department of Health and Human S...	Health Resources and Services Administr...	PROJECT GRAN
\$103,336	\$0	National Endowment for the Human...	National Endowment for the Humanities	PROJECT GRAN
\$377,992	\$0	Department of Health and Human S...	National Institutes of Health	PROJECT GRAN

USASpending.Gov

- Go to Award Search -> Advanced Search
- Select FY 2020
- Enter DUNS number(s) under Recipient
- Check COVID-19 Spending under Disaster Emergency Fund Code
- Submit search
- Scroll to purple columns on the right to see COVID-19 Obligations
- Note that there are separate tabs for Contracts, Grants, Etc.
- Drill down on specific awards

Other Single Audit Items of Note

- Watch for last minute emergency of Type A programs
 - Large CARES grants (HEERF, PRF, etc.) may trigger additional testing
- How to report “lost revenue”
- Capital equipment inventories may not have been completed in FY20
 - Cognizant agencies were issuing extensions (see COGR communication)
- Unknown elements incorporated into addendum may include:
 - Testing of flexibilities under M-20-11, M-20-17
 - Which UG provisions apply to the different programs
- Watch the calendar
- Some audits will have completed fieldwork before the addendum arrives
 - Additional fieldwork may equal additional fees
 - Talk to your auditors to hear their plans

Other Audit Items of Note

- [Pandemic Response Accountability Committee](#)

- Independent oversight committee created by the CARES Act within the Council of the Inspectors General on Integrity and Efficiency.
- Report: [Top Challenges Facing Federal Agencies: COVID-19 Emergency Relief and Response Efforts](#)
- From the NSF IG in the above report:

The Foundation relies on the recipient community to ensure award funds are spent in accordance with federal requirements. Many institutions funded by NSF are facing financial challenges driven by the pandemic, including the need to refund portions of spring 2020 tuition; lower than anticipated tuition revenue in 2021; and declining support from state governments, endowments, or other sources of funding. If those fiscal constraints lead to staff cuts in sponsored research offices or offices responsible for identifying and managing scientists' conflicts of interest and commitment, recipients' ability to ensure compliance with NSF award terms and conditions could be undermined, potentially putting NSF funds at risk.

FEDERAL: Recent DoJ Enforcement Activity

- Focus on charging non-sponsored time to federal awards
 - Grant writing
 - Teaching
 - Administrative responsibilities
- Many universities limit the percentage of salary that may be allocated to sponsored projects
- But there are still some risks in this area
 - Adequacy of the institutional contribution
 - Monitoring
 - Non-tenure track faculty
 - Limits on available “bridge funding”
 - Ebb and flow of grant support

FEDERAL: NSF & Section 117

- “Follow-on” subpoenas from NSF focused on Section 117 compliance
- Key questions
 - Jurisdiction
 - Approach to subpoena compliance
 - NSF objective

FEDERAL: Foreign Influence Enforcement

- Steady stream of grand jury subpoenas
- FBI “outsourcing”
- IP-focused cases
- Managing NIH “suggestions”
- Remains a potential area of whistleblower activity going forward