

# 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.

**Unresolved Costs.** Costs that have been claimed, but can not be evaluated at the time of the audit because either: 1) the criteria for their measurement has not been established; 2) the period for establishing the criteria is not complete or 3) the criteria is unclear or ambiguous. This category most frequently applies to indirect costs. For example, if a final indirect cost rate has not been determined for a particular period, the claimed indirect costs for that period would be classified by the auditor as unresolved costs.

**Management Decision.** Management's evaluation of the findings and recommendations included in the audit report and the issuance of a final decision by management containing its response to such findings and recommendations. 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

	<b>Dollar Value</b>
<b>A.</b> For which no management decision has been made by the commencement of the reporting period	<b>\$5,174,370</b>
<b>B.</b> Recommendations that were issued during the reporting period	<b>\$620,020</b>
<b>C.</b> Adjustments related to prior recommendations	<b>\$0</b>
<b>Subtotal of A+B+C</b>	<b>\$5,794,390</b>
<b>D.</b> For which a management decision was made during the reporting period	<b>\$5,174,370</b>
<b>i)</b> Dollar value of management decisions that were consistent with OIG recommendations	<b>\$5,174,370</b>
<b>ii)</b> Dollar value of recommendations that were not agreed to by management	<b>\$0</b>
<b>E.</b> For which no management decision had been made by the end of the reporting period	<b>\$620,020</b>
For which no management decision was made within 6 months of issuance	<b>\$0</b>

## 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	21	\$2,586,187	\$1,175,940
B. That were issued during the reporting period	12	\$42,163,896	\$3,359,372
C. Adjustment related to prior recommendations	2	(\$451,034)	(\$35,534)
<b>Subtotal of A+B+C</b>	<b>35</b>	<b>\$44,299,049</b>	<b>\$4,499,778</b>
D. For which a management decision was made during the reporting period	18	\$660,127	\$25,100
i) dollar value of disallowed costs	N/A	\$149,491	N/A
ii) dollar value of costs not disallowed	N/A	\$513,636	N/A
E. For which no management decision had been made by the end of the reporting period	15	\$43,638,922	\$4,474,678
For which no management decision was made within 6 months of issuance	3	\$1,487,673	\$1,115,306

## 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	\$0	\$141,114	\$0
B. Reports with monetary findings that were issued during the reporting period:	3	\$13,959,578	\$53,875	\$6,844,395
C. Adjustments related to prior recommendations		\$0	\$0	\$0
<b>Total of Reports with Cost Sharing Findings (A+B+C)</b>	<b>4</b>	<b>\$13,959,578</b>	<b>\$194,989</b>	<b>\$6,844,395</b>
D. For which a management decision was made during the reporting period:	N/A	\$0	\$0	\$0
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	\$0
E. Reports with monetary findings for which no management decision has been made by the end of the reporting period	4	\$13,959,578	\$194,989	\$6,844,395

## Status of Recommendations that Involve Internal NSF Management Operations

<b>Open Recommendations (as of 9/30/04)</b>	
Recommendations Open at the Beginning of the Reporting Period <sup>16</sup>	<b>65</b>
New Recommendations Made During Reporting Period	<b>34</b>
Total Recommendations to be Addressed	<b>99</b>
<b>Management Resolution of Recommendations<sup>17</sup></b>	
Awaiting Resolution	<b>43</b>
Resolved Consistent With OIG Recommendations	<b>56</b>
<b>Management Decision That No Action is Required</b>	<b>0</b>
<b>Final Action on OIG Recommendations<sup>18</sup></b>	
Final Action Completed	<b>15</b>
Recommendations Open at End of Period	<b>84</b>
<b>Aging of Open Recommendations</b>	
<b>Awaiting Management Resolution:</b>	
0 through 6 months	<b>32</b>
7 through 12 months	<b>8</b>
More than 12 months	<b>3</b>
<b>Awaiting Final Action After Resolution:</b>	
0 through 6 months	<b>18</b>
7 through 12 months	<b>12</b>
More than 12 months	<b>11</b>

<sup>16</sup> The ending balance as of September 2004 was reported as 62 recommendations. However, three open recommendations were not included in the prior period semiannual report.

<sup>17</sup> "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.

<sup>18</sup> "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
05-1-001	Fresno Unified School District	\$6,858,207	\$2,699,162	\$0	\$0
05-1-002	Springfield Technical Community College	\$230,133	\$0	\$0	\$0
05-1-003	ScienCentral, Inc., and the Center for Science in the Media	\$921,489	\$658,950	\$0	\$0
05-1-004	University of South Dakota	\$142,592	\$0	\$620,020	\$53,875
05-1-005	Raytheon Polar Services Company	\$33,425,115	\$0	\$0	\$0
05-1-006	Texas State Technical College, West Texas	\$24,745	\$0	\$0	\$0
05-2-001	FY04 FISMA Evaluation Summary	\$0	\$0	\$0	\$0
05-2-002	FY04 FISMA Evaluation Reports	\$0	\$0	\$0	\$0
05-2-003	FY04 NSF Financial Statement Audit	\$0	\$0	\$0	\$0
05-2-004	FY04 NSF Special-Purpose Financial Statements	\$0	\$0	\$0	\$0
05-2-005	United States-Mexico Foundation for Science	\$0	\$0	\$0	\$0
05-6-001	Associated Universities, Inc.	\$0	\$0	\$0	\$0
05-6-002	Survey of Large Facilities Projects	\$0	\$0	\$0	\$0
05-6-004	Dakota State University	\$0	\$0	\$0	\$0
05-6-005	Amtrak OIG Peer Review	\$0	\$0	\$0	\$0
	<b>Total:</b>	<b>\$41,602,281</b>	<b>\$3,358,112</b>	<b>\$620,020</b>	<b>\$53,875</b>

## NSF-Cognizant Reports

Report Number	Subject	Questioned Costs	Unsupported Costs	Cost Sharing At-Risk
05-4-001	The Computing Research Association, Inc.	\$12,647	\$0	\$0
05-4-011	Gadsden Independent School District	\$0	\$0	\$0
05-4-010	American Assoc. of Physics Teachers, Inc.	\$0	\$0	\$0
05-4-002	ABET, Inc.	\$0	\$0	\$0
05-4-005	Universities Research Association, Inc.	\$0	\$0	\$0
05-4-006	Carnegie Institute	\$16,014	\$0	\$0
05-4-008	Marine Biological Laboratory	\$0	\$0	\$0
05-4-009	Academy of natural Sciences	\$0	\$0	\$0
	<b>Total:</b>	<b>\$28,661</b>	<b>\$0</b>	<b>\$0</b>



## Other Federal Audits

Report Number	Subject	Questioned Costs	Unsupported Costs	Cost Sharing At-Risk
05-5-027	Clark Atlanta University	\$240,232	\$0	\$0
05-5-032	University of Puerto Rico	\$290,262	\$0	\$0
05-5-026	The University Corporation	\$1,200	\$0	\$0
05-5-033	Harbor Branch Oceanographic Institute, Inc.	\$1,260	\$1,260	\$0
	<b>Total:</b>	<b>\$532,954</b>	<b>\$1,260</b>	<b>\$0</b>

## **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 within 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 56.

## Investigations Case Activity

### October 1, 2004 - March 31, 2005

	Preliminary	Civil/Criminal	Administrative	Total
Active Cases at Beginning of Period	73	48	47	168
Opened Cases	78	34	32	144
Closed Cases	120	27	31	178
Active Cases at End of Period	31	55	48	134

## Investigations Case Statistics

Referrals to DOJ	3
Criminal Convictions/Pleas	0
Civil Settlements	0
Administrative Actions	4
Investigative Recoveries	\$230,568
Research Misconduct Findings by NSF	4
Cases Forwarded to NSF Management for Action	7
Cases Forwarded to NSF Management in Prior Periods Awaiting Action	2
Assurances and Certifications <sup>19</sup>	
Number of Cases Requiring Assurances During This Period	4
Number of Cases Requiring Certifications During This Period	3
Assurances Received During This Period	0
Certifications Received During This Period	0
Number of Debarments in Effect During This Period	8

<sup>19</sup>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 11 FOIA requests. The response time ranged between 3 days and 18 days, with a median of 9 days and an average of 9 days.
- We received 1 Privacy Act requests.
- We did not receive any appeals.

