



# Responding to External Agencies

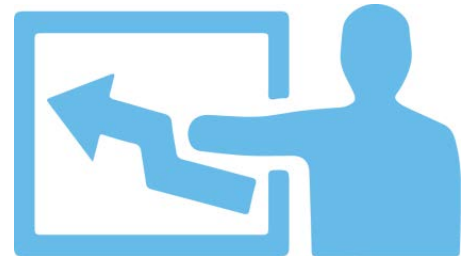
*The information provided here is of a general nature and is not intended to address the specific circumstances of any individual or entity. In specific circumstances, the services of a professional should be sought.*

- > Overview
- > Strategies for Responding to External Agencies
- > Sponsored Research Audits
- > Other External Agency Reviews

## Learning Objectives




- > Understand the population of potential external agencies who may review/audit your institution
- > Gain greater insight into strategies to respond to external agency requests
- > Recognize common focus areas of external agency audits and reviews related to sponsored research
- > Provide examples of additional external agency audit and review areas




Colleges and universities interface with external agencies in a variety of capacities. Institutions must report data to external agencies, and are subjects to audits and reviews for compliance with regulations. Research institutions in particular face a complex and multifaceted audit burden, which can include:

- > Federal or other sponsor audits
- > An annual Single Audit and financial statement audit performed by the external audit team
- > Subrecipient monitoring site visits



**It is important for institutions to understand the impact that requests may have, and be able to respond effectively when external agency reviews occur.**



Consumer Financial  
Protection Bureau

Securities and Exchange Commission

Department of Health and  
Human Services

**Department of Defense**

Environmental Protection Agency

Public Health Service

**Federal Acquisitions Regulations**

Department of Commerce

National Institutes of Health

**Department of Labor**

Department of  
Energy

**Federal Trade Commission**

National Science Foundation

Internal Revenue Service

**Department of Education**

**Nuclear Regulatory Commission**

**Department of Homeland Security**

Department of Transportation

State Attorneys General



# Strategies for Responding to External Agencies



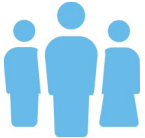
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Be proactive



2

Assign a point of contact



3

Involve key parties



4

Define roles and responsibilities



5

Consider impact

## 1 Be proactive



- > Understand the objectives of the request and the end goal of the external agency
- > Anticipate document requests and other requirements
- > Clarify expectations of the institution



## 2

## Assign a point of contact



- > Designate one individual to be responsible for corresponding with the agency
- > Inform the individual of the responsibilities and personnel that should be collaborated with

## 3 Involve key parties



- > Identify personnel who have a role in collecting, managing, or reporting data requested by the external agency
- > Determine whether legal counsel needs to be involved with the transfer of information, including determining whether any information needs to be redacted

## 4

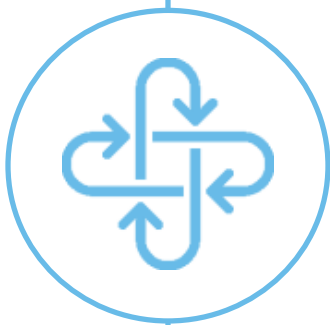
## Define roles and responsibilities



- > Clarify responsibilities related to gathering data and monitoring requests
- > Assess roles in relation to the scope of the review

## 5

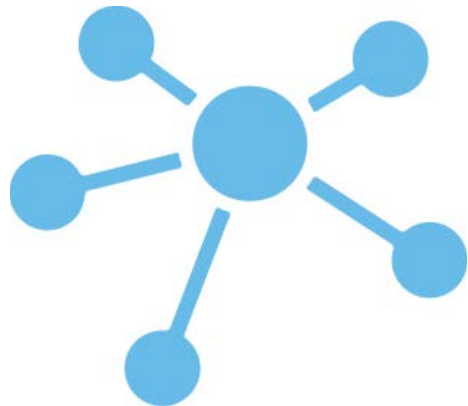
## Consider impact



- > Evaluate what departments, divisions, or personnel may be impacted by either the request or the outcome
- > Consider informing key leaders to prepare a statement, particularly if the investigation is public

# Considerations during an audit or review

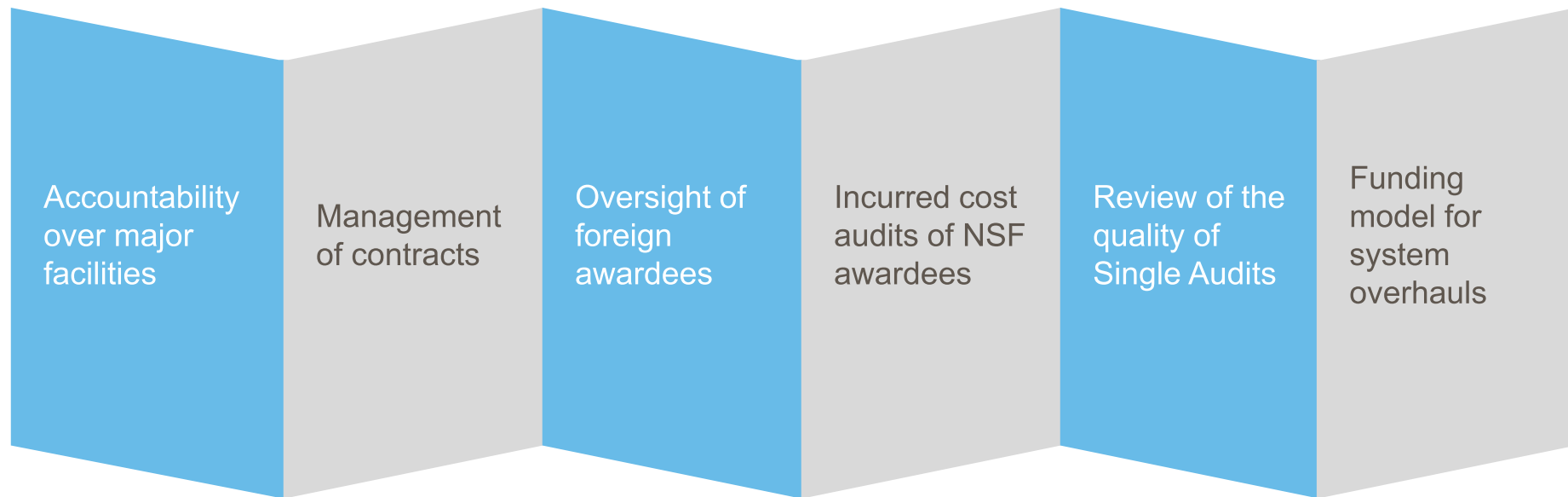




# Sponsored Research Audits

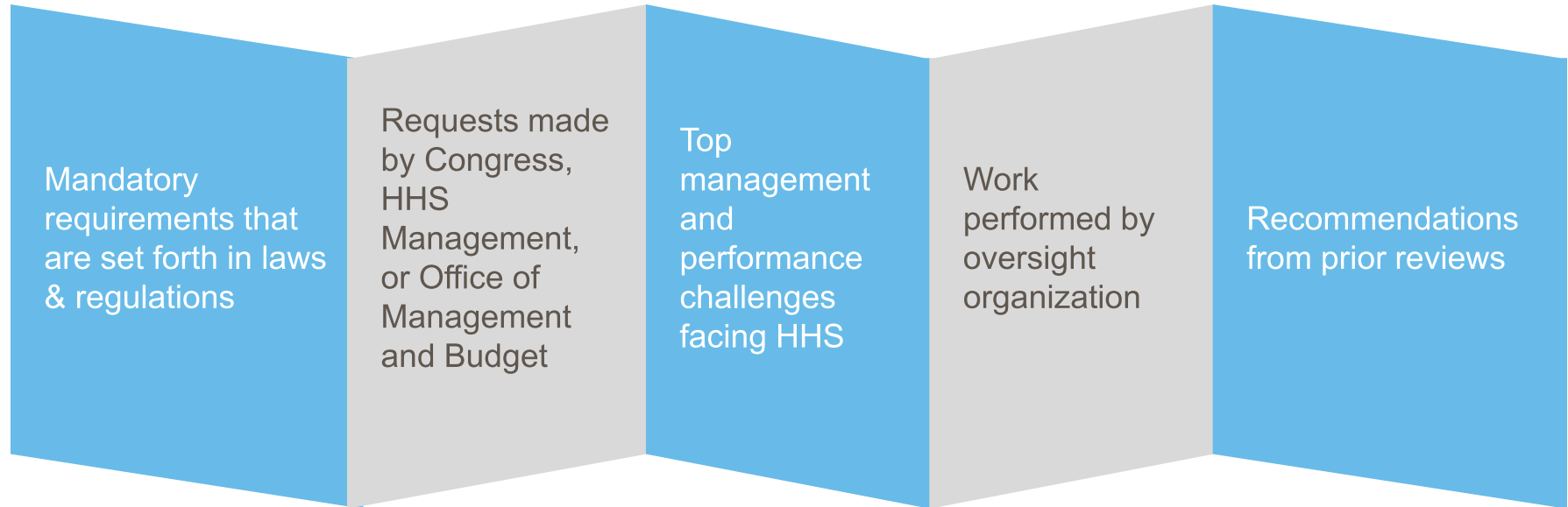
Office of Inspector General (OIG) websites can provide valuable information regarding current focus areas. OIG websites may include annual work plans, semi-annual reports to Congress, results of specific audits, and descriptions of challenges and risks for the specific agency. This information can be used to help advise and guide an institution's understanding of likely focus areas for external agency audits.

- > OIG work plans include focus areas that are both cost related and quality related
- > Work plans are usually broad enough to allow auditors flexibility in their execution of the audits
- > Audit reports are typically published before audit resolution and final results or management decisions



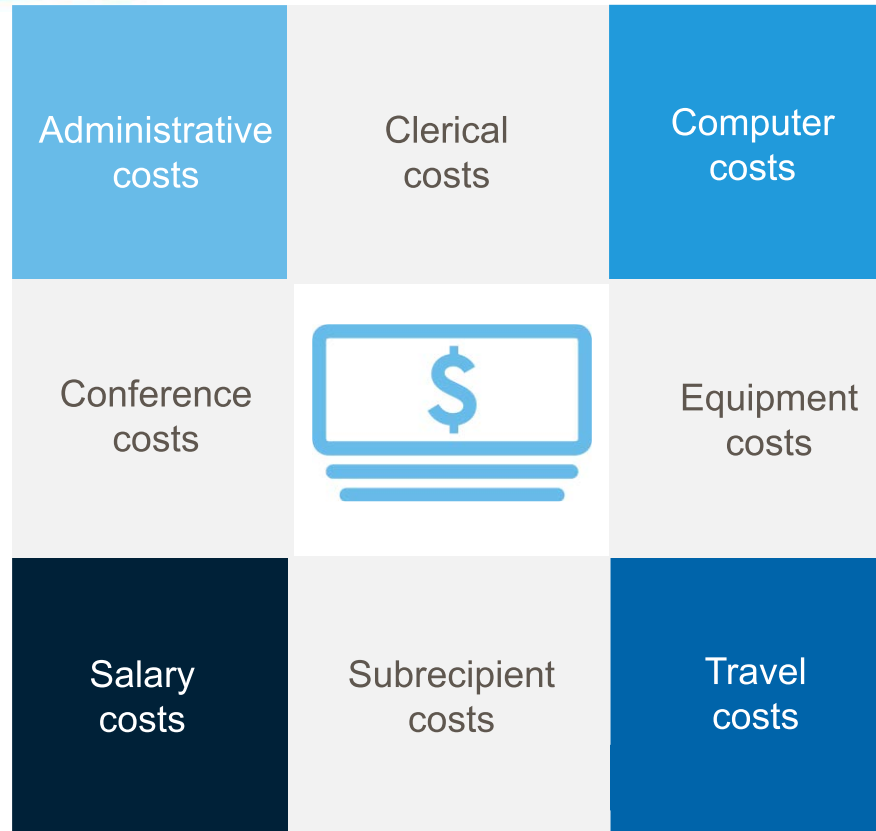
[https://www.nsf.gov/oig/pdf/Audit\\_Plan\\_FY18.pdf](https://www.nsf.gov/oig/pdf/Audit_Plan_FY18.pdf)





<https://oig.hhs.gov/reports-and-publications/workplan/index.asp>

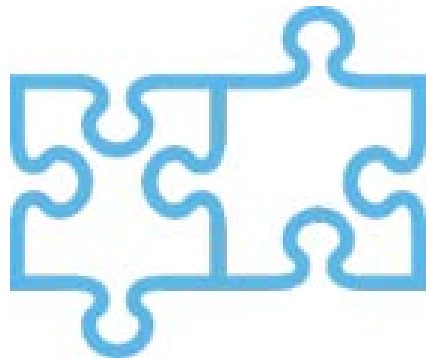
# Common Focus Areas



<b>Scope</b>	The NSF OIG engaged a consultant to conduct a performance audit of incurred costs to determine if costs claimed by the university during the period of October 1, 2011 through September 14, 2014, were allocable, allowable, reasonable, and in conformity with NSF and Federal financial assistance requirements
<b>Case specifics</b>	This period provided an audit universe of approximately \$72 million. The NSF OIG selected 250 transactions totaling more than \$2.2 million for review and questioned \$329K in costs related to research equipment, travel, documentation, improper Award Cash Management service reimbursement requests, unreasonable expenses, and pre-award costs outside of the period of performance.
<b>Results</b>	The resolution of this audit is still pending.

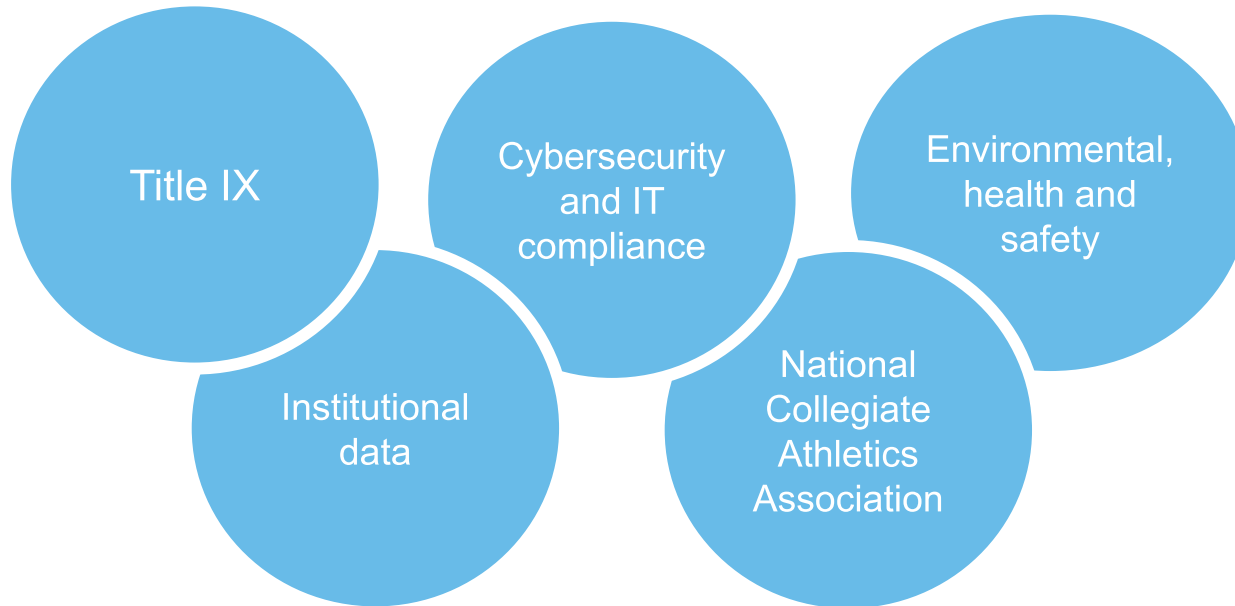
### **Lessons Learned**

- > Position Internal Audit to identify and assess sponsored research related risks
- > Assess the institution's preparedness for an external agency review before it happens
- > Leverage the experience of other institutions
- > Be deliberate with Internal Audit's involvement



# Other External Agency Reviews

External agencies are not limited to auditing financial or research related topics. Other common focus areas include:



- > As of September 28, 2018 there were over 1,500 cases currently under investigation by the Office of Civil Rights (OCR) at elementary-secondary and post-secondary schools related to sex discrimination under Title IX
- > This list includes institutions in which a complaint was filed with OCR and the agency determined the complaint should be opened for investigation
- > During an investigation, OCR will collect and analyze relevant evidence from the complainant, the recipient, and other sources



## Recordkeeping

“inadequate recordkeeping made it difficult to determine the extent”



## Timely resolution

“based on a lack of documentation...concerns regarding whether the University provided timely resolution of complaints”



## Compliance structure

“lack of clarity among those designated to coordinate compliance under Title IX”



## Clarity of processes

“confusion regarding the processes available to students for sexual misconduct claims”



- > Colleges and universities are required to send information to external agencies for reporting purposes
- > Examples: the College Board, Department of Education, Board Ratings Agencies, State and Local Agencies, College Guides and Rankings (e.g., US News and World Report)
- > Data includes demographic information of students, information regarding class sizes, and financial aid data



## Human error

Manual entry of data led to errors in reporting



## Clarity of criteria

Administrators did not understand the requested data criteria



## Desegregation of data

Challenges with gathering data from different sources



## Data definitions

Individuals across campus had different understanding of the definition of data

## Additional resources



- > ACUA: [acua.org/Membership/Join ACUA.asp](https://acua.org/Membership/Join_ACUA.asp)
- > Baker Tilly: [bakertilly.com/higher-education](https://bakertilly.com/higher-education)



**Thank you!**

