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AUDIT REPORT

OFFICE OF AUDITS

NASA COULD IMPROVE CONTROLS AND LOWER THE
COSTS OF THE INTERGOVERNMENTAL PERSONNEL
ACT MOBILITY PROGRAM

OFFICE OF INSPECTOR GENERAL



National Aeronautics and
Space Administration

Final report released by:

signed

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Acronyms

DG	Desk Guide
FTR	Federal Travel Regulation
HQ	Headquarters
HR	Human Resource
IPA	Intergovernmental Personnel Act
NFTRS	NASA Federal Travel Regulation Supplement
NPR	NASA Procedural Requirements
OA	Office of Audits
OIG	Office of Inspector General
OPM	Office of Personnel Management

OVERVIEW

NASA COULD IMPROVE CONTROLS AND LOWER THE COSTS OF THE INTERGOVERNMENTAL PERSONNEL ACT MOBILITY PROGRAM

The Issue

Under the authority of the Intergovernmental Personnel Act (IPA), Federal agencies such as NASA can temporarily assign personnel to or from eligible non-Federal organizations for the mutual benefit of each organization. The IPA Mobility Program provides a source of technical and management expertise to all types of NASA missions and functions. The overall objective of the audit was to assess the adequacy of internal controls over NASA's IPA Mobility Program.

Between June 2005 and May 2006, NASA had 145 active IPA agreements with an estimated cost of \$35.7 million. NASA IPA costs include salary, fringe benefits, travel, extended per diem (subsistence) or limited relocation costs, consultant fee loss, and other miscellaneous costs. The agreements are authorized at each Center (Headquarters is considered a Center for IPA agreement purposes). Of the 145 agreements, 24 are for NASA employees assigned to non-Federal organizations. We reviewed the management of the other 121 agreements, for employees assigned to NASA from non-Federal organizations, with an estimated cost of \$32.3 million (about \$20.5 million annually). We performed audit work at five NASA Centers, including NASA Headquarters. The five Centers authorized about 88 percent of the 121 active IPA assignments from non-Federal organizations. Details of the audit scope and methodology are in Appendix A.

Results

NASA's internal controls for evaluating and approving costs associated with the IPA Mobility Program were inadequate to ensure that expenditures of about \$20.5 million annually were properly recorded and accounted for. In addition, NASA did not adopt practices used by other Federal agencies to lower IPA Mobility Program costs. We estimate that NASA might be able to avoid costs of about \$4 million to \$12.6 million over 3 years by adopting practices that require cost-sharing, disallow indirect costs, and place a time limit on extended per diem.

Inadequate Controls over IPA Expenditures. NASA's evaluation of IPA agreement costs was inadequate because NASA's IPA policy (NASA Procedural Requirements 3300.1A, "Appointment of Personnel To/From NASA," April 8, 2005, and its implementing guidance, NASA Desk Guide) did not require approving officials to obtain supporting documentation for invoiced costs. The Desk Guide (DG-11) provides

guidance and procedures on initiating, processing, and approving IPA agreements, but it does not provide guidance to ensure that IPA expenditures were supported, reasonable, and allowable.

NASA personnel did not obtain any supporting documentation for invoiced salary and benefit costs or review these costs for consistency with the agreements. Therefore, we selected a sample of 21 invoices and requested supporting documentation for the invoiced costs from the IPA assignees' home institutions. We found that home institutions did not routinely maintain support for invoiced costs. For example, at Marshall Space Flight Center, one university billed NASA for an IPA assignee's salary plus an estimate for the assignee's pay for vacation and sick leave. However, we found that this university's policy was to include these benefits in the salary amount. NASA's payment of about \$30,000 for the estimated vacation and sick leave pay was a duplication of what was already included in the salary.

On two invoices for separate IPA assignees, a non-profit institution billed NASA \$10,500 for benefit costs that were applied to extended per diem costs. However, the two assignees' respective IPA agreements stipulate that benefit costs only be applied to salary. In addition, the home institution submitted a single amount on each invoice, combining all costs (both fixed and variable), giving NASA no way of evaluating the consistency of actual costs as compared to the IPA agreement.

NASA also lacked procedures to validate the occurrence and allowability of variable IPA costs (travel, extended per diem, and other expenses such as supplies). For variable costs, IPA home institutions submitted invoices to NASA without supporting documentation, travel vouchers, or receipts for lodging, transportation, and supplies. We found that Ames Research Center complied with NASA travel policies. However, the other Centers that we visited—Headquarters, Goddard Space Flight Center, Johnson Space Center, and Marshall Space Flight Center—did not comply with NASA travel policies; personnel at these Centers had not verified that invoiced costs had actually been incurred or that the costs were in compliance with NASA travel policies. Specifically, these four Centers did not require the use of Travel Manager to authorize and process IPA assignee travel.

During our audit, we found that NASA had paid monthly invoices that included travel costs as a fixed cost. By paying a fixed monthly amount, NASA had no assurance that travel had occurred and, if so, had complied with the Federal Travel Regulation (FTR). We also obtained supporting documentation from home institutions for invoiced travel costs that showed payment for first-class fares and per diem in excess of the rates prescribed by the General Services Administration. We found no explanation for these costs, which should be justified per the FTR. Of the 21 invoices in our sample, 13 invoices had extended per diem costs. None of the 13 invoices with extended per diem costs were processed using Travel Manager. Of the 13 invoices, 10 did not include any receipts, as required by NASA travel policies. With no receipts, the costs cannot be validated or quantified.

NASA Might Be Able to Lower Its IPA Mobility Program Costs. We also found that NASA might be able to lower its costs of the IPA Mobility Program by adopting practices that other Federal agencies established in their implementation of Office of Personnel Management (OPM) guidelines. We selected six Federal agencies, each with a scientific research program, and reviewed their IPA guidance. We found that the six agencies had cost control practices that followed OPM guidelines, and we identified three specific practices that we believe might lower IPA costs if NASA adopted them: require cost-sharing, disallow indirect costs, and place time limits on extended per diem.

OPM guidelines and the Act specify that agreements should be made for the mutual benefit of participating organizations. OPM guidelines also state that cost-sharing arrangements should be based on the extent to which the participating organizations benefit from the assignment. The larger share of the costs should be absorbed by the organization that benefits most from the assignment. NASA DG-11 states that NASA and the non-Federal entity must determine the percentage of costs each organization will pay. For the NASA IPA agreements that we reviewed, there was no cost-sharing and NASA paid the IPA home institutions 100 percent of their costs.

During our review, we found that two agencies, the Department of Energy and the National Science Foundation, negotiate cost-sharing with participating IPA home institutions. Both agencies require justification for cost-sharing of less than 15 percent. We estimate that 1 percent cost-sharing could result in NASA avoiding costs of about \$200,000 a year; with 15 percent cost-sharing, that amount could be as much as \$3 million annually.

OPM guidelines state that agencies should not reimburse indirect administrative costs associated with IPA agreements. All six agencies do not allow indirect costs to be included in their IPA agreements. However, DG-11 allows indirect costs to be reimbursed if requested by the IPA assignees' home institutions. We estimate that NASA could avoid costs of about \$410,000 a year by eliminating its practice of reimbursing IPA home institutions for indirect administrative costs.

OPM guidelines state that extended per diem is meant for short assignments and that agencies should not authorize it for an IPA assignment expected to last more than 1 year or for an indefinite period. Our review found that three agencies limited extended per diem to a maximum of 2 years in implementing OPM guidelines. NASA DG-11, section VI.C, states that extended per diem should not normally be authorized for assignments that go beyond a year. This is vague compared to the OPM guidelines and does not set a clear time limit, as have other Federal agencies. Lacking such a control, NASA can pay this cost for the duration of an assignment, which can last 6 years. For example, one IPA assignee at NASA Headquarters has an IPA agreement that authorizes extended per diem for more than 5 years. We estimate NASA's cost for this assignee's per diem to be about \$214,000, or about \$40,000 per year.

Of the 121 IPA agreements for assignees from non-Federal organizations, 56 were authorized by NASA Headquarters. Of those 56, we identified 18 that included extended per diem for more than 1 year. As a result, we estimate that NASA could avoid costs of

\$720,000 annually and \$2,160,000 over 3 years if it followed OPM guidelines and other agencies' practices.

Management Action

We recommended that the Assistant Administrator for Human Capital Management revise IPA Mobility Program guidance to establish procedures for reviewing and supporting IPA invoices and to require compliance with NASA travel policy. We recommended that Marshall's Chief Financial Officer initiate actions to recoup the \$30,000 duplicate payment. The Assistant Administrator should consider whether establishing policies and procedures for cost-sharing, eliminating indirect costs, and placing a time limit on extended per diem would be beneficial.

In response to a draft of this report, the Assistant Administrator for Human Capital Management and Marshall generally concurred (see Appendix D for the full text of management's comments). The Assistant Administrator nonconcurred with eliminating indirect costs and partially concurred with establishing procedures for cost-sharing and limiting extended per diem. However, we consider management's comments to be responsive to our recommendations. The changes to IPA guidance proposed by management could result in potential monetary benefits of more than \$6.9 million over the next 3 years (\$2.3 million annually).

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INTRODUCTION

Background

The Intergovernmental Personnel Act (IPA) of 1970 (title 5, United States Code, sections 3371 through 3375) authorizes the temporary assignment of personnel between the Federal Government and non-Federal organizations for the mutual benefit of the participating organizations. The Act allows for assignments between Federal agencies and other governmental, academic, tribal, and eligible non-profit organizations. Civilian employees of Federal agencies can serve with non-Federal organizations for a limited period without loss of employee rights and benefits. In addition, employees of eligible entities may serve in Federal agencies.

In April 1971, Executive Order 11589 delegated to the Office of Personnel Management (OPM) certain authorities of the President under the IPA of 1970. The Code of Federal Regulations (C.F.R.), title 5, chapter I, part 334, outlines the regulations governing the temporary assignment of personnel under the purview of OPM. In 1997, 5 C.F.R. 334 was revised to allow Federal agencies to operate IPA programs more efficiently without OPM's oversight of individual agreements.

OPM, NASA Policies and Regulations. After the IPA C.F.R. was revised in 1997, OPM published IPA guidelines (untitled) to assist agencies in their day-to-day management of personnel assigned under IPA agreements. The Act and 5 C.F.R. 334 are incorporated in NASA Procedural Requirements (NPR) 3300.1A, "Appointment of Personnel To/From NASA," April 8, 2005. NASA also incorporated the OPM guidelines in DG-11, "NASA Desk Guide on the Intergovernmental Personnel Act (IPA)," dated October 1999, amended August 2004.

According to NPR 3300.1A, the Center's Financial Management Officer and the Headquarters (HQ) Office of Institutional Planning and Investment, Business Management Division are responsible for ensuring that adequate financial safeguards are included in the terms of all agreements and that the terms are adhered to by all parties.

NASA DG-11 states that the intent of the IPA is that assignees should not lose income by accepting the assignment. Each IPA agreement provides for the reimbursement of costs, such as salary. NASA reimburses the non-Federal entity (IPA home institution) and the IPA assignee continues to be paid directly by the IPA home institution. The assignee and officials from the appropriate NASA Center and IPA home institution must sign an agreement for every assignment.

NASA IPA Mobility Program Administration. The majority of NASA IPA agreements are with academic institutions and non-profit organizations. NASA uses the IPA Mobility Program to attract employees with technical and management expertise for all of its Mission Directorates and mission support offices, but mostly in areas under the

Science Mission Directorate. NASA IPA agreements are renewable every 2 years and can be extended up to a maximum of 6 years.

Between June 2005 and May 2006, NASA had 145 active IPA agreements with an estimated cost of \$35.7 million. We reviewed the management of the 121 agreements for employees assigned to NASA from non-Federal organizations, with an estimated cost of about \$267,000 per agreement (\$32.3 million total; about \$20.5 million annually). NASA IPA costs include salary, fringe benefits, travel, extended per diem (subsistence) or limited relocation costs, consultant fee loss, and other miscellaneous costs. The agreements are authorized at each Center (HQ is considered a Center for IPA agreement purposes) and the amounts vary. Administration of these agreements is accomplished by NASA personnel, including approving officials (contracting officer's technical representatives) and NASA accounting and disbursement personnel. Although assigned to NASA, IPA assignees continue to receive their pay and benefits from their home institutions, which bill NASA. See Appendix B for a flowchart of the basic agreement process and Appendix C for details, by Center, on agreements and their costs.

Internal Controls. The following criteria were used to assess NASA's controls over the IPA Mobility Program:

- Office of Management and Budget Circular No. A-123, revised June 21, 1995, "Management Accountability and Control," which states:

Management controls are the organization, policies, and procedures used to reasonably ensure that (i) programs achieve their intended results; (ii) resources are used consistent with agency mission; (iii) programs and resources are protected from waste, fraud, and mismanagement; (iv) laws and regulations are followed; and (v) reliable and timely information is obtained, maintained, reported and used for decision making.

- Government Accountability Office "Standards for Internal Control in the Federal Government," November 1999, which states:

Control activities are the policies, procedures, techniques, and mechanisms that enforce management's directives, such as the process of adhering to requirements for budget development and execution. They help ensure that actions are taken to address risks. Control activities are an integral part of an entity's planning, implementing, reviewing, and accountability for stewardship of government resources and achieving effective results.

Objectives

The overall audit objective was to assess the adequacy of internal controls over NASA's IPA Mobility Program. Specifically, we determined whether

- NASA had the safeguards necessary to comply with the laws, regulations, policies, and procedures related to the IPA Mobility Program, and
- NASA managed the IPA Mobility Program effectively and efficiently.

Our review focused on NASA's management of the 121 assignments from non-Federal organizations. Specifically, we reviewed IPA agreements at NASA HQ and four Centers: Ames Research Center, Goddard Space Flight Center, Johnson Space Center, and Marshall Space Flight Center. These five Centers authorized about 88 percent of the 121 active IPA assignments from non-Federal organizations; HQ alone authorized 56 of the 121 agreements, or 46 percent. See Appendix A for details of the audit's scope and methodology, our review of internal controls, and a list of prior coverage.

FINDING A: INADEQUATE CONTROLS TO SAFEGUARD NASA IPA EXPENDITURES AND ENSURE COMPLIANCE

NASA's internal controls for evaluating and approving costs associated with the IPA Mobility Program were inadequate to ensure that expenditures of about \$20.5 million annually were properly recorded and accounted for. NASA's evaluation of IPA agreement costs was inadequate because NASA lacked Agency-wide guidance requiring verification of invoiced costs to ensure that expenditures made against an IPA agreement are supported, reasonable, and allowable. Specifically, NASA did not require program personnel to obtain supporting documentation for invoiced costs and did not require IPA invoice reviews. In addition, NASA IPA practices did not comply with NASA Federal Travel Regulation Supplement (NFTRS) for managing travel and analyzing extended per diem costs. As a result, NASA was not properly protecting and accounting for Government resources in relation to IPA expenditures because of its inadequate internal controls. In addition, noncompliance with NASA travel policies results in a higher risk of fraud, waste, and abuse.

NASA Regulations and Guidance Applicable to the IPA Mobility Program

NASA IPA guidance contained in DG-11, section III.F, provides information related to allowable salaries, benefits, travel, extended per diem, relocation, and indirect (general and administrative) costs. The majority of NASA IPA costs are in these cost categories (listed in Appendix C). However, DG-11 does not advise on the allowability of other costs, such as those for supplies and incidentals. OPM, in its guidelines that assist agencies in their day-to-day management of the mobility program, state that supplies and other miscellaneous costs should be prohibited.

NASA IPA Travel Guidance. NASA DG-11, section VI.D, states that an IPA assignee to NASA who must travel away from the location of the assignment to perform official business may be reimbursed travel expenses, as would be the case for a Federal employee. In addition, DG-11 states that reimbursements should be limited to those that Federal employees can claim under the Federal Travel Regulation (FTR). The FTR states that individuals must provide any additional information an agency requires.

NASA Travel Policies and Controls. NFTRS addresses NASA-specific policies and procedures. NFTRS, as stated in NASA's Financial Management Requirements, Volume 12, Appendix A (effective April 2005), requires NASA travelers, authorizing and approving officials, and financial management personnel to be familiar with the provisions of the FTR. NFTRS sections 301-50.2 and 301-51.1 require using the services of the travel management center to make travel arrangements and require the use of the

Government travel charge card for most expenses. NFTRS section 301-52.2 states that “travel claims must be recorded on a travel voucher within the Agency-wide electronic travel system,” which is the Travel Manager system.

NASA Lacked Internal Controls to Validate IPA Expenditures

NASA DG-11 provides guidance and procedures on initiating, processing, and approving IPA agreements. However, NASA internal controls for evaluating and approving costs associated with the IPA Mobility Program were inadequate to ensure that expenditures were properly recorded and accounted for. NASA policies did not require personnel to obtain supporting documentation for invoiced costs. During our review, we observed that NASA Centers received invoices periodically (monthly, quarterly) from IPA home institutions for costs incurred under the agreements. Upon receipt, the NASA Center’s finance or technical organization compared each invoice’s costs with the agreement’s budget limit. The IPA assignee’s technical organization representative (usually a NASA employee) then conducted a cursory review for obvious errors.

After reviewing the five Centers’ processes for approving invoiced IPA costs, we determined that NASA controls were inadequate to ensure that costs had appropriate supporting documentation. Therefore, we selected a sample of 21 invoices and requested supporting documentation for the invoiced costs from the IPA assignees’ home institutions (universities and non-profit entities).¹ We used the documentation provided to determine whether the invoiced costs were supported, reasonable, allowable, in accordance with agreement terms, and compliant with applicable FTR and NFTRS guidelines. We found examples of invoices from IPA home institutions that had unsupported and noncompliant extended per diem and travel costs; unsupported employee benefits; and supplies and services that OPM guidelines suggest prohibiting. Those examples are discussed in the following section.

IPA Program Costs Were Unsupported

There are two general categories of IPA costs: fixed and variable. Fixed costs, such as salary and benefits, tend to remain the same over time; variable costs, such as travel, extended per diem, and other expenses, depend on certain events, such as a travel requirement, and vary over time. For fixed IPA costs, the Agency needs controls to ensure that these costs are legitimate and reasonable. Variable costs need controls over each event to ensure that the event has occurred and that the associated costs are authorized and allowable.

¹ Our sample was not a random sample; it was based on invoices that included travel costs, extended per diem, and other miscellaneous costs. The 21 invoices were for 19 different IPA assignees from 15 IPA home institutions.

We reviewed 121 IPA agreements at an annual estimated cost of \$20.5 million; annual costs for the 106 agreements authorized at the five Centers that we visited were about \$18.8 million annually. Of the \$18.8 million, \$15.6 million was for salary and benefits (see Appendix C). After IPA agreements are made, NASA needs to review invoiced fixed costs (salary and benefits) for consistency and legitimacy. The invoiced variable costs (travel, extended per diem, and other expenses) need controls over each occurrence and the associated costs.

Fixed Costs Invoiced. NASA personnel did not obtain any supporting documentation for invoiced salary and benefit costs or compare the invoiced costs to the costs in the agreements.

At Marshall Space Flight Center, one university billed NASA for an IPA assignee's salary plus an estimate for the assignee's pay for vacation and sick leave. However, we found that this university's policy was to include these benefits in the salary amount. NASA's payment of about \$30,000 for the estimated vacation and sick leave pay was a duplication of what was already included in the salary. Although the agreement had obligated funding for the estimated \$30,000 leave pay and the Center authorized payments for portions of that amount, the Act prohibits payments in excess of actual and allowable costs expended. We discussed this issue with NASA representatives, who initiated actions to follow up with the university.

On two invoices for separate IPA assignees, a non-profit institution billed NASA \$10,500 for benefit costs that were applied to extended per diem costs. However, the two assignees' respective IPA agreements stipulate that benefit costs only be applied to salary. In addition, the home institution submitted a single amount on each invoice, combining all costs (both fixed and variable), giving NASA no way of evaluating the consistency of actual costs as compared to the IPA agreement.

Variable Costs Invoiced. NASA lacked procedures to validate the occurrence and allowability of variable IPA costs (travel, extended per diem, and other expenses such as supplies). For variable costs, IPA home institutions submitted invoices to NASA without supporting documentation, travel vouchers, or receipts for lodging, transportation, and supplies.

The FTR states that individuals must provide information an agency requires, which NASA identifies in NFTRS. For instance, NFTRS requires the use of the Travel Manager system to record travel claims and extended per diem.

However, NASA IPA guidance and procedures do not comply with NFTRS policies concerning the use of the travel management center² and the Travel Manager system for arranging, reviewing, and approving travel and extended per diem costs. We found that Ames Research Center complied with NASA travel policies. However, HQ, Goddard Space Flight Center, Johnson Space Center, and Marshall Space Flight Center did not

² NFTRS sections 301-50.2 and 301-51.1 require using the services of the travel management center to make travel arrangements and require the use of the Government travel charge card for most expenses.

comply with NASA travel policies; personnel at these Centers had not verified that invoiced costs had actually been incurred or that the costs were in compliance with NASA travel policies. Specifically, these four Centers did not require the use of Travel Manager to authorize and process IPA assignee travel. In addition, the four Centers did not have any documents to support the IPA travel costs. Consequently, the four Centers relied on the IPA home institutions to validate that the IPA assignees' travel occurred and was authorized. For the 121 NASA IPA agreements that we identified, IPA assignee travel costs totaled about \$1.6 million per year (see Appendix C).

During our review, we found that NASA paid invoices that included travel costs as a fixed cost. Our sample included a university that did not provide any supporting documentation for travel costs. The monthly invoice was for exactly 1/12 of the estimated travel costs included in the agreements (estimated at \$5,000). By paying a fixed monthly amount, NASA had no assurance that travel had occurred and, if so, had complied with the FTR.

Other universities' support for invoiced travel costs in our sample showed payment for first-class fares and per diem in excess of the rates prescribed by the General Services Administration. We found no explanation for these costs, which should be justified per the FTR. In addition, we found invoices that included questionable items, such as conference fees added to travel costs. Per the FTR, conference fees are not reimbursable until after approval of the travel costs.

Similar to IPA travel guidance, IPA guidance and procedures for extended per diem do not comply with NFTRS, which requires recording extended per diem costs in Travel Manager. In addition, NASA personnel did not obtain any supporting documentation for IPA extended per diem costs. Certain costs (such as lodging and utilities) at the extended temporary duty location must be supported with receipts. Further, extended per diem amounts must be adjusted when an IPA assignee travels. For the 121 NASA IPA agreements that we identified, IPA assignee extended per diem costs totaled about \$1.1 million per year (see Appendix C).

Of the 21 invoices in our sample, 13 invoices included extended per diem costs. Travel Manager was not used to process any of the 13 invoices' costs, and 10 did not include any receipts, as required by NFTRS. For 8 of the 13 invoices, the institutions did not adjust per diem as required by NFTRS, which states that the extended per diem rate³ is to be suspended during times of authorized travel.

Furthermore, NASA IPA guidance, DG-11, section VI.C, states that the Center should perform a cost-effectiveness analysis when considering extended per diem versus limited relocation costs. We found that the Centers we visited were not performing cost analyses before allowing extended per diem costs.

³ Extended per diem, for assignments of more than 120 days, is 55 percent of the maximum per diem rate for that location.

NASA lacks guidance on the allowability of other costs, such as supplies and incidentals, which the OPM guidelines suggest prohibiting. For the 121 IPA agreements that we identified, NASA allotted about \$100,000 per year for IPA assignees' incidental costs (see Appendix C).

In our sample of 21 invoices, 3 invoices from a non-profit institution included charges for cell phones, messaging, file services, and network services, which the OPM guidelines suggest prohibiting. The guidelines state that, for reimbursement for assignments, “[a]gencies should not authorize for indirect or administrative costs associated with the assignment.” The guidelines also state that “[o]ther prohibited costs include tuition credits, office space and furnishings, supplies, and staff support and computer time.” These costs, which were included on the 3 invoices, ranged from \$600 to \$900 per invoice.

In addition, we found invoices that included other supplies and support costs, such as software, postage, and an audit fee. As a result of our questioning, one institution did agree to return \$554 that NASA should not have paid.

NASA’s IPA Funds at Risk

NASA was not properly protecting and accounting for Government resources used toward IPA expenditures because of its inadequate internal controls. NASA did not request, review, or maintain supporting evidence for the invoiced costs, and IPA home institutions' invoices included unsupported costs and questionable charges. As a result, NASA was at an increased risk of fraud, waste, and abuse. NASA management needs to establish procedures for reviewing and supporting IPA invoices to minimize the risks of fraud, waste, and abuse and the associated costs.

In addition, the IPA guidance and practices (excluding Ames Research Center's practice) did not require compliance with NASA travel policies. NASA personnel did not verify travel costs to ensure the costs were authorized and allowable per the FTR. Had NASA used the Travel Manager system to control IPA travel and extended per diem costs, NASA would have separated most of the variable costs from the IPA invoicing process, resulting in a more efficient reimbursement process. Using Travel Manager and the travel management center would provide NASA additional controls on IPA travel costs by ensuring that costs that are actually incurred are authorized and allowable. These added controls would result in monetary benefits, but we did not attempt to quantify the potential monetary benefits.

Recommendations, Management's Response, and Evaluation of Management's Response

Recommendation 1. We recommended that the Assistant Administrator for Human Capital Management revise NPR 3300.1A, chapter 6, "Intergovernmental Personnel Act (IPA) Assignments," and NASA DG-11 to

- a. clarify the criteria for reasonable and allowable IPA agreement costs for fringe benefits, salary, and other miscellaneous and incidental costs (in concordance with OPM guidelines).
- b. establish procedures with appropriate NASA officials for reviewing invoices containing IPA costs and require that NASA personnel obtain and maintain independent supporting documentation for validating invoiced costs.
- c. require compliance with NFTRS and NASA travel procedures for use of the travel management center and the Travel Manager system to obtain travel arrangements, travel authorizations, approvals, and reimbursements, to include extended per diem costs.
- d. require compliance with NFTRS and, for NPR 3300.1A, NASA DG-11, and require documentation for cost analyses used in determining whether to pay extended per diem or limited relocation costs.

Management's Response. The Assistant Administrator concurred, stating that the guidelines in the IPA Desk Guide (DG) would be updated no later than December 31, 2007. The update will clarify NASA guidelines to ensure consistency with OPM guidelines with respect to costs for fringe benefits, salary, and other miscellaneous and incidental costs.

The Assistant Administrator stated that the Office of Human Capital Management will partner with the Chief Financial Officer by September 30, 2007, on establishing procedures for reviewing invoices containing IPA costs, noting that the Chief Financial Officer has Agency responsibility for finance and procurement. Additionally, the Office of Human Capital Management will ensure that the procedures outline the required documentation for validating invoiced costs.

The Office of Human Capital Management will also require that individuals on IPA assignments to NASA comply with NFTRS and NASA travel procedures as well as ensure that the applicable NPR and DG require compliance with NFTRS, and require appropriate documentation regarding the payment of extended per diem or limited relocation costs.

Evaluation of Management's Response. Management's comments are responsive. The recommendations are resolved, but will remain open pending verification of the revisions to NPR 3300.1A, chapter 6, and NASA DG-11.

Recommendation 2. We recommended that Marshall Space Flight Center’s Chief Financial Officer review the IPA agreement and payments to the university discussed in the “Fixed Costs Invoiced” section on page 6 and initiate actions to recoup the \$30,000 duplicate payment as well as any other billed costs that were unreasonable, unsupported, inconsistent with the university’s policies, or in excess of the university’s actual expenditures.

Management’s Response. The Assistant Administrator for Human Capital Management concurred, stating that the Marshall Office of the Chief Financial Officer and Office of Human Capital are coordinating with representatives from the university to assess whether there was a \$30,000 duplicate payment as well as evaluate the IPA for the issues noted in the recommendation. Management will provide documentation concerning the review of the IPA agreement by August 31, 2007. The Assistant Administrator also described several initiatives undertaken to improve internal controls to safeguard IPA expenditures.

Evaluation of Management’s Response. Management’s comments are responsive. The recommendation is resolved, but will remain open pending our review of Marshall’s documentation.

FINDING B: NASA MIGHT BE ABLE TO LOWER ITS IPA MOBILITY PROGRAM COSTS

NASA might be able to lower the costs of its IPA Mobility Program by adopting practices that other Federal agencies established in implementing OPM guidelines. We estimate that NASA could avoid costs of about \$1.3 million to \$4.2 million annually by implementing policies and procedures that require cost-sharing, disallow indirect costs, and place a time limit on extended per diem.

Comparison of NASA and Other Agencies' IPA Programs

We selected six Federal agencies and reviewed their IPA program and policies. The purpose of our review was to identify practices that could improve the cost-effectiveness of NASA's IPA Mobility Program. We selected the following six agencies for review because each has a scientific research program:

- National Science Foundation
- National Institute of Standards and Technology, Department of Commerce
- National Institutes of Health, Department of Health and Human Services
- U.S. Department of Agriculture
- Department of Energy
- Environmental Protection Agency

We found that the six agencies had cost control practices, which follow OPM guidelines, and identified three specific areas that we believe NASA could benefit from adopting.

Agency Practices and OPM Guidelines for Controlling IPA Costs

The areas that we identified for NASA's consideration were to require cost-sharing, to disallow indirect costs, and to place time limits on extended per diem.

Cost-Sharing. OPM guidelines and the Act specify that agreements should be made for the mutual benefit of participating organizations. OPM guidelines also state that cost-sharing arrangements should be based on the extent to which the participating organizations benefit from the assignment. The larger share of the costs should be absorbed by the organization that benefits most from the assignment. NASA DG-11 states that NASA and the non-Federal entity must determine the percentage of costs each organization will pay. For the NASA IPA agreements that we reviewed, there was no cost-sharing and NASA paid the IPA home institutions 100 percent of their costs.

During our review, we found that two agencies, the Department of Energy and the National Science Foundation, negotiate with participating IPA home institutions to share a minimum of 15 percent of the IPA costs. Both agencies require justification for a lesser rate because it is expected that assignments will be made on a shared cost basis. These negotiations are reflected in the individual IPA agreements.

For the 121 agreements for personnel assigned to NASA from non-Federal organizations, the cost-sharing practice would have resulted in avoiding annual costs of between about \$200,000 (1 percent cost-sharing) and \$3 million (15 percent cost-sharing). The annual cost avoidance amounts were based on the annualized value of the 121 agreements (as shown in Appendix C, Table 2), which totaled \$20,453,260: 1 percent of that amount is \$204,532; 15 percent is \$3,067,989. Projecting those amounts over 3 years yields cost avoidance ranging from \$613,596 (1 percent cost-sharing) to \$9,203,967 (15 percent cost-sharing).

Indirect Costs. OPM guidelines state that agencies should not reimburse indirect administrative costs associated with IPA agreements. All six agencies do not allow indirect costs to be included in their IPA agreements. However, DG-11 allows for reimbursement of IPA home institutions' indirect costs, which NASA defines as applicable general and administrative costs associated with IPA assignees. DG-11 states that discussions with OPM officials indicated that OPM guidelines were not intended to prohibit reimbursement of indirect costs. Thus, DG-11 allows indirect costs to be paid if requested by the IPA assignees' home institutions. We estimate that NASA could avoid costs of about \$410,000 a year by eliminating its practice of reimbursing IPA home institutions for indirect costs.

Annualized indirect costs authorized in the 121 IPA agreements totaled \$410,272: \$365,167 at the five Centers we visited and \$45,105 at the other Centers (see Appendix C, Tables 3 and 4). Projecting that amount over 3 years yields cost avoidance of \$1,230,813.

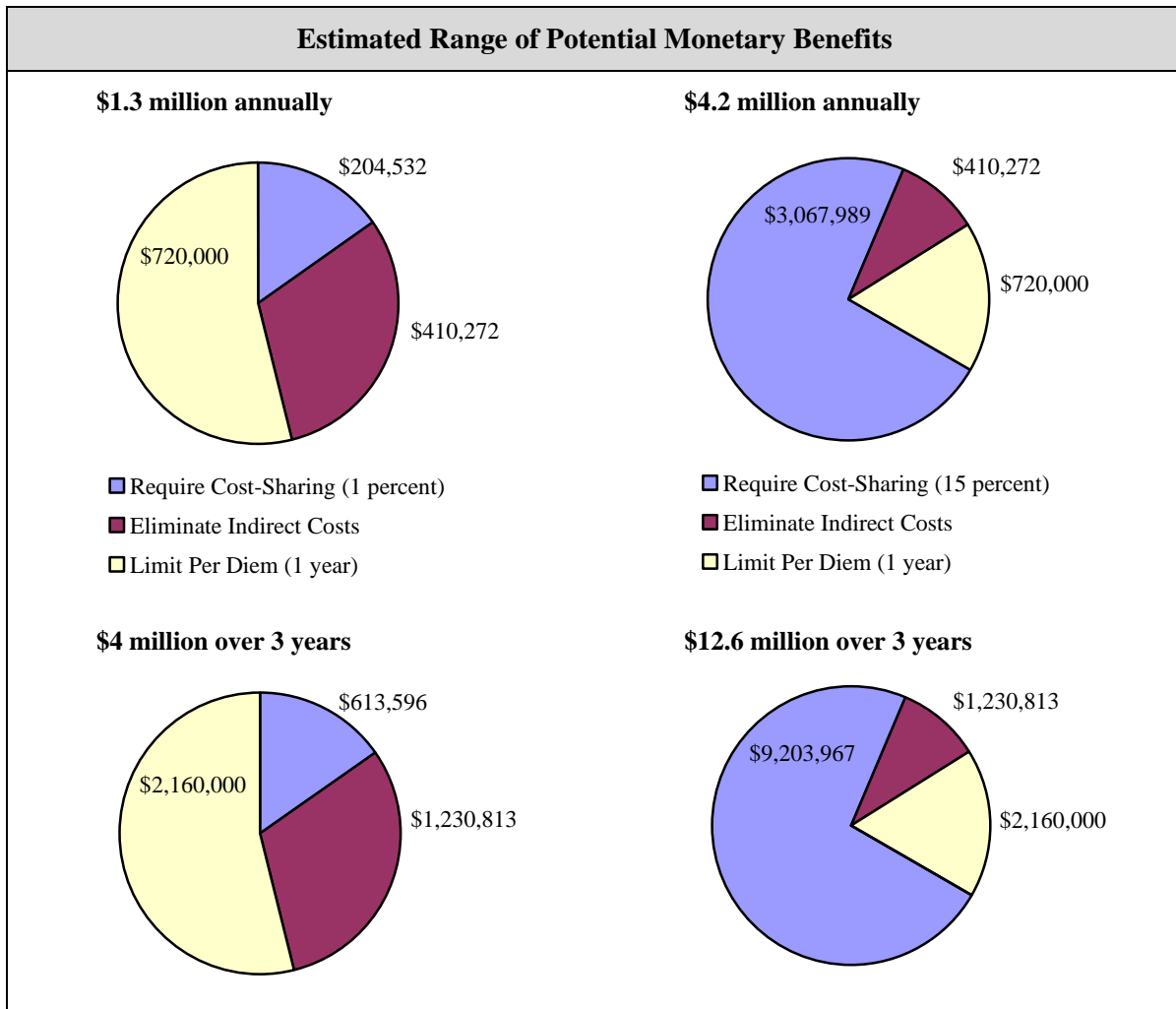
Extended Per Diem Costs. OPM guidelines state that extended per diem is meant for short assignments and that agencies should not authorize it for an IPA assignment expected to last more than 1 year or for an indefinite period. Our review found that three agencies limited extended per diem to a maximum of 2 years in implementing OPM guidelines. The Department of Energy and the National Science Foundation limited per diem to 2 years, while the National Institute of Standards and Technology limited it to no more than 1 year.

NASA DG-11, section VI.C, states that extended per diem should not normally be authorized for assignments that go beyond a year. This is vague compared to the OPM guidelines and does not set a clear time limit, as have other Federal agencies. Lacking such a control, NASA can pay this cost for the duration of an assignment, which can last 6 years. For example, one IPA assignee at NASA HQ has an IPA agreement that authorizes extended per diem for more than 5 years (from 2003 through 2008). We estimate NASA's cost for this assignee's per diem to be about \$214,000, or about \$40,000 per year.

Of the 121 IPA agreements for assignees from non-Federal organizations, 56 were authorized by NASA HQ. Of those 56, we identified 18 that included extended per diem for more than 1 year. Although per diem rates vary with time and location, we based our estimated average of \$40,000 per year for the 18 assignees on the per diem rate authorized in the HQ agreements. As a result, we estimate cost avoidance at \$720,000 annually and \$2,160,000 over 3 years.

Summary of Estimated Potential Monetary Benefits from Implementing Practices that Follow OPM Guidelines

We estimate that NASA could avoid costs of about \$4 million to \$12.6 million over 3 years if the Agency implements practices that follow OPM guidelines, as other Federal agencies discussed in this report have done. That estimate is the projection of annual costs avoided (about \$1.3 million to \$4.2 million) that we determined based on the 121 IPA agreements that we identified (see the following figure).



Recommendations, Management's Response, and Evaluation of Management's Response

Recommendation 3.a. We recommended that the Assistant Administrator for Human Capital Management consider revising NPR 3300.1A, chapter 6, to establish policies and procedures requiring IPA agreements to include cost-sharing. The procedures should stipulate that IPA home institutions cover up to 15 percent of the total proposed costs and require that NASA provide detailed explanations to justify no cost-sharing and obtain NASA senior management approval.

Management's Response. The Assistant Administrator partially concurred, stating that NASA should make a good faith effort to encourage cost-sharing negotiations with the participating organizations. Effective with the update to the IPA Desk Guide (no later than December 31, 2007), the Office of Human Capital Management will require that all

new IPA agreements negotiate cost-sharing arrangements to cover at least 10 percent of the total proposed costs.

Evaluation of Management's Response. Management's planned action is responsive and may result in cost avoidance of \$6.1 million over the next 3 years (\$2 million annually). The recommendation is resolved, but will remain open pending verification of the revisions to NPR 3300.1A, chapter 6.

Recommendation 3.b. We recommended that the Assistant Administrator for Human Capital Management consider revising NPR 3300.1A, chapter 6, to disallow reimbursement of indirect costs in IPA agreements. Remove sections 6.6.1 and 6.6.2 and update DG-11 to reflect the change in policy.

Management's Response. The Assistant Administrator nonconcurred, stating that her office has contacted OPM to discuss the issue of reimbursement of indirect or administrative costs and to request clarification and further guidance on this issue.

Evaluation of Management's Response. Management's planned action is responsive. Our recommendation was for management to consider disallowing indirect costs since these costs are generally not paid for by other Federal agencies. DG-11 states that discussions with OPM officials indicated that OPM guidelines were not intended to prohibit reimbursement of indirect costs. We would encourage management to discuss with OPM officials the practice of disallowing indirect costs; however, we consider the recommendation resolved and closed.

Recommendation 3.c. We recommended that the Assistant Administrator for Human Capital Management consider revising NPR 3300.1A, chapter 6, to limit extended per diem to 1 year per agreement, including extensions. Revise DG-11 to include the 1-year limit. This should be implemented in conjunction with Recommendation 1.d (requiring documented evidence of cost comparisons between extended per diem and limited relocation) and include cost limits for extended per diem authorizations.

Management's Response. The Assistant Administrator partially concurred, stating that the Office of Human Capital Management will revise its IPA DG to limit extended per diem to 2 years per agreement, to include modifications and extensions, as well as cost limits for extended per diem authorizations.

Evaluation of Management's Response. Management's planned actions are responsive and may result in cost avoidance of \$840,000 over the next 3 years, or \$280,000 annually (based on our estimated average of \$40,000 per year for the seven assignees on the per diem rate authorized in the HQ agreements). The recommendation is resolved, but will remain open pending verification of the revisions to NPR 3300.1A, chapter 6, and NASA DG-11.

Scope and Methodology

We performed work at NASA HQ and four NASA Centers: Ames Research Center, Goddard Space Flight Center, Johnson Space Center, and Marshall Space Flight Center. During our audit work, we reviewed NASA internal controls over the IPA Mobility Program. We interviewed NASA personnel to identify NASA policies and procedures related to the IPA Mobility Program. We reviewed applicable OPM guidelines and 5 C.F.R. 334. We also interviewed personnel from non-Federal participating organizations to obtain an understanding of their invoice processes and to obtain supporting documentation for invoices submitted to NASA that we selected for additional review.

We selected NASA HQ, Ames, Goddard, Johnson, and Marshall for this audit because these Centers authorized 88 percent of the 121 active IPA agreements for assignments from non-Federal organizations. In addition, we selected 21 HQ and Marshall invoices for a review of supporting documentation using the following criteria:

- high agreement budget,
- travel card usage,
- high travel costs,
- high per diem costs,
- high salary costs, or
- former NASA employee.

We reviewed the 21 IPA agreements' invoices to determine whether the records of the participating IPA home institutions adequately supported their costs. Our findings are not projectable, as the sample was not selected randomly.

We also compared NASA's policies and procedures with those of other Federal agencies to determine whether NASA could apply cost-saving practices used by these agencies to reduce program costs. For our comparison, we selected the following six agencies because each has a scientific research program:

- National Institute of Standards and Technology
- National Science Foundation
- National Institutes of Health
- U.S. Department of Agriculture
- Department of Energy
- Environmental Protection Agency

We performed this audit from April 2006 through April 2007 in accordance with generally accepted government auditing standards. We limited our scope to address NASA's management of the 121 IPA agreements for employees assigned to NASA from non-Federal organizations; we did not evaluate the 24 agreements for NASA employees assigned to a non-Federal organization. We did not use computer-processed data to perform this audit.

Review of Internal Controls

We reviewed NASA policies and procedures and internal controls related to the IPA Mobility Program. We identified the weaknesses discussed in Finding A of this report. Our recommendations, if implemented, will improve controls over the IPA Mobility Program.

Prior Coverage

During the last 5 years, the Government Accountability Office (GAO), the NASA OIG, and the National Science Foundation (NSF) have issued three reports of particular relevance to the subject of this report. Unrestricted reports can be accessed over the Internet at <http://www.gao.gov> (GAO), <http://www.hq.nasa.gov/office/oig/hq/audits/reports/FY07/index.html> (NASA), and <http://www.nsf.gov/oig/auditpubs.jsp> (NSF).

Government Accountability Office

“National Science Foundation: External Assignments Under the Intergovernmental Personnel Act’s Mobility Program” (GAO-01-1016, September 24, 2001)

National Aeronautics and Space Administration

“Intergovernmental Personnel Act Agreements” (A-03-005-00, July 31, 2003)

National Science Foundation

“Audit of Costs Associated with Visiting Personnel” (OIG 04-2-006, July 23, 2004)

IPA PROCESS FLOWCHART

The IPA Mobility Program is decentralized, with each Center separately managing its own IPA program.

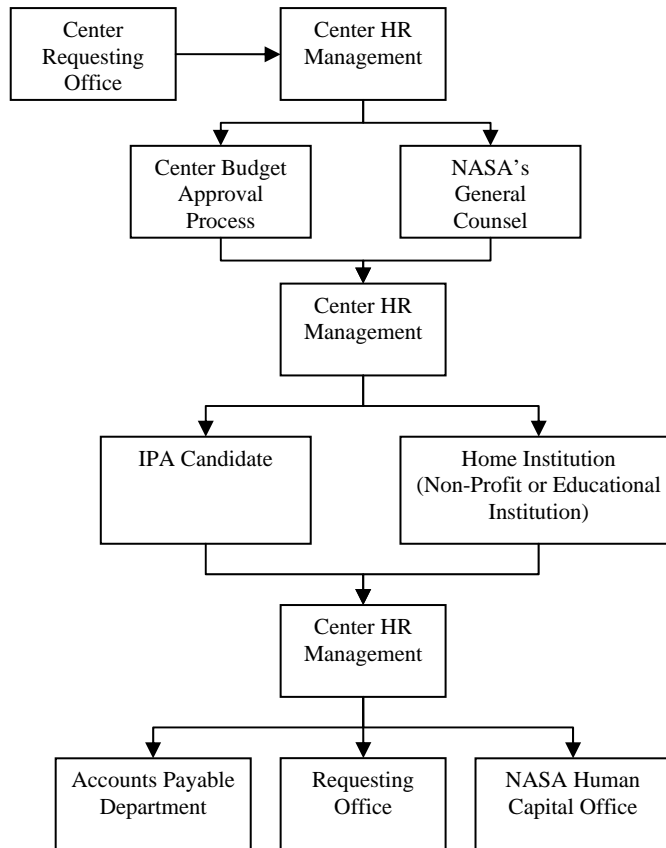
The basic process followed at each Center, including Headquarters, is that the requesting office or directorate seeking a particular IPA candidate completes, along with the assignee and the home institution, NASA Official Form (OF) 69, "Assignment Agreement." The completed agreement is submitted to the Center's Human Resource (HR) Office for review and coordination. The HR Office sends the draft agreement to NASA's Office of the General Counsel for review. In addition, a budget review is performed by the appropriate (Center) budget office. The purpose of these reviews is to verify that the proposed agreement follows OPM guidelines and NASA IPA guidance as well as any applicable Center policy.

After the various reviews and approvals, the agreement is returned to the HR Office which routes the agreement for signature by the appropriate NASA approving officials, the IPA assignee, and the IPA home institution.

Once the agreement is signed and approved, the HR Office distributes copies of the agreement to all parties in the agreement and notifies the NASA Human Capital Office. A copy is also provided to the Center's Accounts Payable Department for funding allocation to process invoice payments.

The following flowchart outlines the basic process.

IPA Process Flowchart



NASA IPA AGREEMENTS

During FYs 2005 and 2006 (specifically, June 1, 2005, through May 31, 2006), NASA had 145 active IPA agreements, with an estimated cost (budget limit) of \$35.7 million. The following tables provide details on the agreements.

Table 1. NASA IPA Agreements		
<u>Type of Agreement</u>	<u>Number of Agreements</u>	<u>Total Budget Limit</u>
For a non-Federal employee to be assigned to NASA	121	\$32,271,059
For a NASA employee to be assigned to a non-Federal organization	24	3,392,619
Total	145	\$35,663,678

Table 2. IPA Agreements for Assignees from Non-Federal Organizations			
<u>Center</u>	<u>Number of Agreements</u>	<u>Annualized Value (Estimated Annual Costs)</u>	<u>Total Budget Limit</u>
Ames Research Center	19	\$ 4,062,079	\$ 8,616,679
Glenn Research Center	3	442,193	617,392
Goddard	6	972,162	968,477
HQ	56	10,486,898	15,566,053
Johnson	6	850,119	930,136
Kennedy Space Center	5	419,559	605,105
Langley Research Center	3	272,498	405,719
Marshall	19	2,437,243	3,607,714
Stennis Space Center	4	510,509	953,784
Total	121	\$20,453,260	\$32,271,059

**Table 3. Itemization of Annualized Values
of IPA Agreements for Assignees from Non-Federal Organizations
at the Five Centers Selected for Review**

<u>Cost Element</u>	<u>Ames</u>	<u>Goddard</u>	<u>HQ</u>	<u>Johnson</u>	<u>Marshall</u>	<u>Total</u>
Salary	\$2,685,581	\$615,775	\$6,197,111	\$635,800	\$1,712,233	\$11,846,500
Fringe benefits	1,019,828	210,111	1,952,220	161,126	438,098	3,781,383
Per diem/subsistence	20,000	72,000	970,643	17,095	30,781	1,110,519
Travel	116,951	74,276	1,157,620	36,098	162,311	1,547,256
Indirect	147,522	–	182,190	–	35,455	365,167
Lost consulting fees	18,461	–	–	–	–	18,461
Other (supplies)	48,018	–	–	–	55,865	103,883
Other (relocation)	5,718	–	27,114	–	2,500	35,332
Total	\$4,062,079	\$972,162	\$10,486,898	\$850,119	\$2,437,243	\$18,808,501

**Table 4. Itemization of Annualized Values
of IPA Agreements for Assignees from Non-Federal Organizations
at the Four Centers Not Selected for Review**

<u>Cost Element</u>	<u>Glenn</u>	<u>Kennedy</u>	<u>Langley</u>	<u>Stennis</u>	<u>Total</u>
Salary	\$374,015	\$346,611	\$199,018	\$398,019	\$1,317,663
Fringe benefits	32,846	54,902	27,488	66,994	182,230
Per diem/subsistence	–	–	–	–	0
Travel	22,637	9,023	35,021	29,441	96,122
Indirect	10,057	9,023	9,970	16,055	45,105
Lost consulting fees	–	–	–	–	0
Other (supplies)	2,638	–	1,001	–	3,639
Other (relocation)	–	–	–	–	0
Total	\$442,193	\$419,559	\$272,498	\$510,509	\$1,644,759

MANAGEMENT COMMENTS

National Aeronautics and
Space Administration
Headquarters
Washington, DC 20546-0001



June 20, 2007

Reply to Attn of: Office of Human Capital Management

To: Assistant Inspector General for Auditing
From: Assistant Administrator, Office of Human Capital Management
Subject: Response to Draft Audit Report entitled "NASA Could Improve Controls and Lower the Costs of the Intergovernmental Personnel Act Mobility Program" (Assignment No. A-06-018-00)

In response to the draft audit report the Office of Human Capital Management, (OHCM) the Chief Financial Officer (CFO), and Marshall Space Flight Center, have reviewed the report and accompanying recommendations, below are our comments.

Recommendation 1a: We recommend that the Assistant Administrator for Human Capital Management revise NPR 3300.1A, chapter 6, "Intergovernmental Personnel Act (IPA) Assignments," and NASA DG-11 to

clarify the criteria for reasonable and allowable IPA agreement costs for fringe benefits, salary, and other miscellaneous and incidental costs (in concordance with OPM guidelines).

Management's Response: Concur. The guidelines in the IPA DG with respect to costs for fringe benefits, salary, and other miscellaneous and incidental costs will be clarified to ensure consistency with OPM guidelines. The IPA DG will be updated not later than December 31, 2007.

Recommendation 1b: . . . establish procedures with appropriate NASA officials for reviewing invoices containing IPA costs and require that NASA personnel obtain and maintain independent supporting documentation for validating invoiced costs.

Management's Response: Concur. The Office of Human Capital Management will partner with the CFO by September 30, 2007 on establishing procedures for reviewing invoices containing IPA costs as the CFO has Agency responsibility for finance and procurement. Additionally, OHCM will ensure that said procedures outline the required documentation for validating invoiced costs.

Recommendation 1c: . . . require compliance with NFTRS and NASA travel procedures for use of the travel management center and the Travel Manager system to obtain travel

arrangements, travel authorizations, approvals, and reimbursements, to include extended per diem costs.

Management's Response: Concur. The Office of Human Capital Management will require that individuals on IPA assignments to NASA comply with NFTRS and NASA travel procedures.

Recommendation 1 d: . . .require compliance with NFTRS and, for NPR 3300.1A, NASA DG-11, and require documentation for cost analyses used in determining whether to pay extended per diem or limited relocation costs.

Management's Response: Concur. The Office of Human Capital Management will ensure that the applicable NPR and DG require compliance with NFTRS, and require appropriate documentation regarding the payment of extended per diem or limited relocation costs.

Recommendation 2: We recommend that Marshall Space Flight Center's Chief Financial Officer review the IPA agreement and payments to the university discussed in the "Fixed Costs Invoiced" section on page 6 and initiate actions to recoup the \$30,000 duplicate payment as well as any other billed costs that were unreasonable, unsupported, inconsistent with the university's policies, or in excess of the university's actual expenditures.

Management's Response: Concur. The MSFC Office of the Chief Financial Officer and the Office of Human Capital are coordinating with the [REDACTED] representatives to assess whether there was a \$30,000 duplicate payment as well as evaluating the IPA for the issues noted in the above recommendation. We will provide documentation concerning our review of the IPA agreement by August 31, 2007. Additionally, we have improved internal controls to safeguard IPA expenditures through the following efforts:

- The Academic Affairs Office reviews invoices upon receipt and requests supporting documentation if it was not included with the invoice.
- The Academic Affairs Office reviews invoices to ensure alignment with Terms of Agreement. This is especially necessary when reimbursing for travel, which varies per agreement.
- The Academic Affairs Office reviews invoices containing travel for validity with respect to allowable expenses and per diem rates.
- The Academic Affairs Office obtains and reviews invoices and supporting documentation prior to routing to the designated budget analyst of the organization supporting the IPA. The organization's budget analyst performs an additional review and concurrence back to the Academic Affairs Office. The Academic Affairs Office then submits all documentation to the Accounting Operations Office for payment.
- IPA files and documentation are housed in locked cabinets to safeguard information.

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Recommendation 3 a: We recommend that the Assistant Administrator for Human Capital Management consider revising NPR 3300.1A, chapter 6, to

establish policies and procedures requiring IPA agreements to include cost-sharing. The procedures should stipulate that IPA home institutions cover at least 15 percent of the total proposed costs and require that NASA provide detailed explanations to justify any lower percentage and obtain NASA senior management approval.

Management's Response: Partial Concurrence. The provisions of the IPA Program stipulate that cost-sharing arrangements for mobility assignments are negotiated between the participating organizations and that Federal agencies may agree to pay all, some, or none of the costs associated with an assignment. Mandating participating organizations to include cost-sharing restricts the flexibility afforded by (OPM) and could potentially exclude organizations from participating in the program. Additionally, as stated in the IPA DG, there may be situations where the non-Federal entity does not have the resources to fund the assignment, but it is important for both NASA and the organization.

Conversely, the provisions also state that cost-sharing arrangements should be based on the extent to which the participating organizations benefit from the assignment. The larger share of the costs should be absorbed by the organization which benefits most from the assignment. Exceptions might occur when an organization's resources do not permit costs to be shared on a relative benefit basis. The OIG draft audit report found that of the 121 IPA agreements reviewed, no cost-sharing arrangements existed and NASA paid 100 percent of the costs. In review of the potential annual costs savings, NASA should make a good faith effort to encourage cost-sharing negotiations with the participating organizations. The OHCM will require that all new IPA agreements negotiate cost-sharing arrangements to cover at least 10 percent of the total proposed costs. If, and when, exceptions occur, centers will be required to provide detailed explanations to justify any lower percentage and to obtain approval by OHCM. This requirement will go into effect with the update to the IPA Desk Guide.

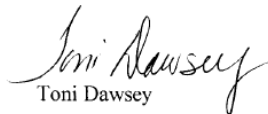
Recommendation 3b: . . . disallow reimbursement of indirect costs in IPA agreements. Remove sections 6.6.1 and 6.6.2 and update DG-11 to reflect the change in policy.

Management's Response: Non-Concur. At this time we will non-concur until we have an opportunity to discuss the issue of reimbursement for indirect or administrative costs with OPM. Our office has contacted OPM to request clarification and further guidance on this issue as a follow up to previous discussions with OPM on this topic. We anticipate a response from OPM within the next several days and until such time, we cannot appropriately respond to this recommendation.

Recommendation 3c: . . . limit extended per diem to 1 year per agreement, including extensions. Revise DG-11 to include the 1-year limit. This should be implemented in conjunction with Recommendation 1.d (requiring documented evidence of cost comparisons between extended per diem and limited relocation) and include cost limits for extended per diem authorizations.

Management's Response: Partial Concurrence. OHCM will revise its IPA DG to limit extended per diem to 2 years per agreement, to include modifications and/or extensions, as well as cost limits for extended per diem authorizations. The 2 year limit is consistent with the finding that three agencies limited extended per diem to a maximum of 2 years in implementing OPM guidelines, and that initial IPA assignments are for 2 years. This requirement will go into effect with the update to the IPA DG.

We appreciate your efforts to help NASA improve its program management activities. If you have any questions relating to this document, please contact Mr. Steve Golis on (202) 358-1211.



Toni Dawsey

cc: Audit Liaison Representative, OCFO
Audit Liaison Representative, MSFC

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JULY 18, 2007

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