LA-96-003

AUDIT REPORT

NASA GRANTS PROGRAM

June 10, 1996

National Aeronautics and Space Administration

OFFICE OF INSPECTOR GENERAL

National Aeronautics and
Space Administration

Headquarters
Washington, DC 20546-0001

Reply to Attn of: W

JUN 10 1996

TO: H/Associate Administrator for Procurement

FROM: W/Assistant Inspector General for Auditing

SUBJECT: Final Report
NASA Grants Program
Assignment No. A-LA-93-009
Report No. LA-96-003

The NASA Office of Inspector General (OIG) has completed an audit of the NASA Grants Program. Overall, the grants program was well managed. There were several areas, however, which could be improved. During the audit, Agency officials directed Center-level efforts to remedy inappropriate personal services relationships and initiated efforts to improve user effectiveness of the Center for Aerospace Information (CASI). Some research grants, however, should have, more appropriately, been awarded as training grants. Improvements were also needed in performing pre-award analysis and post-award assessment. For more details, please refer to the Executive Summary and audit report which follow.

We discussed a draft of this audit report with representatives from the Offices of Headquarters Operations, Human Resources and Education, Procurement, Management Systems and Facilities, and Mission to Planet Earth on February 15, 1996, and written responses were received from the Office of Procurement on April 24, 1996. These comments are summarized after each recommendation and are included in their entirety in Appendix 2.

Management concurred with all recommendations and has identified appropriate plans for corrective actions. We do not require concurrence on closing any of the report recommendations. However, please provide us with written notification of closure so we can update our records.

If you have any questions or need additional information, please call Robert Wesolowski, Director, Audit Division A, or me at 358-1232.

Debra A. Guentzel

Enclosure

cc:
AS/Dr. F. Cordova
R/Dr. R. Whitehead
S/Dr. W. Huntress, Jr.
U/Dr. H. Holloway
Y/Dr. C. Kennel
JMC/Ms. D. Green

TABLE OF CONTENTS

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NASA GRANTS PROGRAM

EXECUTIVE SUMMARY

INTRODUCTION

Grants are agreements that fund research at educational institutions or other nonprofit organizations. Research is systematic, intensive study directed toward greater knowledge or understanding of the examined subject. The term includes conferences held for the purpose of communicating research results. For fiscal year 1994, NASA obligated approximately $455 million in grants.

OBJECTIVES

The overall audit objective was to evaluate management of the Agency grants program. Specifically, we determined whether:

- personal services relationships existed at the Langley and Lewis Research Centers;
- the Center for Aerospace Information (CASI) facilitated user access to its research database and electronic data transfer;
- the types of grants awarded were appropriate; and
- technical monitors adequately performed pre-award analysis and post-award assessment.

RESULTS OF AUDIT

Management of NASA's grants program was generally effective. During the audit, Agency officials directed Center-level efforts to remedy inappropriate personal services relationships and initiated efforts to improve user effectiveness of CASI. Two areas, however, require management attention.

Types of Grants. Some research grants should have, more appropriately, been awarded as training grants. NASA Centers did not properly award training grants because Headquarters had not issued adequate implementing guidance. Although the Associate Administrator for Procurement took action during the audit to clarify the distinction between research and training grants, implementation of the published guidance requires continued management oversight. Use of the appropriate types of grants helps ensure funds are put to the best use. (Page 11)

Technical Monitor Responsibilities. Technical monitors inadequately performed two critical functions in the grant control system: pre-award analysis and post-award assessment. The Federal Managers' Financial Integrity Act (FMFIA) requires management to establish effective internal control systems. Technical monitors inadequately performed the functions because NASA Office of Procurement officials had not clearly defined nor communicated control objectives. When pre-award analysis is inadequate, the Agency does not ensure grant funds are efficiently used. When post-award assessment is inadequate, the Agency lacks assurance beneficial research has been performed and loses the opportunity to disseminate research in a timely manner. (Page 13)

RECOMMENDATIONS

The Associate Administrator for Procurement should:

1. review the use of research and training grants during the periodic procurement surveys, and

2. clarify and communicate technical monitor control objectives and responsibilities. The objectives and responsibilities should outline expectations for technical monitors, emphasize monitors' roles in the grant control system, and enumerate specific tasks that monitors perform.

The actions taken or planned by the Associate Administrator for Procurement are responsive to recommendations 1 and 2.

INTRODUCTION

Grants are agreements that fund research at educational institutions or other nonprofit organizations. Research is systematic, intensive study directed toward greater knowledge or understanding of the examined subject. The term includes conferences held for the purpose of communicating research results. For fiscal year 1994, NASA obligated approximately $455 million in grants. See Exhibit 1 for amounts expended on grants for fiscal years 1990 through 1994, by location.

Grants display four characteristics. First, the research objective is to accomplish a public purpose or stimulate a scientific area. Second, NASA is not substantially involved in technical performance. Third, investigators exercise latitude during performance. Fourth, the instruments minimize administrative effort and paperwork.

The grant award process includes the following actions:

- The NASA technical monitor analyzes proposed costs in relation to the research.
- The NASA Grants Specialist ensures proposed costs are allowable.
- The NASA Grants Officer negotiates the grant award with the university administration official.
- The university investigator leads the research and submits the grant summary report.
- The NASA technical monitor assesses the investigator's performance.

The NASA Grants Handbook, NHB 5800.1C, provides Agency grant policy and procedures. Guidance issued by the Office of Management and Budget address cost allowability, university financial systems, and audits. Guidance from the Department of Health and Human Services describes overhead rate calculation procedures.

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OBJECTIVES, SCOPE, AND METHODOLOGY

AUDIT OBJECTIVES

The overall audit objective was to evaluate management of the Agency grants program. Specifically, we determined whether:

- personal services relationships existed at the Langley and Lewis Research Centers;
- the Center for Aerospace Information (CASI) facilitated user access to its research database and electronic data transfer;
- the types of grants awarded were appropriate; and
- technical monitors adequately performed pre-award analysis and post-award assessment.

SCOPE AND METHODOLOGY

We performed audit field work at NASA Headquarters and four NASA Centers (Lewis Research Center, Langley Research Center, Goddard Space Flight Center, and Marshall Space Flight Center). We reviewed grants from six NASA Centers. In addition, this audit incorporated findings from prior Office of Inspector General (OIG) audits at 10 universities. The university audits are:

University	Audit Assignment Number
Hampton University	A-LA-91-005
Old Dominion University	A-LA-91-006
North Carolina State University	A-LA-92-006
George Washington University	A-LA-92-007
University of Virginia	A-LA-92-009
Virginia Polytechnic & State University	A-LA-92-010
University of Alabama at Huntsville	A-MA-91-007
Alabama Agricultural & Technical	A-MA-91-007
Case Western University	A-LE-93-001
University of Toledo	A-LE-93-010

The above audits used sampled grants as a basis for audit work and conclusions. Auditors selected the samples from a listing of active grants as of January 31, 1991. Samples included both judgmentally and randomly selected grants. (Exhibit 2 lists all sampled grants.)

To determine if personal services relationships existed at Langley and Lewis Research Centers, we:

- obtained listings of on-site grantees at each Center and
- conducted floorchecks of on-site grantees to identify personal services relationships.

To determine if CASI facilitated user access to its research database and electronic data transfer, we:

- obtained the number of grant reports requested by users;
- discussed user accessibility with technical monitors, investigators, and CASI officials;
- reviewed data fields that are common to both the CASI and NASA grant databases; and
- discussed data transfer with officials maintaining the CASI and NASA grant databases.

To determine if appropriate types of grants were awarded, we:

- reviewed strategic planning policy documents;
- interviewed the Agency Chief Scientist, Associate Administrators, Agency program managers, policy officials, Center Chief Scientists, and technical monitors; and
- analyzed sampled grants against training grant criteria.

To assess whether technical monitors adequately performed pre-award analysis and post-award assessment, we:

- interviewed university investigators, administrative officials, and academic department heads;
- reviewed financial, timekeeping, purchasing, and grant file documents; and
- reviewed the timeliness of grantee reports.

MANAGEMENT CONTROLS REVIEWED

We reviewed significant management controls to determine whether:

- officials maintained complete, reliable listings of on-site grantees;
- appropriate types of grants are awarded; and
- technical monitors performed their two control functions: pre-award analysis and post-award assessment.

During the audit, management strengthened controls over on-site grantees. However, management control weaknesses related to the types of grants awarded, and technical monitor responsibilities were identified. These weaknesses are described in the Observations and Recommendations section of the report.

AUDIT FIELD WORK

Auditors conducted field work for this report from November 1993 through October 1995. The audit was performed in accordance with generally accepted government auditing standards.

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OBSERVATIONS AND RECOMMENDATIONS

OVERALL EVALUATION

Management of NASA's grants program was generally effective; however, there were several areas which could be improved. During the audit, Agency officials directed Center-level efforts to remedy inappropriate personal services relationships and initiated efforts to improve user effectiveness of the Center for Aerospace Information (CASI). Some research grants, however, should have, more appropriately, been awarded as training grants. Improvements are also needed in performing pre-award analysis and post-award assessment.

PERSONAL SERVICES

Prior to the OIG audit, the Office of Procurement functional review (procurement survey) teams identified personal services relationships at several NASA Centers. Agency senior management directed Center management to (1) remedy inappropriate personal services relationships, and (2) institute preventive procedures.

Following discussions with Office of Procurement personnel, we expanded the audit's scope. We tested for personal services relationships at Langley and Lewis Research Centers. Langley OIG auditors, working with a Center team, reviewed 57 on-site grantees and found only 2 on-site grantees performing personal services. Lewis OIG auditors reviewed 25 on-site grantees and found only 2 on-site grantees performing personal services. Management at the two Centers implemented controls to remedy and prevent inappropriate personal services relationships.

CENTER FOR AEROSPACE INFORMATION

CASI maintains NASA's database of approximately 3 million records on aeronautics and space science. The database, Research Connection, contains grantee performance reports.

During the audit, management improved CASI operations in two ways. First, the Office of Management Systems and Facilities enhanced user access to report products. Officials placed unlimited, unclassified grant research reports on the World Wide Web of the Internet. Second, the Office of Management Systems and Facilities and the Office of Procurement coordinated to implement electronic data transfer. When coordination is completed, officials will electronically transfer grant information from an existing NASA database to CASI. This electronic data transfer will reduce data entry by CASI personnel.

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TYPES OF GRANTS

Some research grants should have, more appropriately, been awarded as training grants. NASA Centers did not properly award research grants because Headquarters had not issued guidance to adequately distinguish research grants from training grants. Use of the appropriate types of grants helps ensure funds are put to the best use.

Research grants and training grants have different objectives. Research grants support innovative research or related work. Training grants support student graduate study.

We analyzed a sample of research grants awarded by six Centers to six universities. We determined that 10.9 percent ($3,032,213 of $27,889,860) of the sampled research grants should have, more appropriately, been awarded as training grants. We used the following criteria to make our determination:

- The principal investigator or grant documentation indicated the sole purpose of grant was to educate a student.
- The principal investigator submitted only a student thesis as evidence of research performed.
- Accounting records showed no principal investigator time had been charged to the grant.

Exhibit 3 summarizes our sample analysis.

A Lack of Guidance Caused the Condition

Research grants were not properly awarded because Headquarters Office of Procurement had not issued guidance to adequately distinguish research grants from training grants. Audit discussions revealed, generally, Center personnel did not fully understand the differences between research grants and training grants.

In May 1995, the Associate Administrator for Procurement took action to clarify the distinction between research and training grants. In a letter dated May 2, 1995, NASA Centers were granted procurement authority to award and administer training grants. In addition, copies of the policies and procedures for administering training grants were distributed.

Use of the Proper Grant Type Helps Ensure the Best Use of Funds

Use of the appropriate type of grant helps ensure the best use of funds in two ways:

- Use of training grants for awards to support student graduate research study helps ensure that ***research*** funds are better spent, more directly, on innovative research.

- Training grants tend to be less costly than research grants because they limit certain costs. The university does not receive a separate, applied overhead rate. Instead, NASA allows the university to include overhead costs within a category entitled "Program Supervision." NASA limits the program supervision category to a maximum $3,000 per year per training grant. Training grants further reduce costs because the instruments prohibit funding for equipment, and limits the student stipend to $16,000 per year and student allowance to $3,000 per year.

RECOMMENDATION 1

The Associate Administrator for Procurement should review the use of research and training grants during the periodic procurement surveys.

Management's Response

Concur. Grants have been reviewed by the procurement survey teams in past years, and they will continue to be reviewed. The team is aware of the results of this audit and will pay particular heed of the problem.

Evaluation of Management's Response

This action is responsive to the recommendation.

TECHNICAL MONITOR RESPONSIBILITIES

Technical monitors inadequately performed two critical functions in the grant control system: pre-award analysis and post-award assessment. The Federal Managers' Financial Integrity Act (FMFIA) requires management to establish effective management control systems. Technical monitors inadequately performed the functions because NASA Office of Procurement officials had not clearly defined nor communicated control objectives. When pre-award analysis is inadequate, the Agency does not ensure grant funds are efficiently used. When post-award assessment is inadequate, the Agency lacks assurance beneficial research has been performed and loses the opportunity to disseminate research in a timely manner.

Pre-award analysis and post-award assessment are two critical functions in the grant control system:

- ***Pre-award analysis*** primarily involves evaluating the technical proposal and reviewing proposed costs. This function ensures proposed costs are necessary and reasonable for the scope of work.

- ***Post-award assessment*** primarily involves receiving summary reports, coordinating fund suspension when the grantee fails to comply with grant terms, and verifying grant completion. This function ensures NASA receives a summary report, the grant product, for the funding provided.

The following two examples illustrate deficient pre-award analysis and post-award assessment, respectively.

- At six universities, audits found grant proposals included supplies and services and general purpose equipment as directly charged expenses. These expenses are provided for in an overhead allowance.

- At two universities, investigators submitted nearly 60 percent of summary reports late. At one university, 16 of 27 (59 percent) reports were submitted more than 90 days after the completion date. (These grants had closed from 1988 to 1991.) At the other university, 7 of 12 (58 percent) reports for grants were submitted from 46 days late to more than 5 years late. (These grants had closed from 1989 to 1992.)

The FMFIA requires management to establish effective management control systems. Such systems include:

- documented objectives so personnel know what management plans to accomplish;
- personnel who understand their role in the system; and
- procedures that provide accountability over the resources expended.

Technical monitors inadequately performed the critical functions because the Agency had not defined nor communicated control objectives. Specifically, no formal Agency document defines the two critical control functions that monitors perform. The current "Grants Handbook" does not delineate technical monitor tasks or responsibilities. The Agency has not developed a delegation letter for technical monitors that defines management's control objectives. During audit field work discussions, technical monitors indicated that management had not defined or communicated procedures. For example, monitors stated they had never received any type of training.

Inadequate pre-award analysis affects the use of grant funds. At the six universities, audit reports identified over $640,000 in funds that could have been put to better use through improved pre-award analysis. These funds put to better use represent cost projections, over various periods, for years 1992 through 1996. (See Exhibit 4)

Inadequate post-award assessment results in two significant effects. First, NASA lacks assurance that beneficial research has been performed. Second, NASA loses the opportunity to disseminate grant research, in a timely manner, when grantees submit late summary reports. At a minimum, each summary report documents the period of work, the research performed for the period, and the results.

RECOMMENDATION 2 The Associate Administrator for Procurement should clarify and communicate technical monitor control objectives and responsibilities. The objectives and responsibilities should outline expectations for technical monitors, emphasize monitors' roles in the grant control system, and enumerate specific tasks that monitors perform.

Management's Response

Concur. Administrative oversight of grants has traditionally been held to a minimum throughout the Federal Government in order that the limited funds available can be used for research rather than administrative costs. NASA relies principally on the Office of Naval Research (ONR) to administer our grants and cooperative agreements, not the technical officer. Although delegations are not always made at the Langley Research Center, we are encouraging them to do so with all their grants in the future. We will follow up on their procedures and see that this change is made by the end of calendar year 1996. In order to ensure that technical monitors are more fully aware of their pre- and post-award responsibilities, Code H will develop a pre-award tasking letter and a post-award delegation letter to fully inform technical monitors of their responsibilities.

Evaluation of Management's Response

Management's actions are responsive to the recommendation.

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Obligated Grant Funding By Location and Fiscal Year

Total Awards
(in thousands)

Center	*FY 90*	*FY 91*	*FY 92*	*FY 93*	*FY 94*
Ames Research Center (ARC)	$ 22,755	$ 22,229	$ 23,231	$ 25,546	$ 19,012
Dryden Flight Research Center (DRFC)		(17)*			626
Goddard Space Flight Center (GSFC)	41,893	55,531	62,663	66,511	70,653
Headquarters (HQS)	156,260	218,909	299,828	345,095	278,672
Johnson Space Center (JSC)	16,427	16,920	18,127	11,031	8,345
Kennedy Space Center (KSC)	1,997	2,348	3,276	3,055	2,780
Langley Research Center (LaRC)	28,457	31,863	32,754	29,177	29,736
Lewis Research Center (LeRC)	23,821	21,885	22,843	29,988	29,523
Marshall Space Flight Center (MSFC)	13,398	14,193	12,572	12,728	14,011
NASA Resident Office (NRO)**					441
Stennis Space Center (SSC)	1,055	608	313	512	732
TOTAL	$ 306,063	$ 306,063	$ 475,607	$ 523,643	$ 454,531

*Amount represents a deobligation of expired grants.

**The NRO is now known as the NASA Management Office of the Jet Propulsion Laboratory. These grants are awarded by NASA Headquarters.

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Exhibit 2

Sampled Grants

Grantee Institution	*Awarding Center*	*Grant*	*Total Award as of 1/31/91*
Hampton University	Langley	NAG1-441	$410,996
Hampton University	Langley	NAG1-970	164,191
Hampton University	Langley	NAG1-948	94,678
Hampton University	Langley	NAG1-767	285,020
Hampton University	Langley	NAG1-768	178,754
Hampton University	Langley	NAG1-1091	1,075,000
Hampton University	Headquarters	NGT47-20800	1,845,087
Old Dominion University	Langley	NGR47-3052	838,922
Old Dominion University	Headquarters	NGT47-3029	2,931,739
Old Dominion University	Langley	NSG1321	1,461,270
Old Dominion University	Langley	NAG1-1056	42,270
Old Dominion University	Langley	NAG1-1150	78,166
Old Dominion University	Langley	NAG1-736	302,348
Old Dominion University	Headquarters	NGT-50405	39,800
Old Dominion University	Headquarters	NGT-50118	76,000
Old Dominion University	Langley	NAG1-881	130,826
Old Dominion University	Langley	NAG1-735	278,450
Old Dominion University	Headquarters	NGT-50639	22,000
Old Dominion University	Langley	NAG1-838	427,490
North Carolina State University	Langley	NAG1-696	672,812
North Carolina State University	Ames	NAG2-684	34,000
North Carolina State University	Lewis	NAG3-855	294,928
North Carolina State University	Marshall	NAG8-475	285,937
North Carolina State University	Headquarters	NAGW-1331	4,603,154
North Carolina State University	Goddard	NAG5-1042	80,789
North Carolina State University	Langley	NAG1-1100	100,000
North Carolina State University	Headquarters	NAGW-838	638,343
North Carolina State University	Headquarters	NAGW-2001	59,355
North Carolina State University	Langley	NAG1-738	82,147
North Carolina State University	Headquarters	NGT 50591	22,000
George Washington University	Lewis	NAG3-860	142,023
George Washington University	Marshall	NAG8-788	152,107

Exhibit 2

Grantee Institution	*Awarding Center*	*Grant*	*Total Award as of 1/31/91*
George Washington University	Headquarters	NAGW-720	$346,210
George Washington University	Langley	NGR9-10078	2,737,447
George Washington University	Goddard	NSG 5109	755,746
George Washington University	Langley	NAG1-158	428,548
George Washington University	Headquarters	NAGW-1164	98,400
George Washington University	Headquarters	NAGW-2071	100,000
George Washington University	Headquarters	NAGW-2219	12,000
University of Virginia	Langley	NAG1-745	1,877,634
University of Virginia	Lewis	NAG3-909	197,435
University of Virginia	Goddard	NAG5-700	518,989
University of Virginia	Marshall	NAG8-657	160,355
University of Virginia	Headquarters	NAGW-764	1,035,416
University of Virginia	Headquarters	NAGW-1692	1,653,130
University of Virginia	Headquarters	NGT 50648	22,000
University of Virginia	Langley	NAG1-1180	35,000
University of Virginia	Headquarters	NAGW-1510	55,151
University of Virginia	Headquarters	NAGW-1731	115,871
University of Virginia	Langley	NAG1-1123	99,999
University of Virginia	Headquarters	NGT 70163	40,000
University of Virginia	Langley	NAG1-1013	511,950
University of Virginia	Goddard	NAG5-1389	20,000
University of Virginia	Langley	NAG1-1112	24,987
Virginia Polytechnic Institute	Langley	NAG1-168	785,683
Virginia Polytechnic Institute	Langley	NAG1-343	6,486,165
Virginia Polytechnic Institute	Ames	NAG2-664	126,039
Virginia Polytechnic Institute	Lewis	NAG3-172	453,737
Virginia Polytechnic Institute	Goddard	NAG5-1232	276,086
Virginia Polytechnic Institute	Headquarters	NGT 50230	79,052
Virginia Polytechnic Institute	Langley	NAG1-754	49,730
Virginia Polytechnic Institute	Lewis	NAG3-933	227,098
Virginia Polytechnic Institute	Langley	NAG1-1084	17,244
Virginia Polytechnic Institute	Langley	NAG1-946	217,505
Virginia Polytechnic Institute	Langley	NAG1-603	251,440
Virginia Polytechnic Institute	Langley	NAG1-960	78,286

Exhibit 2

Grantee Institution	*Awarding Center*	*Grant*	*Total Award as of 1/31/91*
Virginia Polytechnic Institute	Langley	NAG1-749	$151,835
Virginia Polytechnic Institute	Langley	NAG1-1037	68,497
Virginia Polytechnic Institute	Langley	NAG1-1176	40,000
			$38,005,267

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Analysis of Sampled Research Grants

The audit found approximately 10.9 percent of research grants awarded by six Centers to six universities should have, more appropriately, been awarded as training grants.

We analyzed sampled research grants from six universities. The analysis compared each grant to the following criteria:

- investigator or grant documentation stated the purpose of grant was to educate a student
- accounting records showed no investigator time had been charged to the grant
- investigator submitted student thesis as evidence of research performed

The following summarizes the sample analysis.

GRANTEE	POTENTIAL TRAINING GRANT $	RESEARCH GRANT $	RATIO
Old Dominion University	$433,174	$1,259,550	34.4%
North Carolina State University	328,928	6,851,465	4.8%
Virginia Polytechnic Institute	1,426,206	9,229,345	15.5%
University of Virginia	271,021	6,305,917	4.3%
George Washington University	394,130	2,035,034	19.4%
Hampton University	178,754	2,208,549	8.1%
ALL SAMPLES	**$3,032,213**	**$27,889,860**	**10.9%**

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Impact of Deficient Pre-Award Analysis

Audit Assignment Number	Audit Report Number	University	Prior Reported Funds Put To Better Use
A-LA-91-005	A-LA-91-005	Hampton University	$237,177
A-LA-91-006	LA-93-002	Old Dominion University	108,800
A-LA-92-006	LA-93-004	North Carolina State University	55,000
A-LA-92-007	LA-93-006	George Washington University	8,200
A-LA-92-009	LA-94-002	University of Virginia	146,600
A-LA-92-010	LA-94-003	Virginia Polytechnic Institute and State University	85,000
			$640,777

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Management's Response to the Audit Recommendations

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

APR 2 4 1996

Reply to Attn of HK

TO: W/Assistant Inspector General for Auditing

FROM: H/Associate Administrator for Procurement

SUBJECT: Response to Draft Audit Repot

In response to your Draft Audit Report, Assignment No. A-LA-93-009, concerning the NASA Grants Program at the Langley Research Center, we offer the following comments and the specific actions initiated or planned:

Recommendations The Associate Administrator for Procurement should:

1. review the use of research and training grants during the periodic procurement surveys;
2. clarify and communicate technical monitor control objectives and responsibilities.

RESPONSE

1. Concurrence. Grants have been reviewed by the procurement survey teams in past years, and they will continue to be reviewed. The team is aware of the results of this audit, and will pay particular heed of the problems found. This recommendation is considered closed for reporting purposes.
2. Concurrence. Administrative oversight of grants is traditionally been held to a minimum throughout the Federal Government in order that the limited funds available can be used for research rather than administrative costs. NASA relies principally on the Office of Naval Research (ONR) to administer our grants and cooperative agreements, not the technical officer. Although delegations are not always made at the Langley Research Center, we are encouraging them to do so with all their grants in the future. We will follow up on their procedures, and see that this change is made by the end of calendar year 1996. In order to ensure that technical monitors are more fully aware of their pre- and post-award responsibilities, Code H will develop a pre-award tasking letter and a post-award delegation letter to fully inform technical monitors of their responsibilities.

Management's Response to the Audit Recommendations

The Code H action officer is Richard Kall, who can be reached on (202) 358-0459. Please contact him if he can help in any way.

Deidre A. Lee

cc: HC/J. Horvath
HK/R. Kall
LaRC/J. Murray