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The National Institutes of Health Administered Superfund Appropriations During Fiscal Year 2025 in Accordance With Federal Requirements

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HHS Office of Inspector General

REPORT HIGHLIGHTS

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The National Institutes of Health Administered Superfund Appropriations During Fiscal Year 2025 in Accordance With Federal Requirements

Why OIG Did This Audit

- The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) established the trust fund known as Superfund. CERCLA requires the Inspector General of a Federal organization with Superfund responsibilities to audit all uses of the fund in the prior fiscal year (FY).
- To meet this requirement, OIG conducts an annual audit of the Superfund program at the National Institutes of Health's (NIH's) National Institute of Environmental Health Sciences (the Institute), to determine whether NIH administered Superfund appropriations in accordance with applicable Federal requirements.

What OIG Found

During FY 2025, NIH administered Superfund appropriations in accordance with applicable Federal requirements. Specifically, NIH obligated and disbursed Superfund appropriations in accordance with Federal requirements and in similar proportions to prior years. In addition, the Institute's monitoring of Superfund grants ensured that recipients generally met requirements for financial, performance, and audit reporting.

What OIG Recommends

This report contains no recommendations.

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INTRODUCTION

WHY WE DID THIS AUDIT

The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) (42 U.S.C. § 9601 et seq.) established the Hazardous Substance Response Trust Fund (Superfund). The National Institute of Environmental Health Sciences (the Institute) of the National Institutes of Health (NIH) receives an annual Superfund appropriation to carry out functions mandated by the CERCLA.[1]

The CERCLA requires the Inspector General of a Federal organization with Superfund responsibilities to audit all uses of the fund in the prior fiscal year (FY) (42 U.S.C. § 9611(k)). The U.S. Department of Health and Human Services (HHS), Office of Inspector General (OIG), conducts an annual audit of NIH's use of its Superfund appropriations to meet this requirement (see Appendix B for a list of related OIG reports).

OBJECTIVE

Our objective was to determine whether NIH administered Superfund appropriations during FY 2025 in accordance with applicable Federal requirements. Specifically, we determined whether NIH properly obligated and disbursed Superfund appropriations and provided adequate oversight of grant awards and related transactions.

BACKGROUND

The Superfund is used to respond to emergency environmental conditions that are hazardous to health and to pay for the removal of toxic substances.

The Institute receives funding to carry out functions mandated by the CERCLA. In carrying out its Superfund responsibilities for FY 2025, the Institute obligated approximately 4 percent of these funds for administrative costs and used the remaining 96 percent to award grants and cooperative agreements (grants) to other organizations to:

- train people who are engaged in handling hazardous waste and managing facilities where hazardous waste is located and
- conduct research—using advanced techniques, methods, and technologies—to detect, assess, and evaluate the effects of hazardous substances on human health and to reduce the amount and toxicity of those substances.

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[1] In FY 2025, NIH received $79.7 million to carry out these functions through the Full-Year Continuing Appropriations and Extensions Act, 2025 (P.L. No. 119-4, enacted Mar. 15, 2025), which provided NIH with full-year 2025 funding at the same levels as its FY 2024 appropriations (Further Consolidated Appropriations Act, 2024 – P.L. No. 118-47).

The Institute, located in Research Triangle Park, North Carolina, is 1 of 27 Institutes and Centers of NIH, which is a component of HHS. NIH provides the Institute with direction and other administrative and professional services.

HOW WE CONDUCTED THIS AUDIT

Our audit covered all obligations and disbursements that the Institute incurred from October 1, 2024, through September 30, 2025 (audit period), related to FY 2020 through FY 2025 Superfund appropriations.[2] During the audit period, NIH obligated approximately $79.4 million and disbursed approximately $72.5 million in Superfund resources.[3] Of the $72.5 million in disbursements, $8 million came from the FY 2025 appropriation, and $64.5 million came from prior years. Of the $72.5 million disbursed for the Superfund program in FY 2025, $67.9 million was for grant expenditures, and the remaining $4.6 million was for expenditures to administer the program (administrative expenditures). We performed analytical tests of transactions to determine whether there were large variances between FY 2025 and FY 2024 administrative expenditures that would warrant further testing.[4]

We also analyzed cumulative obligations totaling $487 million and cumulative disbursements totaling $404 million associated with FY 2020 through FY 2025 appropriations to determine whether there were unusual balances of prior-year Superfund appropriations, including large balances of unliquidated obligations, new obligations of expired appropriations, or unusual disbursement activities.

As part of our review of NIH's monitoring of Superfund grants and to verify that all uses of Superfund appropriations received audit coverage, we reviewed whether (1) single audit or non-Federal audit requirements applied to each recipient, (2) applicable recipients complied

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[2] Annual appropriations expire at the end of the FY but remain available for 5 years for recording, adjusting, and liquidating obligations that were properly incurred during the time the appropriation was available for obligation (31 U.S.C. §§ 1553(a) and 1552(a)). Therefore, our scope included obligations and disbursements of FY 2020 through FY 2025 appropriations.

[3] "Obligated" funds are amounts for which the Federal agency has made binding commitments for orders placed for property and services, contracts and subawards, and similar transactions that will require payment immediately or in the future (GA0-05-734SP Budget Glossary, p. 70).

[4] No large variances existed; therefore, we did not perform additional testing.

with audit requirements, (3) high-risk audit findings were related to Superfund awards, and (4) NIH resolved those findings.[5, 6, 7]

We also reviewed whether (1) applicable recipients complied with grant terms and conditions; and (2) NIH adequately monitored the selected grants or took enforcement action to ensure compliance, if applicable.[8]

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix A contains the details of our scope and methodology.

RESULTS OF AUDIT

During FY 2025, NIH administered Superfund appropriations in accordance with applicable Federal requirements. Specifically, NIH obligated and disbursed Superfund appropriations in accordance with Federal laws. In addition, the Institute's monitoring of Superfund grants ensured that recipients generally met requirements for financial, performance, and audit reporting.

NIH OBLIGATIONS AND DISBURSEMENTS OF SUPERFUND APPROPRIATIONS MET FEDERAL REQUIREMENTS

NIH obligated and disbursed Superfund appropriations in accordance with Federal requirements and incurred costs for administering the Superfund program at levels that were similar to prior years. NIH received $79.7 million under the FY 2025 Superfund appropriation, of which it

[5] 45 CFR part 75 established uniform administrative requirements, cost principles, and audit requirements for Federal awards to non-Federal entities.

[6] "Single audit" refers to an audit of a State, local government, Indian Tribe, institution of higher education, or nonprofit organization that receives and subsequently expends $1 million or more in Federal awards during its FY. Single audits are performed in compliance with 45 CFR § 75.501.

[7] "Non-Federal audit" refers to an audit of a commercial organization that is organized or operated for the profit or benefit of its shareholders or other owners that receives and subsequently expends $1 million or more in Federal awards during its FY. Non-Federal audits are performed in compliance with 45 CFR § 75.501.

[8] Terms and conditions included requirements for the recipient to submit various documents, such as financial reports and progress reports, used for grant monitoring.

obligated 96 percent for grants and the remaining 4 percent for administrative expenditures.[9] Obligations and disbursements for administrative expenditures decreased from FY 2024 levels. In addition, no unusual balances of prior-year appropriations—such as large balances of unliquidated obligations or unusual disbursement activity of expired appropriations—existed.

THE INSTITUTE GENERALLY ENSURED THAT SUPERFUND RECIPIENTS MET REPORTING REQUIREMENTS

In general, the Institute ensured that Superfund recipients met key reporting requirements, which included the filing of required Research Performance Progress Reports,[10] Federal Financial Reports,[11] and Non-Federal audit reports.[12] Timely reporting, among other things, helps the Institute to ensure that its accounting and administrative internal controls are working as designed. Specifically, timely reporting allows the Institute to monitor recipients' obligations and costs for compliance with applicable laws and regulations.

As in prior years, the Institute ensured that most recipients filed required grant performance and financial reports on time or close to the due date. During our audit period, 82 grants had either a performance report due, or both a performance and financial report due. Overall, recipients filed performance reports on average 3 days late and financial reports on average 6 days late. See the table below for an overview of performance and financial report timeliness.[13]

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[9] The FY 2025 appropriation was enacted at the same level as the FY 2024 appropriation, and the proportions obligated for grant and administrative expenditures were comparable between the two FYs.

[10] A periodic, usually annual, report submitted by recipients and used by NIH to assess progress and to determine whether to provide funding for the budget period subsequent to that covered by the report (except for final reports).

[11] A periodic, usually annual, report submitted by recipients to disclose expenditure and other financial data to NIH.

[12] A non-Federal entity (e.g. state government, nonprofit organization, university, etc.) that expends $1,000,000 (or $750,000 prior to October 1, 2024) or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year.

[13] Of these 82 grants, 53 had a performance report and a financial report due, and 29 had only a performance report due.

Table: Number of Days Late That Superfund Recipients Filed Performance and Financial Reports

	On Time	1–30 Days Late	31–90 Days Late	91–120 Days Late	Over 120 Days Late	Not Submitted	Total
Performance reports	72	7	3	0	0	0	**82**
Financial reports	34	14	5	0	0	0	**53**

We reviewed 85 Superfund recipients for compliance with audit report submission requirements.[14] Of these 85 recipients, 84 submitted audit reports as required while 1 recipient did not. Among the submitted audit reports, none had any high-risk audit findings.

The one recipient that did not submit an audit report as required is also delinquent on its FY 2025 audit.[15] The Institute informed us that it is withholding all the recipients' awards while it works to ensure the required audit report is submitted.

Because the Institute acted to ensure recipients submitted annual audit reports, as applicable, we are not making any recommendations. However, we will continue to monitor audit report submissions during our FY 2026 Superfund audit.

CONCLUSION

Based on our audit results, this report contains no recommendations.

[14] The number of recipients with at least 1 grant performance and financial report due (82) differs from the number of recipients that submitted an audit report (85) because (a) not all recipients are required to submit grant performance and financial reports, (b) not all recipients are required to submit an audit report, and (c) the due dates for these reports vary.

[15] The due date for this recipient's 2025 audit report is beyond the scope of our audit; however, as it was already past due at the time of our fieldwork, we have identified it in this report.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

Our audit covered all obligations and disbursements related to FY 2020 through FY 2025 Superfund appropriations that occurred during the audit period.[16] During the audit period, NIH obligated approximately $79.4 million and disbursed approximately $72.5 million in Superfund resources. Of the $72.5 million disbursed, $8 million was from the FY 2025 appropriation and $64.5 million from prior years, with $67.9 million used for grant expenditures and $4.6 million for administrative costs. Our audit also examined NIH's grant oversight functions because approximately 96 percent of NIH's Superfund appropriations are used for grant funding.

Our audit objective required that we obtain an understanding of internal controls. We used the Government Accountability Office's *Standards for Internal Control in the Federal Government*; *September 2014*, GAO-14-704G (Green Book) as the basis of our review of internal controls. Of the five components of internal control, control environment and control activities were significant to our audit objective, as were their following underlying principles:

- Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives
- Management should design control activities to achieve objectives and respond to risks
- Management should design the entity's information system and related control activities to achieve objectives and respond to risks
- Management should implement control activities through policies

METHODOLOGY

To accomplish our audit objective, we took the following steps:

- Reviewed applicable laws and regulations governing Superfund appropriations
- Obtained an understanding of NIH's controls over funding authority, financial reporting, and grants
- Reviewed organizational charts and key processes to understand reporting structures and NIH hierarchy responsible for grant administration and oversight

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[16] Because annual appropriations may be disbursed up to 5 years beyond the appropriation year, our scope included obligations and disbursements of FY 2020 through FY 2025.

- Reconciled NIH accounting records with the Institute's list of all Superfund financial transactions recorded during the audit period to determine its accuracy and completeness

- Traced approximately $76.1 million in obligations to 77 research and training grant award documents to determine whether grant awards were properly recorded

- Analyzed transactions to test for any large variances in FY 2025 administrative account balances that would warrant further testing

- Analyzed cumulative obligations, totaling $487 million, and cumulative disbursements, totaling $404 million, associated with FY 2020 through FY 2025 appropriations to determine whether there were unusual balances of Superfund appropriations, including large balances of unliquidated obligations, new obligations of expired appropriations, or unusual disbursement activities

- Compared Notices of Award for each Superfund grant that NIH issued during FY 2025 to funding opportunity announcements to assess whether the grants were consistent with Superfund program activities

- Determined whether recipients complied with non-Federal audit requirements, including the submission of audit report information to the Federal Audit Clearinghouse or HHS Audit Resolution Division

- Determined whether NIH resolved applicable recipient audit findings related to Superfund grants

- Reviewed applicable grants to determine whether the following conditions were met:

    - Recipients complied with grant terms and conditions, including the submission of financial and progress reports to NIH

    - NIH adequately monitored the grants to ensure compliance with grant terms and conditions or took actions to ensure compliance with grant terms and conditions, if applicable

- Discussed the results of the audit with Institute officials

On June 10, 2026, we provided NIH with our draft report, and on June 23, 2026, NIH notified us that it had no comments.

During our audit, we did not assess the overall internal control structure of NIH. Rather, we limited our review to NIH's internal controls for compliance with Federal funding and recipient requirements.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX B: RELATED OFFICE OF INSPECTOR GENERAL REPORTS

Report Title	Report Number	Date Issued
The National Institutes of Health Administered Superfund Appropriations During Fiscal Year 2024 in Accordance With Federal Requirements	OAS-25-04-058	12/18/2025
The National Institutes of Health Administered Superfund Appropriations During Fiscal Year 2023 in Accordance With Federal Requirements	A-04-24-02045	8/1/2024
The National Institutes of Health Administered Superfund Appropriations During Fiscal Year 2022 in Accordance With Federal Requirements	A-04-23-03586	12/6/2023
The National Institutes of Health Administered Superfund Appropriations During Fiscal Year 2021 in Accordance With Federal Requirements	A-04-22-04088	8/10/2022
The National Institutes of Health Administered Superfund Appropriations During Fiscal Year 2020 in Accordance With Federal Requirements	A-04-21-04081	10/21/2021

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