



DEPARTMENT OF HEALTH AND HUMAN SERVICES

## OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20201



January 18, 2013

**TO:** Judit O'Connor  
Chief Financial Officer  
National Institute on Alcohol Abuse and Alcoholism  
National Institutes of Health

**FROM:** /Gloria L. Jarmon/  
Deputy Inspector General for Audit Services

**SUBJECT:** Independent Attestation Review: National Institute on Alcohol Abuse and Alcoholism Assertions Concerning Drug Control Accounting for Fiscal Year 2012 (A-03-13-00359)

This report provides the results of our attestation review of the National Institute on Alcohol Abuse and Alcoholism (NIAAA) fiscal year (FY) 2012 assertions concerning drug control accounting and accompanying table of FY 2012 Actual Obligations (Table).

Each National Drug Control Program agency must submit to the Director of the Office of National Drug Control Policy (ONDCP), not later than February 1 of each year, a detailed accounting of all funds expended by the agency for National Drug Control Program activities during the previous FY (21 U.S.C. § 1704(d)(A)). The section further requires that the accounting be “authenticated by the Inspector General for each agency prior to submission to the Director.” The report and related assertions are the responsibility of NIAAA’s management and were prepared by NIAAA as specified in section 6 of the ONDCP Circular entitled *Drug Control Accounting*, dated May 1, 2007.

As required by the Federal statute (21 U.S.C. § 1704(d)(A)), we reviewed the attached NIAAA report entitled “Assertions Concerning Drug Control Accounting,” dated November 29, 2012. We conducted our attestation review in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is to express an opinion on management’s assertions contained in its report; accordingly, we do not express such an opinion.

## **NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM**

NIAAA reported obligations totaling \$61,732,956.

In accordance with ONDCP requirements, NIAAA made the following assertions:

- NIAAA reported its actual obligations from its accounting system of record for the reported budget decision unit,
- NIAAA’s drug methodology used to calculate obligations of prior-year budgetary resources by function were reasonable and accurate in accordance with the criteria in section 6b(2) of the ONDCP Circular,
- the drug methodology that NIAAA disclosed in its report was the actual methodology used to generate the required Table,
- NIAAA had no budgetary transfers of obligations to report, and
- NIAAA reported obligations against a financial plan that complied with ONDCP requirements.

We performed review procedures on NIAAA’s assertions and the accompanying Table. In general, we limited our review procedures to inquiries and analytical procedures appropriate for the attestation review.

### **OFFICE OF INSPECTOR GENERAL CONCLUSION**

Based on our review, nothing came to our attention that caused us to believe that NIAAA’s assertions and accompanying Table were not fairly stated, in all material respects, based on the ONDCP Circular.

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Although this report is an unrestricted public document, the information it contains is intended solely for the information and use of Congress, ONDCP, and NIAAA and is not intended to be, and should not be, used by anyone other than these specified parties. If you have any questions or comments about this report, please do not hesitate to call me, or your staff may contact Kay L. Daly, Assistant Inspector General for Audit Services, at (202) 619-1157 or through email at [Kay.Daly@oig.hhs.gov](mailto:Kay.Daly@oig.hhs.gov). Please refer to report number A-03-13-00359 in all correspondence.

Attachment

# **ATTACHMENT**



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service  
National Institutes of Health

National Institute on Alcohol  
Abuse and Alcoholism  
5635 Fishers Lane  
Bethesda, MD 20892-9304

November 29, 2012

**MEMORANDUM TO:** Director Office of National Drug Control Policy

**THROUGH:** Sheila Conley  
Deputy Assistant Secretary of Finance  
Department of Health and Human Services

**FROM:** Judit O'Connor *Judit O'Connor*  
Chief Financial Officer  
National Institute on Alcohol Abuse and Alcoholism

*11/29/2012*

**SUBJECT:** Assertions Concerning Drug Control Accounting

In accordance with the requirements of the Office of National Drug Control Policy Circular "Annual Accounting of Drug Control Funds," I make the following assertions regarding the attached annual accounting of drug control funds:

**Obligations by Budget Decision Unit**

I assert that obligations reported by budget decision unit are the actual obligations from the National Institutes of Health (NIH) financial accounting system for this budget decision unit after using the National Institute on Alcohol Abuse and Alcoholism's (NIAAA) internal system to reconcile the NIH accounting system during the year.

**Methodology**

I assert that the methodology used to calculate obligations of prior year budgetary resources by function for the institute was reasonable and accurate in accordance with the criteria listed in Section 6b(2) of the Circular. Obligations of prior year underage drinking control budgetary resources are calculated as follows:

The NIAAA prevention and treatment components of its underage drinking research are included in the ONDCP drug control budget. Underage drinking research is defined as research that focuses on alcohol use, abuse and dependence in minors (children under the legal drinking age of 21). It includes all alcohol related research in minors, including behavioral research, screening and intervention studies and longitudinal studies with the exception of research on fetal alcohol spectrum disorders resulting from alcohol use by the mother during pregnancy. Beginning with

the reporting of FY 2010 actual obligations, NIAAA's methodology for developing budget numbers uses the NIH research categorization and disease coding (RCDC) fingerprint for underage drinking that allows for an automated categorization process based on electronic text mining to make this determination. Once all underage drinking projects and associated amounts are determined using this methodology, NIAAA conducts a manual review and identifies just those projects and amounts relating to prevention and treatment. This subset makes up the NIAAA ONDCP drug control budget. Prior to FY 2010, there was no validated fingerprint for underage drinking, and the NIAAA methodology was completely dependent upon a manual review by program officers.

**Application of Methodology**

I assert that the drug methodology described in this section was the actual methodology used to generate the table required by Section 6a of the Circular.

**Reprogramming or Transfers**

I assert that NIAAA did not reprogram or transfer any funds included in its drug control budget.

**Fund Control Notices**

I assert that the obligation data presented are associated against a financial plan that complied fully with all Fund Control Notices issued by the Director under 21 U.S.C. 1703(f) and with ONDCP Circular *Budget Execution*, dated May 1, 2007.

**NATIONAL INSTITUTES OF HEALTH  
NATIONAL INSTITUTE ON ALCOHOL ABUSE  
AND ALCOHOLISM  
FY 2012 ACTUAL OBLIGATIONS  
(Dollars in Thousands)**

	FY 2012 Actual
<b>Drug Resources by Function:</b>	
Research and Development: Prevention	\$53,755
Research and Development: Treatment	\$7,978
Total Drug Resources by Function	\$61,733
<b>Drug Resources by Decision Unit:</b>	
National Institute on Alcohol Abuse and Alcoholism	\$61,733