



## University of Calgary

### Summary Finding and Recommendation from the Financial Monitoring Review NSERC/SSHRC February 2010

Due to the high number of non-compliant and ineligible transactions, the amount of recurring findings and other identified weaknesses, the agencies concluded that the institution's management control framework for ensuring grant funds are used in accordance with the agencies' requirements continues to be **unsatisfactory**.

This is the second consecutive unsatisfactory conclusion rendered by the agencies on the state of the institution's control framework for the administration of research grant funds. The institution made limited progress in addressing expenditure eligibility and compliance review shortcomings in its management control framework noted in the prior monitoring report of 2006

The recommendations from the Financial Monitoring Review have been sorted into four groups:

1. Recommendations still outstanding from 2006 Financial Monitoring Review requiring **Immediate Action** – March 31, 2010 to be addressed under iS2 project.
2. Recommendations still outstanding from 2006 Financial Monitoring Review requiring **Immediate Action** – March 31, 2010 – Items to be addressed by Research Services
3. New Recommendations from February 2010 Financial Monitoring Review to be addressed under the iS2 project.
4. New Recommendations from February 2010 Financial Monitoring Review to be addressed by Research Services.

**Recommendations still outstanding from 2006 requiring Immediate Action – March 31, 2010 to be address under iS2 project.**

**These recommendations were made in previous visit's report. Therefore, the agencies expect to have a process put in place immediately and will follow-up closely on this issue.**

#### **Management Control Framework (*Recurring Finding*)**

The institution must take immediate action to address the shortcomings in its management control framework for the effective administration of research grant funds. Specifically, the institution must ensure that:

- roles and responsibilities of all positions involved in the day to day administration of grant funds are clearly and comprehensively documented, consistent from faculty to faculty and understood by the incumbents of the positions;
- regularly scheduled training be provided to individuals whose duties and responsibilities include the verification of compliance and eligibility of grant fund expenditures;
- periodic, representative sample-based monitoring be conducted by the institution to ensure the continued effectiveness of the expenditure verification process.

### **Verification for Compliance and Eligibility with Agency Requirements - All Types of Expenditures (*Recurring Finding*)**

The institution must take immediate action to ensure that all expenditures charged to research grant accounts are being reviewed for compliance and eligibility.

### **Authorization of Expenditures by the Grant Holder (*Recurring Finding*)**

The institution must develop and implement a process to ensure that the grantee's or his/her delegate's approval is obtained for all expenses charged to the research grant accounts. The delegation process must be done in writing.

### **Travel Expenditures (*Recurring Findings*)**

The institution must ensure that the proper supporting information is included with the travel claims for the purposes of assessing the eligibility and the reasonableness of the expenses, as well as the relevance to the research being funded.

### **Separate Expense Claim for Each Trip (*Recurring Findings*)**

The institution must ensure that individuals claiming travel-related expenses from grant funds prepare a separate claim for each trip.

### **Countersignature (*Recurring Findings*)**

The institution must ensure that the travel claims of grant holders and visiting researchers are countersigned by the dean or the department head (or an authorized delegate of equal or superior rank) confirming the relevance of the travel to the research being funded.

### **Internal Journal Adjustments to Research Grant Accounts (*Recurring Finding*)**

The institution must ensure that all internal journal adjustments to research grant accounts are approved by the grant holder or his/her delegate and are subject to oversight monitoring of their compliance and eligibility by the institution.

### **Agency Salary/Stipend Level Limits (*Recurring Findings*)**

The institution must put in place a monitoring process to ensure that salaries/stipends paid to graduate students and postdoctoral fellows comply with the agencies' minimum and maximum salary/stipend limits.

### **Eligibility of Individuals to Receive a Salary from Research Grant Funds (*Recurring Findings*)**

The institution must ensure it has an effective process in place to determine that a person receiving a salary from research grant funds is not eligible to apply for tri-agency grants.

### **Proceeds from Sale of Equipment Purchased from Grant Funds (*Recurring Finding*)**

The institution must take immediate action to review its policy on the use of funds generated from the sale of equipment purchased from research grant funds to ensure reasonable and appropriate efforts are made to re-invest these funds in research.

### **Research Tools and Instruments (RTI) Grant Purchases (NSERC only) (*Recurring Finding*)**

The institution must ensure that it has an effective process in place to review for compliance and eligibility, equipment purchases made with Research Tools and Instruments grant funds. Further, should the grant holder wish to purchase equipment that deviates from the equipment specified in the grant award, the institution must ensure that prior approval from NSERC is obtained.

## **Recommendations still outstanding from 2006 Financial Monitoring Review requiring Immediate Action – March 31, 2010 – Items to be addressed by Research Services**

### **Grant Fund Transfer Letters**

Ensure letter requires recipient institution provide the University with proof that the ethics certification(s) have been obtained for the research work and ensure the letter provides details of the purpose of which the funds are transferred.

### **Ethics and/or Bio-Hazardous Materials Use Certification Requirements**

For research involving humans and/or animals and/or the use of bio-hazardous materials and conducted at a secondary institution the primary institution must clearly stipulate in the transfer letter that the eligible secondary institution shall meet all certification requirements under the MOU and that they shall remain valid for the duration of the grant. Copies of all required certifications remain on file at the eligible Secondary institution and made available to authorized representatives of the primary institution upon request and accessible to the funding agencies on request.

## **New Recommendations from February 2010 Financial Monitoring Review to be addressed under the iS2 project**

### **Expenditures Made Through Purchase Orders**

The institution must develop and implement an oversight process to ensure that purchase order transactions initiated by electronic means are authorized by the grant holder or his/her authorized delegate and to confirm the eligibility of the expenditures charged to grant fund accounts.

### **Hospitality Expenditures**

The institution must ensure that the required supporting information is provided for hospitality expenditures charged to research grant accounts.

### **Internally Acquired Goods and Services**

The institution must put in place a process to ensure that expenditures to research grant accounts for goods and services acquired from sources internal to the institution are authorized, in writing, by the grant holder or his/her delegate prior to the expenses being charged to his/her grant account

## **New Recommendations from February 2010 Financial Monitoring Review to be addressed by Research Services.**

### **Confirmation of Ongoing Eligibility of Grant Holders**

The institution must implement a process to ensure that a change to a grantee's eligibility status is communicated to the agencies in a timely manner.

### **Training on Ethics in Research**

The institution must ensure that it provides pro-active training in the area of ethics of research to the ethics committee(s) members, faculty and the graduate student community.

### **Follow-up for Research Projects with a Greater than Minimal Ethics Risk to Human Subjects**

The institution must ensure that research projects determined by the Conjoint Faculties Research Ethics Board to pose a greater than minimal ethics risk for human subjects be followed-up on a continuous basis as a collective responsibility of the researcher and the Research Ethics Board.