

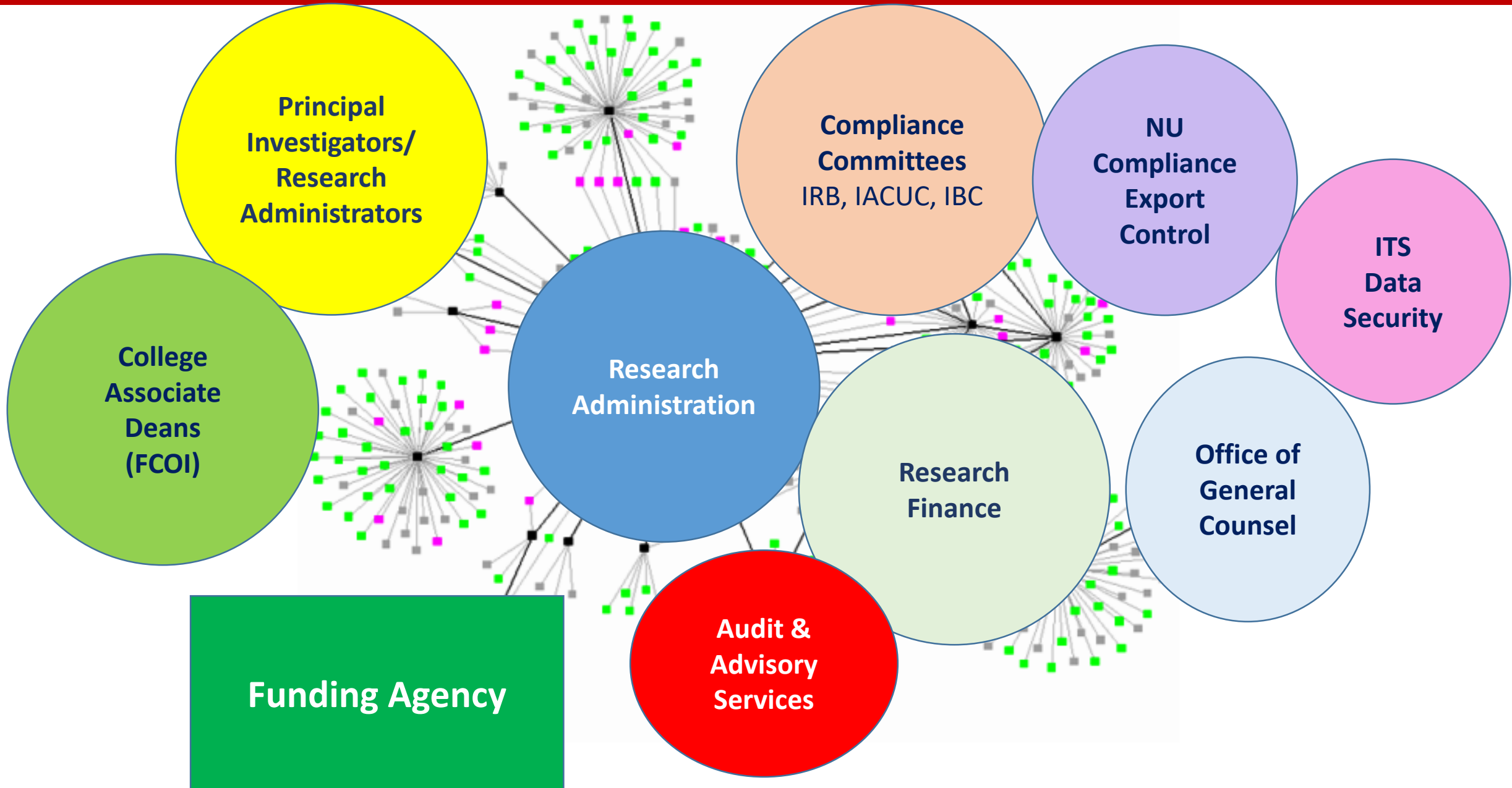
Learn More: *Think Like an Auditor*

RESEARCH ADMINISTRATION

December 2017

Learning Objectives

- Understand federal regulation related to audits of grant & contract awards;
- Understand enterprise risk management (ERM) and the role of internal controls to mitigate risk;
- Understand how administrators can assist in internal and external audits:
 - High-risk transactions
 - SOPs & Checklists
 - Documentation
 - Communication



Audits

UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES AND AUDIT REQUIREMENTS FOR FEDERAL GRANTS

- Northeastern University, as a grantee, provides at the time of proposal submission and throughout the life-cycle of an award certification and assurances that it is in full compliance with all relevant laws, rules and regulations.
- 200 CFR Part 200 Subpart F Audit Regulations (formerly Circular A-133)
- Each year an independent auditor conducts an audit of the University's grant and contract portfolio, in addition individual awards may be subject to a special audit.

Audit and Advisory Services



Audit and Advisory Services provides an independent, objective assurance and consulting function for the University community and can assist departments:

- assess and evaluate internal controls,
- assist management in identifying potential risks and controls, and
- identify process improvement opportunities.



PricewaterhouseCoopers conducts the University's annual single-wide audit.

Waste, Fraud & Abuse

IN THE LAB

Researcher allegedly used thousands in NIH grant money for trips with a ballet dancer and bar tabs

SUMMARY OF UNIVERSITY AUDITS,
SETTLEMENTS AND INVESTIGATIONS
RELATED TO FEDERAL PROGRAMS

FOR IMMEDIATE RELEASE

Tuesday, August 18, 2015

**Northeastern University to Pay \$2.7 Million for Failing to
Account for Federal Research Funds**

What is an Award Audit and its Purpose?

Immediate: A systematic examination or inspection of accounts and relevant award documentation to verify that the University is complying with all relevant terms & conditions associated with its federal awards, including cost principles and cost accounting standards.

Long-term: Prevention, opportunity to identify areas in need of improvement.



Scope

Accounting: revenue, expenditures, assets.

Non-financial compliance

Reports: Financial, Programmatic, Administrative



Guidance & Standards

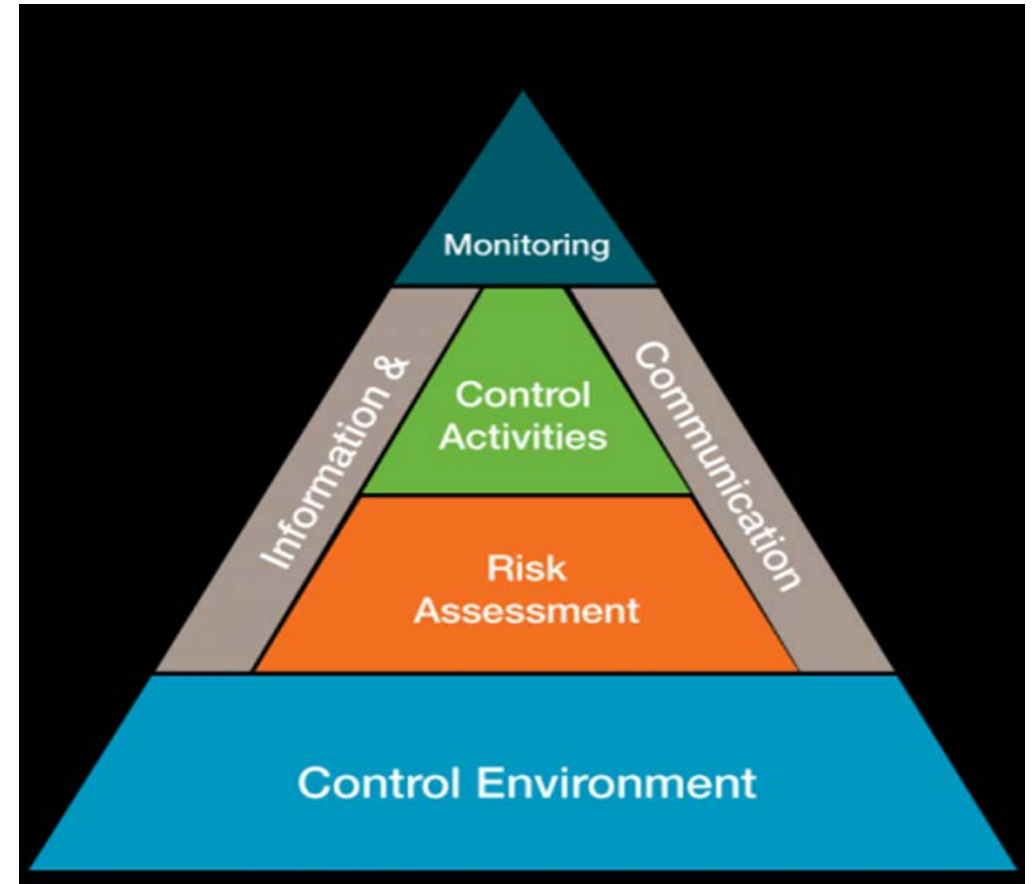


COMMITTEE OF SPONSORING
ORGANIZATIONS OF THE TREADWAY COMMISSION



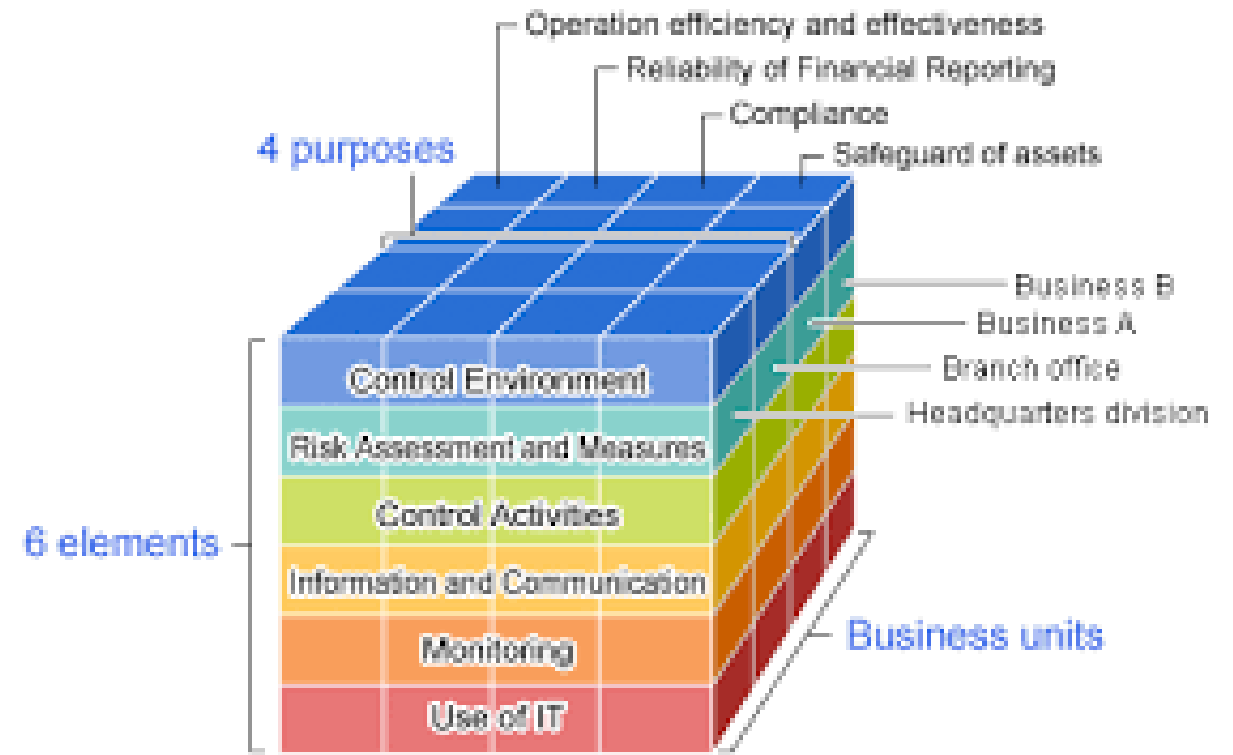
Risk Management

Environmental Risk Management (ERM) is a plan-based process/strategy to determine what risks exist, which is then coupled with a plan/tactics to manage those risks.



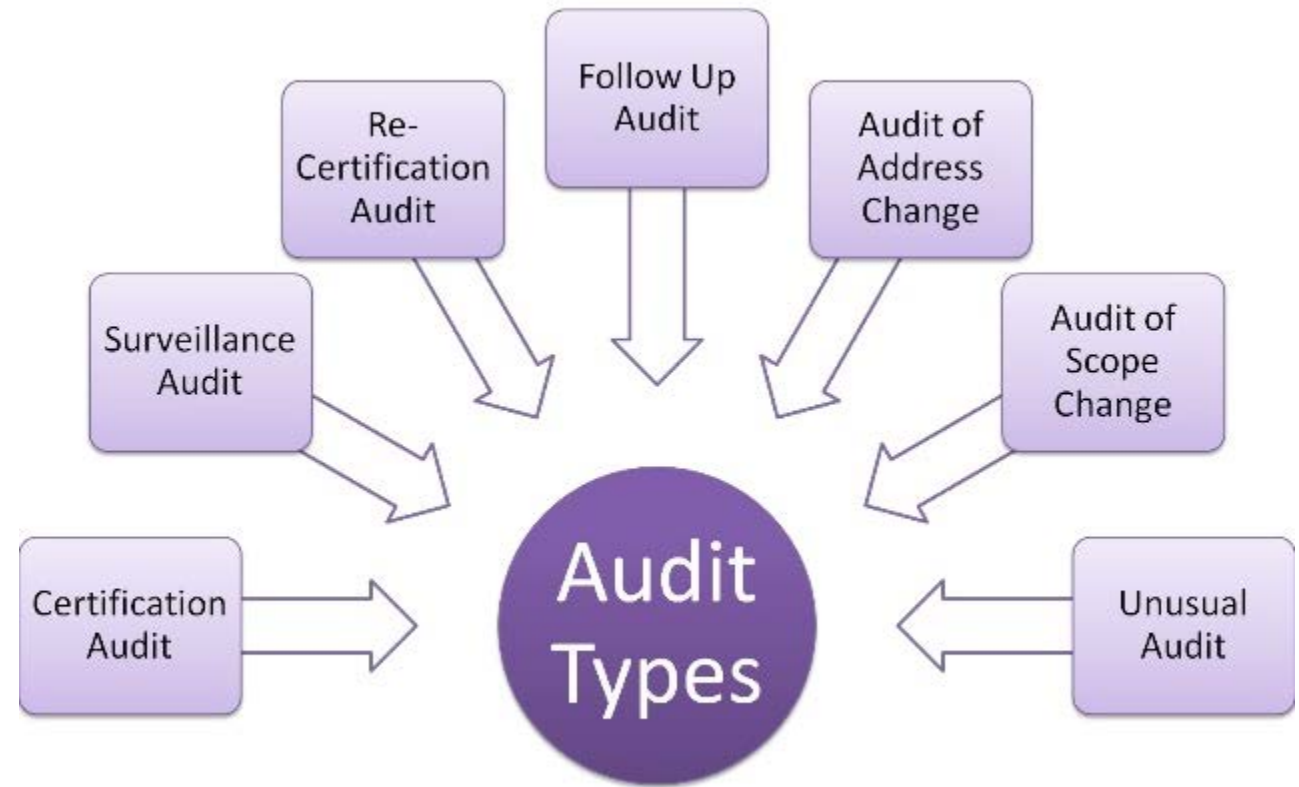
Risk Management

Internal Controls serve as a process for providing assurances that an organization is operationally efficient and effective, has reliable reports and financial accounting standards and is in compliance with relevant laws, regulations and policies.



Types of Audits

- Pre-award audits
- Risk audits
- Single Audits
- Programmatic audits
- Interim and Final
- Cost audits
- Indirect Cost audits



High Risk Areas

- **Properly Charging Direct Costs**
- **Cost Transfers**
- **Equipment**
- **Changes (e.g., Scope, Investigators, etc.)**
- **Subaward Monitoring**
- **Participant Costs and Human Research Subjects Payments**
- **T&E Reports**
- **Reports (Accuracy & Timing)**



Best Practices

- **Review & Annotate the Notice of Award Terms & Conditions**
- **Kick-off Meeting for New Awards**
- **Document, document, document**
- **Ask for help**
- **Cooperate fully with internal and external auditors**
- **Develop internal SOPs/Checklists**

Communication

- Clarify
- Responsive
- Complete
- Accurate
- Engaged
- Open



Findings

Corrective Actions

On-going commitment to compliance



Additional Resources

- [Audit and Advisory Services](#)
- [Research Administration & Research Finance](#)
- [Research Compliance](#)
- [NU Compliance](#)

