Financial Monitoring of Eligible Institutions

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Agenda

• Roles and Responsibilities
• Mandate of the financial monitoring department
• Objectives of a financial monitoring review
• Approach
• Supporting evidence requirements
• Questions
Roles and Responsibilities

- **Context:**
  - The *Agreement on the Administration of Agency Grants and Awards by Research Institutions* was signed by all eligible institutions. It outlines the responsibilities of the institutions (e.g. York University) with respect to the grant funds they administer.

  - The responsibility to effectively manage grant funds is a shared one between the agencies, the institution and the grant holders.
Roles and Responsibilities

• The agencies:
  ➢ Make funds available in a timely manner.
  ➢ Make information available (provide you with relevant, clear and accessible information).
  ➢ Develop consistent and standard guidelines.
  ➢ Disseminate information.
  ➢ Perform financial monitoring reviews.
Roles and Responsibilities

• The eligible institutions:
  ➢ Put in place an effective financial management control framework.
  ➢ Manage grants and awards according to funding agencies’ guidelines and applicable program guides.
  ➢ Ongoing financial monitoring of grant funds.
  ➢ Report status changes to funding agencies.
  ➢ Submit annual reports as required.
  ➢ Provide adequate support to researchers.
Roles and Responsibilities

• The grant holders:
  ➢ Proper management of funds (authorizations, delegations, review of financial reports).
  ➢ Ensure that authorized expenditures are within project’s scope.
  ➢ Comply with guidelines.
  ➢ Report status changes.
  ➢ Report ethics changes.
Mandate - Financial Monitoring

✧ The financial monitoring team assesses whether the eligible institutions are fulfilling their responsibilities by having an adequate and effective financial and management control framework.

✧ All eligible institutions are therefore reviewed on a 6 year cycle.
Objectives - Financial Monitoring Review

✓ Assess the effectiveness of policies, systems and internal controls within the institution;

✓ Confirm that the institution fulfills its research grant funds management responsibilities as outlined in the Agreement on the Administration of Agency Grants and Awards;

✓ Obtain assurance that research funds are used in accordance with tri-agency requirements; and

✓ Share and disseminate information for the continuous improvement of research funds management. Strengthen the collaboration between the agencies and the institutions.
Approach

Risk Assessment Questionnaire

- Institutions’ risk level
- Scope of the review

Key controls related but not limited to
- Roles and responsibilities
- Authorization of expenditures
- Review of compliance and eligibility
- Financial reporting to grant holders
- Research with humans/animals

Phase 1: Information-gathering
CIGT, Design of the controls

Phase 2: Testing
Operating effectiveness of the controls

Conclusion on each control: Pass or Fail

Detailed Assessment Report
Supporting evidence

- The eligible institution must keep complete and accurate records on the use of Agency funding, including verifiable audit trails with complete supporting documentation for each transaction.

- Grant holders must be able to provide supporting documentation for all expenditures charged to their grant accounts. Where the link to the research is not evident from the supporting documentation, additional information or explanation should be documented which demonstrates that the expenditure is a direct cost of the funded research.
Supporting evidence

-The grantee is responsible for authorizing expenditures from his/her grant account. No other party may initiate or authorize expenditures from an Agency's grant account without the grantee's written delegated authority. All claims must have the grantee or delegate's signature.

-The signatures certify that:
  - all expenditures on the claim are for the purpose for which the grant was awarded;
  - all expenditures on the claim are eligible expenses;
  - all goods and/or services have been received;
  - the charges included have not been claimed for reimbursement from other sources; and
  - reimbursements for expenditures received from other sources or institutions must be disclosed to the administering institution.
Supporting evidence - examples

- **Salaries or stipends paid to research personnel:**
  - signed records regarding personnel paid from grant funds, including names, categories, salary levels, affiliation to the grant;
  - length of time supported in each case;
  - details of employee benefits charged and relevant calculations.
Supporting evidence - examples

• **Equipment and supplies:**
  – supplier invoices indicating details of purchases;
  – prices paid;
  – justification where the link to the research is not obvious.

• **Internal expense allocations or shared expenditures:**
  – documentation indicating the exact charge made;
  – the method of calculation or attribution.
Supporting evidence - examples

- **Hospitality for networking and research-related activities:**
  - the date(s) of the event(s);
  - number of participants;
  - purpose of the event;
  - counter signature by the department head or dean for hospitality expenses claimed by the grantee.
Supporting evidence - examples

• **Travel** (Separate claim for each trip. Counter signed by the Department Head or Dean if the traveller is the grantee or a visiting researcher.)
  • The travel claim must include the following information:
    • purpose of trip **including the link to the funded research**;
    • dates and destinations (person or location visited);
    • official supporting documentation (e.g. prospectus or program, indicating the dates of conferences and workshops);
    • details of daily claims for expenditures relating to those visits;
    • details of any vehicle used;
    • original receipts, such as hotel invoices and car rental agreements (credit cards slips or confirmation of reservation are not valid receipts); and
    • original air travel ticket receipts and boarding passes (if available) or any other evidence that supports travel expenses claimed (e.g. a written attestation from the grant holder).
Questions