

anSRS4u

ANSWERS FOR YOU

Audits of Sponsored Projects

Presented by **Sponsored Research Services**



TEXAS A&M UNIVERSITY
Division of Research

Keep smiling - maybe the auditor will forget about those reports she asked for yesterday



som^{ee}cards
user card

an**SRS**4u

ANSWERS FOR YOU

Presented by **Sponsored Research Services**

Question

How often
are we
audited?

- A <5 times a year
- B 5-10 times a year
- C We are always being audited

Question

How often
are we
audited?

A

<5 times a year

B

5-10 times a year

C

We are always being
audited

Volume of Audit Activity at SRS

Audits by Sponsor July 2014 through March 2022

CPRIT	137
Federal (Single Audits)	21
TCEQ	13
Sandia National Labs	12
Texas Access to Justice Foundation	12
Texas Office of the Governor	7
NSF	6
GoMRI	4
US Department of Justice	4
NIH	4
Methodist Healthcare Ministries	3
TWC	3
Univ of North Carolina	3

NOAA	2
DHS	2
TX HHSC	2
TCDD	2
THECB	2
NASA	2
FEMA	2
Los Alamos National Lab	1
USAID	1
US Department of Agriculture	1
Woods Hole Oceanographic	1
Old Dominion	1
Indiana U.	1
TGLO	1
US Department of State	1
EPA	1
Lone Star Legal Aid	1
TxDOT	1
Uconn	1
University of Michigan	1
LSU-HSC	1
ONR	1
DHHS	1
Qingdao National Laboratory	1
DSHS	1
University of South Alabama	1
Various	1
Grand Total	263

Volume of Audit Activity at SRS

Audits by Member

July 2014 through
March 2022

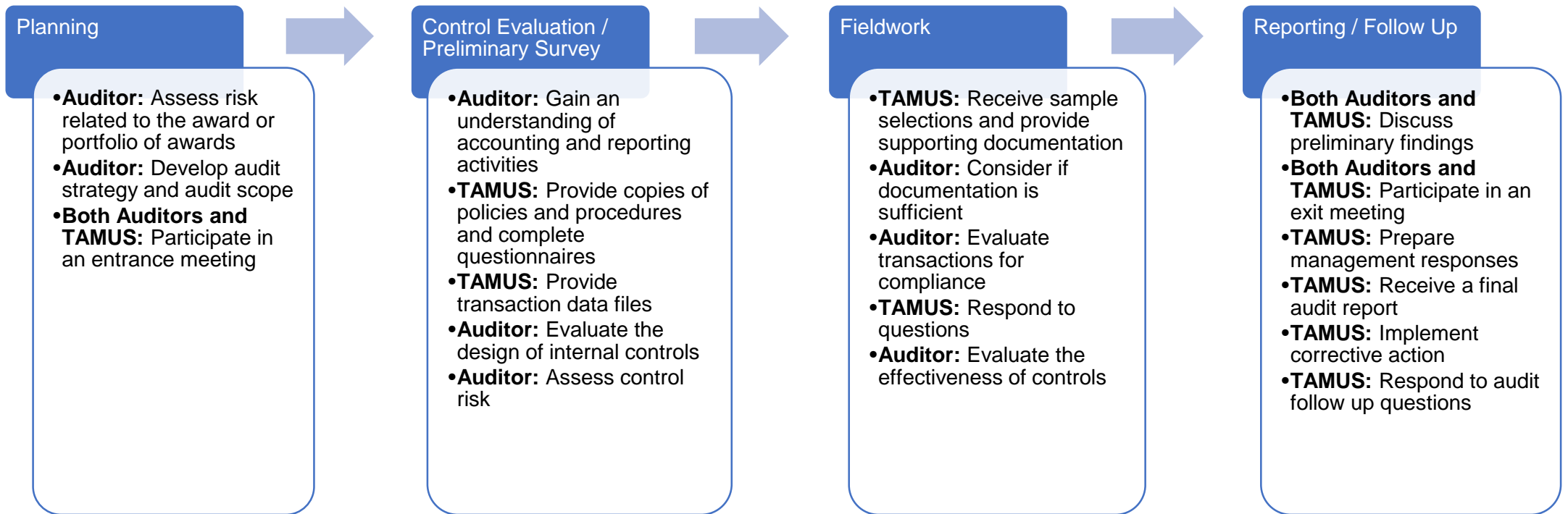
Approximately three
audits per month.

TAMU	72
HSC	71
AgriLife Research	52
TEES	32
AgriLife Extension	14
TAMRF	13
TAMUG	3
TSU	2
TTI	2
SAGO	1
TAMUCC	1
Grand Total	263

Reasons for Audits

- Audits help ensure:
 - Compliance with laws, rules and regulations
 - Appropriate use of grant funds
 - Programmatic outcomes and/or reporting
 - Effectiveness of the internal control structure

Phases of an Audit



an**SRS**4u

ANSWERS FOR YOU

Sponsored Project Audits

- Annual Single Audit – Performed state-wide by the Texas State Auditor’s Office. Focused on compliance with Uniform Guidance. Limited to federal funding but the number of projects and funding is large.
- Audits by State Agencies – These are frequent. Many of these audits are federal pass-through to the state agency.
- Audits by Federal Agencies – Less frequent but can be very in-depth and time consuming. The federal agencies generally contract with a CPA firm who conducts the audit.
- Audits by Private Sponsors – audits are infrequent.

What Do Auditors Look For?

- Adequate Internal Controls
 - Written policies and procedures that are applied consistently.
 - Transactions are properly documented, approved, recorded and reported.
- Allowability
 - Costs are reasonable, necessary, and directly related
 - Complies with Uniform Guidance and sponsor terms and conditions
- Allocability
 - Costs allocated based on direct benefit to the project.
 - Costs incurred within time frame of the project.

What Do Auditors Look For?

- Personnel
 - Key personnel that are actively engaged.
 - Expected level of effort and effort certification.
- Cost Sharing / Matching
 - Cost share commitments being met
- Cost Transfers
 - Cost transfers are well documented and justified

Avoid Generic Justification for Cost Transfer

1. Why was the expense originally charged to the account from which it is now being transferred?

Animal care services were charged to this project but shouldn't have been. This transfer corrects that mistake.

2. Why should this charge be transferred to the proposed receiving account?

Receiving account is the correct account.

3. If the cost transfer request is more than 90 days from the date of the original charge, explain the reason for the delay and what action is being taken to eliminate the need for future cost transfers of this type.

We just realized the mistake. We are hopeful it won't happen again.

Better Justification for Cost Transfers

1. Why was the expense originally charged to the account from which it is now being transferred?

Animal care services for Dr. K. Russell were charged to project 02-400001 back in October, however, Dr. Russell works on project 02-400111 and the charges benefited 02-400111 exclusively.

2. Why should this charge be transferred to the proposed receiving account?

Dr. Russell contributes effort to 02-400111 and the animal care services exclusively benefited this project.

3. If the cost transfer request is more than 90 days from the date of the original charge, explain the reason for the delay and what action is being taken to eliminate the need for future cost transfers of this type.

Our reconciliation process uncovered the error, at which point the 90 day threshold had passed. Reconciliation is now preformed monthly to eliminate this type of transfer in the future.

FY2021 Single Audit Findings

- Texas A&M University (including HSC and TAMUG)
 - Equipment Records – data elements in property records were missing or inaccurate. Three of 65 items tested had incorrect location and one item could not be located. One off-campus item was missing an inventory tag.
 - Subrecipient Monitoring – Of the 30 subawards tested, one subrecipient risk assessment form could not be located. Two subrecipient agreements did not include all of the elements required by Uniform Guidance.

Common CPRIT Findings

- Timeliness of Reports – revenue sharing, matching certification, progress reports
- Acknowledgement of CPRIT funding in publications
- Use of the prestige title “CPRIT Scholar in Cancer Research” in publications
- Billing Expenses in the Proper Period – CPRIT requires reporting on a cash basis. Claims for reimbursement must be after the check or ACH date.

Some things to look out for

- Excessive cost transfers
- Generic justifications
- Costs incurred near the end of the project, especially for equipment
- Insufficient documentation or approvals
- Unreasonable or undocumented allocation methodology
- Effort reporting / certification

Audit Announcements

- You may receive notice of an upcoming sponsor audit, site visit, or desk review. Please immediately forward the communication to your supervisor and Evan Bryant.
- Evan can assist in preparing for audits as well as managing auditors during the review.
- Agreement Documents – language requiring us to hire an auditor should be brought to the attention of SRS leadership as soon as possible. Those requirements should be negotiated out if possible.

SRS Audit Contacts

- Evan Bryant, Director
ebryant@tamu.edu; 979-845-8701
- Kathy Rieck, Senior Data Analyst
kdrieck@tamu.edu; 979-458-2189

anSRS4u

ANSWERS FOR YOU

THANK YOU

Presented by **Sponsored Research Services**



TEXAS A&M UNIVERSITY
Division of Research