

University A-133 Audit Fiscal 2008
Compliance Controls Questionnaire

A. General

1. Grant/Project Name
2. Sponsoring Agency and CFDA #
3. Principal Investigator Name
4. Departmental Grant Administrator (s) Name (s)
5. Org name and number
6. Brief Description of the Project*
7. Date

* Note we are only looking for a very brief description (i.e. one or two paragraphs) of the project to provide us with a high-level understanding of the funded project.

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B. Departmental Accounting

1. How frequently do the principal investigator and the business manager at the departmental level communicate to review the project's status? How often does the PI communicate with the grant administrator? What types of issues have these parties discussed/resolved?
2. What processes ensure that costs charged to grants are allowable based on federal regulations? This would include ensuring costs traditionally supported by the University such as administrative costs are not charged to the grant.
3. Is there any direct charging of administrative costs (e.g. postage, clerical help)? If so, do these costs relate to a major project (one that requires more than usual administrative support; or that explicitly budgets for the services of these individuals)? Can the level of effort expended and salaries charged for the services of these individuals be specifically identified with the project? Is it your practice to maintain documentation on such situations explaining why these costs are allowed to be charged to federal grants?
4. Is rebudgeting within expense categories allowed per the grant terms? If rebudgeting requires prior approval by the federal agency, please briefly describe the approval process.

C. Procurement

1. How does the administrator of the sponsored award ensure that the grant/contract received the best deal on each procurement action, taking into account both economic and other factors? Please briefly describe your procurement process if you do not use Central Purchasing.
2. How do you ensure that expenditures charged to the award are allocable (benefit the award being charged)?
3. How do you verify that funds are available for each restricted budget line before authorizing expenditures to that line? If not, how do you guard against over expenditures?
4. How do you require proof that equipment be received before authorizing vendor payments (this is normally verified through packing slips)?

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5. Who is authorized to approve expenditures (i.e. who signs the University's vendor invoice coding form and journal vouchers)? How does the department ensure that procurement of restricted items (i.e., equipment, domestic travel, foreign travel, subcontracts, consulting expenses, and miscellaneous) have been approved in advance, either in the award budget or in a special request? What approval documents are kept and where are they maintained?
6. How do you ensure that expenditures are posted for the correct amounts to the correct accounts on the period expense report and detail listing reports?
7. For purchases in excess of \$100,000, how do you maintain records that support (a) the basis for the subcontractor/vendor selected, (b) justification for lack of competition when competitive bids or offers are not obtained, and (c) basis for the award costs or price? What records are kept and where are they maintained?
8. What is your policy surrounding identification of suspended or debarred vendors? Are certifications obtained for purchases through a vendor over a certain dollar level? When would this certification process take place?
9. How do you determine the allowability and allocability of travel and meeting expenses reported through web vouchers at the departmental level?
10. Has the travel policy been distributed throughout the department and to the P.I.s?
11. For federal awards that include contracts (i.e. subcontracts, construction, etc.) how do you ensure that written contracts with third parties include all provisions necessary for compliance with appropriate regulations (i.e. A-21 and A-110).
12. How does the department prevent purchases of supplies or equipment (or any other goods or services) at the end of the grant period that might be used on other grants?
13. Does your department use a Purchasing Card? If yes, how is the card used (for what type of purchases and dollar amounts); who is authorized to use the card, and how are expenditures on the card monitored?

D. Equipment

1. Does your department have any federally funded equipment? If yes, what procedures are in place to ensure the acquisition of such equipment is recorded correctly and in accordance with federal regulations?
2. If your department has federally funded equipment, what procedures are in place for the disposition or sale of such equipment, if applicable?

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3. If your department has federally funded equipment, how is the equipment appropriately safeguarded and maintained?
4. If federally funded equipment is shared with other awards or departments, how is the cost of the equipment allocated among the parties?

E. Effort Reporting

1. Do all faculty in the department charge their salary/effort to federally sponsored projects?
2. If not all, then which faculty members do not and why? To what other activities do faculty charge their salary/effort?
3. (To the PI) If you spend less than 100% of your effort on this grant, please indicate on which activities you spend the rest of your time.
4. How is the original percentage of effort for employees (i.e., account coding on the appointment form/payroll authorization form) on each award determined and by whom?
5. Who reviews salary charges to sponsored projects and how often is this done?
6. What are your procedures for reviewing timesheets for administrative and support staff and making necessary changes? How do you ensure that all timesheets are completed, reviewed and approved in a timely manner?
7. How are significant changes in effort determined and by whom?
8. Typically, how long does it take to process a change in effort?
9. Who is responsible for overall monitoring of effort reporting within your department?
10. For faculty effort reporting, who receives the annual effort certification? Also, who signs the certification? Why is this person considered to have sufficient technical knowledge to certify that the effort was expended?
11. For non-faculty after the fact effort certification, who receives the monthly effort certification? Also, who signs the certification? Why is this person considered to have sufficient technical knowledge to certify that the effort was expended?
12. How is faculty effort reporting monitored at the proposal stage/start of an award, to ensure the faculty member does not exceed 100% effort in total across all proposed

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and active awards? If a combination of awards is granted which would require > 100% of the faculty member's time, how is this situation resolved?

13. Is the PI in 2007 the same person who was named in the proposal for the award selected by PwC for testing?

F. Cost Transfers

1. How are accounts monitored and by whom to determine that a cost transfer is appropriate?
2. Who prepares cost transfer forms?
3. Before approving a cost transfer, what criteria are used to determine reasonableness and validity?
4. How do you ensure that cost transfers are posted for the correct amounts to the correct accounts on month-end detail listing reports?
5. How are cost transfers identified in the G/L? Is there a specific field or flag to identify cost transfers?
6. Who reviews cost transfers for completeness, justification, and authorized signers in accordance with the University's policy?
7. Who are the authorized signers?
8. What do you consider sufficient documentation for a cost transfer?
9. Has the cost transfer policy been circulated within the department?

G. Financial and Non-financial Reporting

1. What are the department's procedures for monitoring the overall expenditure activity on individual awards?
2. Is there a separate computer system maintained at your department for the administration of grants? If so, what are the procedures in place to reconcile amounts per this system with amounts from the organization's central systems?
3. Are off-line manual record keeping reports prepared by you to monitor expenditures?

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4. If a separate computer system is maintained, who is responsible for overseeing computer security and what are the procedures in place?
5. Once a project account is closed out, what controls exist to ensure that the account number will no longer be charged?
6. What happens to expenses that are charged to an account code for an award after it is closed?
7. What procedures exist to ensure that expired accounts are closed out within 90 days?
8. How are award requirements for non-financial reports (e.g. progress reports) tracked and monitored to ensure timely submission? (N/A for R&D cluster)
9. How are award requirements for financial reports tracked and monitored to ensure timely submission?
10. Do you keep documentation on specific grant/contract requirements and restrictions mandated by applicable federal agencies? If yes, what records are kept and where are they maintained?
11. If the award is not an R&D award, please provide a list of all financial and non-financial reports that were due during the fiscal year on the selected grant. Please also provide due dates and proof of timely submission for these reports.

H. Cost Sharing/Matching

1. Do any of the federal awards administered in your department have cost sharing requirements?
2. If applicable, how are cost sharing items tracked for federal awards requiring cost sharing? How is cost sharing included in the financial reporting process? How do you ensure items considered "shared costs" are not included as shared costs for any other federal award?
3. What reports are used to track non-salary cost sharing requirements? Please provide examples.

I. Earmarking (N/A for R&D awards)

1. Do any of the federal awards administered in your department have specific requirements for Earmarking? If so, how are they monitored? [Earmarking is defined as "requirements that specify the minimum and/or maximum amount or percentage of

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the program's funding that must/may be used for specific activities, including funds provided to subrecipients".]

J. Level of Effort (N/A for R&D awards)

1. Are you aware of any level of effort requirements for any awards administered in this department? If so, how is level of effort monitored for compliance?

K. Program Income

1. Do any of the federal awards administered in your department generate program income? If so, how is income recorded to the general ledger? Where is program income money received and deposited?
2. How is program income used? How do you ensure it is used in accordance with federal regulations?

L. Subrecipient Monitoring

1. Are there any subrecipients for this sponsored award? If so, please describe.
2. How is the subrecipient monitored to ensure there are appropriate controls at the subrecipient organization over funds expenditure and compliance with grant terms and A133 requirements?
3. How formal is the process of monitoring subrecipient activity? Does the department have written policies?

M. Revisions to A-133/Other Regulatory Issues

1. How are regulatory changes communicated throughout the department?

N. Consideration of Fraud and Abuse

Fraud, for these purposes, is defined as an intentional act that results in a material misstatement in financial statements that are subject to audit. Because fraud is usually concealed, material misstatements due to fraud are difficult to detect. There may be events or conditions that indicate incentives/pressures to perpetrate fraud, opportunities to carry out fraud, or attitudes/rationalizations to justify a fraudulent action. Such events or conditions are referred to as fraud risk factors.

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Abuse is distinct from fraud. When abuse occurs, no law, regulation, or provision of a contract or grant agreement is violated. Abuse, for these purposes, involves behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary business practice given the facts and circumstances.

1. Is department management aware of allegations of fraudulent financial reporting because of communications from employees or former employees?
2. What is department management's understanding about the risks of occurrence of fraud at the department, including any specific fraud risks the department has identified or account balances or classes of transactions for which a risk of fraud may be more likely to exist?
3. What programs and controls are established to mitigate specific fraud risks the department has identified or that otherwise help to prevent, deter and detect fraud? How does department management monitor those programs and controls?
4. For a department with multiple locations, what is the nature and extent of monitoring of operating locations and management's view about whether there are particular subsidiary locations or business segments for which a risk of fraud may be more likely to exist?
5. Does department management communicate to employees its views on business practices and ethical behavior; and if so, how?
6. Is department management aware of any activities occurring related to this grant that would be characterized as abuse as defined above?

O. Stem Cell Research

1. Does this department/org engage in human embryonic stem cell research? If so, is any of that research funded with federal grants?