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A Higher Education Collaborative Experience

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Enhancing Compliance in Post-Award Activities through Data Analytics and Audits





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Agenda

Leverage Data Analytics to Identify High-Risk Areas on Campus and Enhance Compliance

Risks, Controls and Procedures Pertinent to Post-Award Activities





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- Part of the University of Alabama System
- Located in Huntsville, Alabama
 - Known as “The Rocket City” for its close association with U.S Space Mission
 - Redstone Arsenal
 - George C. Marshall Space Flight Center (NASA)
- Anchor Tenant in Cummings Research Park
 - The second largest research park in the country and the fourth largest in the world.





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- R2 Research Institution - The Carnegie Foundation for the Advancement of Teaching

- 12 Research Centers

- \$154 million Annual R&D expenditures

- NASA and DOD are the largest research sponsors





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Leverage Data Analytics to Identify High-Risk Areas on Campus and Enhance Compliance





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Leverage Data Analytics to Identify High-Risk Areas on Campus

Analyze Expenditures

- Analyze expenditures that are past period of performance (POP)
 - Labor
 - Operating
 - Equipment
- Analyze expenditures that are incurred prior to POP begin date
- Analyze equipment/computer purchases closer to POP end date





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Leverage Data Analytics to Identify High-Risk Areas on Campus (Continued)

Analyze Payroll Charges

- Individuals with administrative responsibilities with no charges to non-sponsored accounts
- Individuals who submitted proposals with no charges to non-sponsored accounts
- Principal Investigators (PI) and Co-PIs with no charges to awards
- Charges related to Administrative Personnel.





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Leverage Data Analytics to Identify High-Risk Areas on Campus (Continued)

- Analyze Receivable
 - Cost Reimbursable Awards
 - Fixed Price Awards
 - Leave Loaded
- Analyze Facilities and Administrative charges
- Analyze Small Business Innovation Research(SBIR) and Small Business Technology Transfer (STTR) Data
- Other





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Auditing Post Award Activities

Risks, Controls and Procedures Pertinent to Post-Award Activities





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Auditing Post Award Activities Expenditures

Risk	Control	Procedure
Pre-award expenditures not within 90 days of award start date		
Expenses exceed budgeted Amounts		
Charges outside of Period of Performance		
Equipment purchased closer to Period of Performance end date		
Fraudulent Charges		
Unallowable charges		



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Auditing Post Award Activities Expenditures (continued)

Risk	Control	Procedure
Restricted Party transactions		
Diverting funds provided for participant support to other categories		
Failure to enter into contractual arrangements in accordance with approved proposal budget		
Inaccurate Facilities and Administrative charges		
Inaccurate Effort Certifications		
Violation of salary cap limitations		
Other		



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Auditing Post Award Activities Cost Sharing

Risk	Control	Procedure
Unauthorized cost sharing		
Federal funds used for cost sharing		
Failure to document cost sharing		
Fraudulent Charges		
Unallowable Charges		
Failure to meet the cost sharing		
Failure to report cost sharing		
Other		



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Auditing Post Award Activities Sub-recipients Monitoring

Risk	Control	Procedure
Failure to evaluate subrecipient's fraud risk and risk of noncompliance		
Failure to issue sub-awards or issue in accordance with prime award agreement		
Sub-awards to own business or to related parties. (Related party transactions/ COI)		
Issuing sub- award to excluded party		
Fraudulent Expenditures		
Unallowable Expenditures		



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Auditing Post Award Activities Sub-recipients Monitoring (continued)

Risk	Control	Procedure
Failure to monitor to ensure total expenditures are within approved budget		
Payment of invoices that does not match to the work completed		
Failure to meet cost share per agreement or budget		
Failure to report required information under Federal Funding Accountability and Transparency Act (FFATA).		
Other		



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Auditing Post Award Activities Export Controls

Risk	Control	Procedure
<p>Sponsored research activities conducted by the faculty, staff, and students do not comply with the following requirements of the regulations:</p> <ul style="list-style-type: none"> • Obtain license for dual use and civil items listed on Commerce Control List (CCL) – Department of Commerce(EAR) • Items not exported or re-exported to persons or entities listed in Denied Persons or Entities List – Department of Commerce (EAR) • Obtain license for export of items, data, or other that are subject to the regulation- Department of State(ITAR) • Engage in transactions (items and information) with persons listed in Specially designated Terrorists and Specially designated National and Blocked Persons – Department of Treasury (OFAC) 		
<p>Violating OFAC or other sanctions and embargoes by hiring an employee or contracting with a vendor who appears on one of the export control or other governmental list of restricted parties</p>		



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Auditing Post Award Activities Export Controls (continued)

Risk	Control	Procedure
A PI begins work on a contract with controlled technologies/items/data or export control restrictions prior to the contract being executed by the university (While on risk memo)		
Failure to communicate the export control requirements to sub-recipients of the award		
Failure to monitor sub-recipient activities for export control regulations		
Failure to communicate the export control requirements to contractors of the award		
Failure to monitor Subcontractor activities for export control regulations		
Failure to restrict access to items purchased for the sponsored research that are subject to export control regulations		
Other		



Auditing Post Award Activities Payments to Foreign Nationals

Risk	Control	Procedure
Foreign Nationals charge to sponsored accounts when not allowed or failure to get agency approval prior to individual begin charging to sponsored accounts NASA DOE NIH Other		
Other		



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Auditing Post Award Activities Program Income

Risk	Control	Procedure
Failure to use the program income for the original purpose of the Federal award		
Failure to record the receipts and expenditure as part of the financial transactions of the award		
Program income earned during the period of performance not used for costs incurred during the period of performance or allowable closeout costs		
Program income earned after the end of the period of performance of the Federal award not used in accordance with Federal agency regulations or the terms and conditions of the Federal award		
Cost of generating program income not processed in accordance with Federal agency regulations or the terms and conditions of the Federal award		



Auditing Post Award Activities Other Risks

Risk	Control	Procedure
Inadequate oversight / lack of policies and procedures		
Failure to retain records in accordance with the regulatory requirements and/or award agreements		
Lack of Training Internal External		
Failure to create a Business Continuity Plan and communicate to the employees		
Lack of Resources		



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Questions





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