

THE UNIVERSITY OF TEXAS AT DALLAS
Quarterly Compliance Report to the Institutional Compliance Committee

Report for the Quarter Ending: January 31, 2006

High Risk Area: Contract and Grant Post-Award, Overruns

Responsible Person: Wanda Mizutowicz, Controller

Incidents of Non-Compliance this Quarter:

Yes ☐
No ☒

If yes, briefly describe any known incidents of non-compliance and attach back-up documentation as appropriate.

Status of Previous Incidents of Non-Compliance: *(If you reported "Incidents of Non-Compliance" in your previous report(s), briefly describe their status)*

Dr. Aiken's overrun has been covered.

Dr. Fair's overrun has been covered.

Areas of concern: *Briefly describe any concerns you wish to discuss related to your area of responsibility. This would **not** include an incident of non-compliance discussed above.*

None.

Training Conducted: *(Indicate date, topic, trainer, audience, number trained)*

There is a training module in place on the Controller's web page. In the past, Principal Investigators were given a Contract and Grant Accounts Administration Handbook that covered the subject of overruns. That method of training has been replaced with web based (found on the Training Post) PI CBT training that covers overruns. New Principal Investigators are referred to the resources available on the Controller's web site that cover overruns.

Training Received: *(Indicate date, topic, conference or meeting attended and who was trained. This section is for indicating the training received by persons responsible for high-risk areas, including their staff.)*

Doug Shedd and Merrie Tabbert attended the annual NCURA (National Council of University Research Administrators) conference held October 29-November 3, 2005 in Washington, D.C. The topic of grant overruns was discussed.

Monitoring Method: *Briefly describe the method of monitoring that took place during this quarter to insure compliance and what follow-up action was taken if non-compliance was found.*

A report of all overruns is prepared monthly for review by the Controller. First notices are mailed to the Principal Investigator with a copy to the Administrative Assistant, the Dean's office, and Dr. Terry. This notice asks if there are any errors on the accounts, or if more funds are expected. If there are no errors and no more funds are due, and the

overrun has not been taken care of in thirty days, a second notice is sent. If the overrun still exists 60 days after the first notice, a third notice is sent. If the overrun still exists 90 days after the first notice, it is reported to the Compliance Committee.

Have you identified any new high-risk areas?

Yes ☐

No ☒

If yes, briefly describe.

**This form was prepared by Merrie Tabbert
on 1-25-06.**

**Responsible person should sign OR email this document to the Office of Audit
and Compliance. sherryc@utdallas.edu or AD32.**



THE UNIVERSITY OF TEXAS AT DALLAS
Quarterly Compliance Report to the Institutional Compliance Committee

Report for: FY 2007, 2nd Quarter

High Risk Area: Contract and Grant Post-Award, Other Unallowable Costs

Responsible Person: Wanda Mizutowicz

Incidents of Non-Compliance this Quarter:

Yes ☐

No ☒

If yes, briefly describe any known incidents of non-compliance and attach back-up documentation as appropriate. An incident of non-compliance is defined as something that you found as part of your monitoring procedures. Areas of concern are listed below.

Due to shorter reporting period and the loss of one accounting position, this office did not perform an additional audit in the area of Other Unallowable Costs this quarter.

What did you do as a result of the incident(s) of non-compliance? *Briefly describe the action taken on the above incidents of non-compliance.*

N/A

Status of Previous Incidents of Non-Compliance: *(Review your previous reports. If you reported "Incidents of Non-Compliance" in your previous report(s), briefly describe their status).*

The review of Other Unallowable Expenditures (Maintenance and Repair – Buildings) last quarter, resulted in 20 found to be allowable and 5 questioned. Two of those 5 were found to be errors in classification and have been corrected with journal entries. Follow up continues with the other three.

Areas of concern: *Briefly describe any concerns you wish to discuss related to your area of responsibility. This would **not** include an incident of non-compliance discussed above.*

None

Training Conducted: *(Indicate date, topic, trainer, audience, number trained, as per your RAMP)*

There is a training module in place on the Office of Finance web page and new Principal Investigators are referred to the resources available that cover unallowable costs. In addition, a mandatory web-based training module for Principal Investigators is located at UTD Training Post. One topic covered is unallowable costs.


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Training Received: *(Indicate date, topic, conference or meeting attended and who was trained. This section is for indicating the training received by persons responsible for high-risk areas, including their staff.)*

No training received during the period of November 16, 2006 thru February 9, 2007.

Monitoring Method: *Briefly describe the method of monitoring that took place during this quarter to insure compliance and what follow-up action was taken if non-compliance was found.*

N/A No audit was performed this quarter.

Have you identified any new high-risk areas?

Yes ☐

No ☒

If yes, briefly describe.

Assessment of Risk: *What is YOUR assessment, as responsible person, of the control structure as either:*

Well controlled ☒

Opportunity for enhancement ☐

Significant opportunity for enhancement ☐

RAMP Priority Ranking (note changing definition)

1=High - Needs **immediate** effort, currently dedicating resources ☐

2=Medium – Currently dedicating resources to get under control ☐

3=Low – Under control ☒

This form was prepared by Merrie Tabbert
on 2/8/2007

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THE UNIVERSITY OF TEXAS AT DALLAS
Quarterly Compliance Report to the Institutional Compliance Committee

Report for: FY 2007, 2nd Quarter

High Risk Area: Contract and Grant, Cost Sharing

Responsible Person: Wanda Mizutowicz

Incidents of Non-Compliance this Quarter:

Yes ☒

No ☐

If yes, briefly describe any known incidents of non-compliance and attach back-up documentation as appropriate. An incident of non-compliance is defined as something that you found as part of your monitoring procedures. Areas of concern are listed below.

There are several instances where the grant has ended without cost share documentation provided, and also where the PI does not have signature authority on the cost share account.

What did you do as a result of the incident(s) of non-compliance? *Briefly describe the action taken on the above incidents of non-compliance.*

An email is sent to the PI and his/her Dean, with a copy to the PI's support staff. If the school has more than one grant in non-compliance status, a list of the school's cost share exceptions is sent to the Dean's Office. All involved are notified that the list is being submitted to the Compliance Committee.

Status of Previous Incidents of Non-Compliance: *(Review your previous reports. If you reported "Incidents of Non-Compliance" in your previous report(s), briefly describe their status).*

(1) Cost share requirements for 6-31928 have been met. Now in compliance. (2) The school of EECS recently opened the required cost share accounts for several grants which were reported non-compliant last quarter for that reason.

Areas of concern: *Briefly describe any concerns you wish to discuss related to your area of responsibility. This would not include an incident of non-compliance discussed above.*

Continued incidents of non-compliance in the School of Engineering and Computer Science.

Training Conducted: *(Indicate date, topic, trainer, audience, number trained, as per your RAMP)*


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There is a training module in place on the Office of Finance web page and new Principal Investigators are referred to the resources available that cover cost sharing. In addition, a mandatory web-based training module for Principal Investigators is located at UTD Training Post. One topic covered is cost sharing.

Training Received: *(Indicate date, topic, conference or meeting attended and who was trained. This section is for indicating the training received by persons responsible for high-risk areas, including their staff.)*

No training received during the period of November 16, 2006 thru February 9, 2007.

Monitoring Method: *Briefly describe the method of monitoring that took place during this quarter to insure compliance and what follow-up action was taken if non-compliance was found.*

The main responsibility for monitoring cost sharing on contracts and grants rests with the Principal Investigator. A separate account is set up for all cost sharing expenditures for each award that requires mandatory cost sharing. The cost share account is indicated on the internal copy of the contract and grant brief. When a new contract or grant is received, the Contract and Grant Accounting office ensures that a cost share account is established and budgeted, if one is required. Upon the ending of the award, Contract and Grant Accounting office reviews the accounts to insure the cost-sharing threshold is met. Contract and Grant Accounting monitors compliance with the procedure and reports noncompliance through management channels. After each quarterly report, C&GA notifies the following individuals of the non-compliance status and requests that C&GA be contacted with the corrective action: PIs, AAs, School Deans, and Fiscal Officers.

Have you identified any new high-risk areas?

Yes ☐

No ☒

If yes, briefly describe.

Assessment of Risk: *What is YOUR assessment, as responsible person, of the control structure as either:*

Well controlled ☐

Opportunity for enhancement ☒

Significant opportunity for enhancement ☐

RAMP Priority Ranking (note changing definition)

1=High - Needs **immediate** effort, currently dedicating resources

2=Medium – Currently dedicating resources to get under control

3=Low – Under control

☒
☐
☐



THE UNIVERSITY OF TEXAS AT DALLAS

Quarterly Compliance Report to the Institutional Compliance Committee

**This form was prepared by Merrie Tabbert
on 2/8/2007**

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and Compliance. tmesser@utdallas.edu or AD32.**



THE UNIVERSITY OF TEXAS AT DALLAS
Quarterly Compliance Report to the Institutional Compliance Committee

Report for: FY 2007, 2nd Quarter

High Risk Area: Contract & Grant Post-Award, Unallowable Costs: Late Time & Effort Reports

Responsible Person: Wanda Mizutowicz

Incidents of Non-Compliance this Quarter:

Yes ☐

No ☒

If yes, briefly describe any known incidents of non-compliance and attach back-up documentation as appropriate. An incident of non-compliance is defined as something that you found as part of your monitoring procedures. Areas of concern are listed below.

No Time & Effort Reports are more than 90 days overdue.

What did you do as a result of the incident(s) of non-compliance? *Briefly describe the action taken on the above incidents of non-compliance.*

N/A

Status of Previous Incidents of Non-Compliance: *(Review your previous reports. If you reported "Incidents of Non-Compliance" in your previous report(s), briefly describe their status).*

N/A

Areas of concern: *Briefly describe any concerns you wish to discuss related to your area of responsibility. This would **not** include an incident of non-compliance discussed above.*

None

Training Conducted: *(Indicate date, topic, trainer, audience, number trained, as per your RAMP)*

There is a training module in place on the Office of Finance web page and new Principal Investigators are referred to the resources available that cover Time and Effort Reporting. In addition, a mandatory web-based training module for Principal Investigators is located at UTD Training Post. One topic covered is Time & Effort Reporting. A new System mandated Effort Certification training application is now in place. PIs and their support staff are required to pass this training annually.


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Training Received: *(Indicate date, topic, conference or meeting attended and who was trained. This section is for indicating the training received by persons responsible for high-risk areas, including their staff.)*

No training received during the period of November 16, 2006 thru February 9, 2007.

Monitoring Method: *Briefly describe the method of monitoring that took place during this quarter to insure compliance and what follow-up action was taken if non-compliance was found.*

PIs responsible for Federal and State contract and grant accounts that incur salary expense must sign quarterly effort certification reports, (monthly reports for any employees paid hourly), which have been provided to the Schools by Contract and Grant Accounting. This signature certifies that the PI agrees the charges are proper for the account and represent the effort required to perform the scope of work. All reports are sent to designated School Coordinators who distribute the reports to the PIs.

If reports are not returned to Contract and Grant Accounting by the School Coordinator after 30 days, an email is sent to the School Coordinator with a copy to the School Dean.

If reports are not returned after 60 days, Contract and Grant Accounting sends an email to the Dean with a copy to the Assistant Provost and School Coordinator.

If reports are not returned after 90 days, outstanding reports are reported as a non-compliance item on the quarterly Compliance Report.

After each quarterly compliance reporting period, Contract & Grant Accounting notifies the following individuals of the non-compliance status and requests that C&GA be contacted with the corrective actions: Principal Investigators, Support Staff, School Deans, and Fiscal Officers.

Have you identified any new high-risk areas?

Yes ☐
No ☒

If yes, briefly describe.
N/A

Assessment of Risk: *What is YOUR assessment, as responsible person, of the control structure as either:*

Well controlled ☒
Opportunity for enhancement ☐
Significant opportunity for enhancement ☐

RAMP Priority Ranking (note changing definition)

1=High - Needs **immediate** effort, currently dedicating resources ☐



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2=Medium – Currently dedicating resources to get under control
3=Low – Under control

☐
☒

This form was prepared by Merrie Tabbert
on 2/8/2007

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and Compliance. tmesser@utdallas.edu or AD32.

Risk Area: Contract and Grant Accounting
Specific Topic: Effort Reporting

Definition of Risk Area

Statute and/or Policy:

Office of Management and Budget, Circular A-21

Requirements:

UTD is required to have an established policy and procedure to ensure timely and accurate certifications of salary and wage effort on Federal and State contracts and grants.

Penalty for Non-Compliance:

Possible loss of Federal funding, as well as disallowances of expenditures

Responsible Person/Title:

Wanda Mizutowicz, Associate Vice President for Finance and Controller



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RISK ASSESSMENT & MONITORING PLAN – FY07

Risk Assessment

Description of the Risk:

Existence of improperly functioning effort reporting system would lead to non-compliance with OMB Circular A-21.

Exposures: ☐ Health/Safety
X Legal
X Financial
X Public Image
X Governmental Relations

Potential Impact of an Incident of Non-Compliance:

(Impact remains the same before and after controls) ☒ High
☐ Medium
☐ Low

Probability of Occurrence of an Incident before Controls:

X High
☐ Medium
☐ Low

RISK RANKING BEFORE CONTROLS: HH
(combine 2 rankings above):

If ranking is HH, HM, HL proceed to next section. Otherwise, STOP!!

Levels of Control

Operating Controls (lowest level within the working unit):



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- Each school creates a plan/budget of expected effort for faculty, researchers, and staff working on Federal and State grants. The schools will review and approve all new sponsored program proposals and awards, updating the effort budgets as necessary to prevent over commitment. Reportable effort is marked in the Payroll System, from which effort reports are generated. Exempt, monthly paid employees have a quarterly effort report, while non-exempt, semi-monthly paid employees have monthly effort reports. Reports are distributed to the PIs by Contract and Grant Accounting and the School Effort Coordinators. PIs correct and sign the effort reports, certifying their own and their employees effort. Contract and Grant Accounting distributes and tracks the reports, maintaining the official effort certification files. School Effort Coordinators review the certified reports and perform independent reviews as required, to ensure the integrity of the reporting and certification process.

Supervisory Controls:

- Schools/Deans sign off on the contract/grant UTD Certification Form, certifying that all effort commitment issues have been addressed. Deans are responsible for ensuring that Effort Coordinators have been appointed and that they follow documented procedures for reviewing the certified effort reports for their schools. Contract and Grant Accounting follows up on effort reports that are not returned within thirty days. Contract and Grant Accounting monitors the pass-rates of the required online Effort Certification training. Contract and Grant Accounting will approve all contract/grant effort cost transfers and monitor for excessive numbers per department. Cost transfers occurring after 90 days of the original transaction must be approved by the Assoc. V.P. for Business Affairs.

Internal Audit and/or Outside Controls:

- This area falls within the internal audit risk assessment plan.

High-Risk Responsible Person Controls:

Monitoring

- Contract and Grant Accounting ensures that all effort reports are distributed, certified and returned in a timely fashion. Contract and Grant Accounting follows up on outstanding effort reports with the School Effort Coordinators, and reports late report instances to the Controller and/or Compliance Committee as required. Contract and Grant Accounting will approve all effort cost transfers and will monitor for excessive numbers of transfers by school. Additional training will be provided for schools/departments with large numbers of transfers. The Schools will monitor for over commitment of effort, and the Deans/Department Heads will sign off on the Certification Form which contains a Time and Effort commitment approval section.

Training



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- Effective September 1, 2006, all faculty members who are a PI or Co-PI on a Federal or State sponsored programs, identified support staff, School Coordinators, OSP Specialists, and Contract and Grant Accountants, are required to take the online Effort Certification Training annually. Contract and Grant Accounting will track individuals that do not take or pass this training, and supply a report to the Controller/Compliance Committee.

Reporting

- Incidents of non-compliance are reported to the Controller on a monthly basis.

Potential Impact of an Incident of Non-Compliance:

(Impact remains the same before and after controls)

☒ High
☐ Medium
☐ Low

Probability of Occurrence of an Incident after Controls:

☐ High
☒ Medium
☐ Low

RISK RANKING AFTER CONTROLS:

(combine 2 rankings above):

HM

PRIORITY

1=NEEDS IMMEDIATE EFFORT, CURRENTLY DEDICATING RESOURCES

2=NEEDS EFFORT, RESOURCES BEING IDENTIFIED TO ADDRESS ISSUE

3=RESOURCES IDENTIFIED, PROGRESS BEING MADE

4=UNDER CONTROL, CONTINUOUS MONITORING AND TRAINING REQUIRED



Action Plan

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Risk Area: Contract and Grant Accounting
Specific Topic Cost transfers related to Effort

Definition of Risk Area

Statute and/or Policy (Include links to pertinent statute or policy websites):

Office of Management and Budget Circular A-21, Section C4

UTD Policy and Procedures for Sponsored Programs Administration

Requirements:

Compliance with OMB A-21 and UTD Policy as it applies to effort cost transfers.

Penalty for Non-Compliance:

Possible loss of Federal funding, as well as disallowances of expenditures.

Responsible Person/Title:

Wanda Mizutowicz, Associate V.P. for Finance and Controller



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RISK ASSESSMENT & MONITORING PLAN – FY07

Risk Assessment

Description of the Risk:

Unallowable cost transfers of effort expenditures.

Exposures: ☐ Health/Safety
X Legal
X Financial
X Public Image
X Governmental Relations

Potential Impact of an Incident of Non-Compliance:

(Impact remains the same before and after controls)

H High
☐ Medium
☐ Low

Probability of Occurrence of an Incident before Controls:

H High
☐ Medium
☐ Low

RISK RANKING BEFORE CONTROLS:

(combine 2 rankings above):

HH__

If ranking is HH, HM, HL proceed to next section. Otherwise, STOP!!

Levels of Control

Operating Controls (lowest level within the working unit):

- The Human Resources Personnel Action Form (PAF) is used to move salary expenditures from one account to another. OSP signs off on all PAFs that involve a contract or grant. OSP checks for available funds and the grant period. Per the new UTD policy, OSP will forward these PAFs to Contract and Grant Accounting (C&GA) for review and approval. C&GA will check for compliance with UTD Policy and Procedures for Sponsored Programs Administration, section 8.0. C&GA will track these PAFs to determine which schools/departments have an excessive number.

Supervisory Controls:

- Budget will review Contract and Grant PAFs to ensure that they contain both the OSP and C&GA approvals.

Internal Audit and/or Outside Controls:

- This area falls within the internal audit risk assessment plan.

High-Risk Responsible Person Controls:

Monitoring

- PAFs that effect contracts and grants are to be kept to a minimum, and will be checked for compliance with the new Sponsored Programs Administration policy.
- C&GA will track these PAFs to determine which schools/departments have an excessive number.

Training

- Training will be provided for PIs, project managers, and support staff by the C&GA training modules being developed.

Reporting

- A monthly report will be prepared by C&GA for review by the Controller.

Potential Impact of an Incident of Non-Compliance:

(Impact remains the same before and after controls)

H	High
<input type="checkbox"/>	Medium
<input type="checkbox"/>	Low



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Probability of Occurrence of an Incident after Controls:

☐ High
Medium
L Low

RISK RANKING AFTER CONTROLS:
(combine 2 rankings above):

HL

PRIORITY

- 1=NEEDS IMMEDIATE EFFORT, CURRENTLY DEDICATING RESOURCES
2=NEEDS EFFORT, RESOURCES BEING IDENTIFIED TO ADDRESS ISSUE
3=RESOURCES IDENTIFIED, PROGRESS BEING MADE
4=UNDER CONTROL, CONTINUOUS MONITORING AND TRAINING REQUIRED

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THE UNIVERSITY OF TEXAS AT DALLAS
RISK ASSESSMENT & MONITORING PLAN – FY07

Risk Area: Contract and Grant Accounting

Specific Topic: Cost Sharing

Definition of Risk Area

Statute and/or Policy (Include links to pertinent statute or policy websites):

Office of Management & Budget, Circular A-21

Requirements:

Compliance with all applicable parts of the OMB Circular A-21, as it applies to cost sharing procedures.

Penalty for Non-Compliance:

Possible loss of Federal funding, as well as disallowances of expenditures.

Responsible Person/Title:

Wanda Mizutowicz, Associate Vice President for Finance and Controller



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RISK ASSESSMENT & MONITORING PLAN – FY07

Risk Assessment

Description of the Risk:

Inaccurate reporting of or failure to provide mandatory cost sharing per contract or agreement.

Exposures: ☐ Health/Safety
X Legal
X Financial
X Public Image
X Governmental Relations

Potential Impact of an Incident of Non-Compliance:

(Impact remains the same before and after controls)

X High
☐ Medium
☐ Low

Probability of Occurrence of an Incident before Controls:

X High
☐ Medium
☐ Low

RISK RANKING BEFORE CONTROLS:

(combine 2 rankings above):

HH

If ranking is HH, HM, HL proceed to next section. Otherwise, STOP!!

Levels of Control

Operating Controls (lowest level within the working unit):

- Mandatory cost sharing expenditures are budgeted and recorded in separately identifiable cost share accounts by the Office of Sponsored Projects (OSP). The Principal Investigators (PIs) are responsible for the integrity of the costs charged to those accounts via their review of their monthly account statements and reconciliations.

Supervisory Controls:

- Contract and Grant Accounting prepares financial reports to the sponsors that may require the reporting of cost sharing expenditures. Any noticed discrepancies are brought to the attention of the Principal Investigator for resolution.
- Cost sharing is listed on the Certification Form that requires the Department Head and Dean's approval.

Internal Audit and/or Outside Controls:

- This area falls within the internal audit risk assessment plan.

High-Risk Responsible Person Controls:

Monitoring

- The main responsibility for monitoring cost sharing on contract & grants rests with the Principal Investigator. The monthly review of the account statement and performing an account reconciliation to verify that all transactions are appropriate per the terms of the grant and cost sharing agreement.
- The Office of Sponsored Programs ensures that a separate account is created and budgeted by the appropriate school or department for cost sharing expenditures for each award that requires mandatory cost sharing.
- Contract and Grant Accounting verifies that the cost sharing accounts have been created and budgeted upon the receipt of the contract or grant brief document. At the end of the award, Contract and Grant Accounting reviews the account to insure the cost sharing threshold is met.

Training

- The Office of Finance web-site contains many PI resources, including a PI Workshop, an Administration Handbook, and a Cost Share policy.
- PI training was created for inclusion in the Training Post. In addition, a new training session is being written for PIs and Program Managers that will cover Cost Sharing.



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- Contract and Grant Accounting staff are trained to understand how cost sharing works and how to assist the Principal Investigator and his/her support staff.

Reporting

- The amount of cost share is reported to the sponsor via the financial status report either on a quarterly or annual basis, depending upon the award requirements.
- The FRS cost share account statement is generated on a monthly basis, allowing the Principal Investigator to review the individual transactions, and the total cost shared to date.
- Incidents of non-compliance are reported to the Compliance Committee quarterly.
- An annual report on cost sharing will be prepared by Contract and Grant Accounting for use by UTD's administration.

Potential Impact of an Incident of Non-Compliance:

(Impact remains the same before and after controls)

- ☒ High
☐ Medium
☐ Low

Probability of Occurrence of an Incident after Controls:

- ☐ High
☒ Medium
☐ Low

RISK RANKING AFTER CONTROLS:

(combine 2 rankings above):

HM

PRIORITY

1=NEEDS IMMEDIATE EFFORT, CURRENTLY DEDICATING RESOURCES

2=NEEDS EFFORT, RESOURCES BEING IDENTIFIED TO ADDRESS ISSUE

3=RESOURCES IDENTIFIED, PROGRESS BEING MADE

4=UNDER CONTROL, CONTINUOUS MONITORING AND TRAINING REQUIRED



Action Plan

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RISK ASSESSMENT & MONITORING PLAN – FY07

Risk Area: Contract and Grant Accounting

Specific Topic: Unallowable Costs

Definition of Risk Area

Statute and/or Policy (Include links to pertinent statute or policy websites):

Office of Management and Budget, Circular A-21, Section J.

Requirements:

Policy and procedure to ensure that costs charged to Federal and State grants are allowable.

Penalty for Non-Compliance:

Possible loss of Federal funding as well as disallowed costs.

Responsible Person/Title:

Wanda Mizutowicz, Associate V.P. for Finance and Controller



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Risk Assessment

Description of the Risk:

Unallowable costs incurred and not reimbursed by sponsors

Exposures: ☐ Health/Safety
X Legal
X Financial
X Public Image
X Governmental Relations

Potential Impact of an Incident of Non-Compliance:

(Impact remains the same before and after controls)

X High
☐ Medium
☐ Low

Probability of Occurrence of an Incident before Controls:

X High
☐ Medium
☐ Low

RISK RANKING BEFORE CONTROLS:

(combine 2 rankings above):

HH__

If ranking is HH, HM, HL proceed to next section. Otherwise, STOP!!

Levels of Control

Operating Controls (lowest level within the working unit):

- Sponsored Programs Administration Policies and Procedures and the Office of Sponsored Programs (OSP) brief identify unallowable costs. Principal Investigators (PIs) have access to the Contract and Grant PI Resources on the Office of Finance web site, which cover unallowable costs, per A-21. It is the PI's responsibility to ensure that unallowable costs are not charged to sponsored program accounts. Charges can be rechecked via the monthly account reconciliations performed by the PI or his/her support staff.

Supervisory Controls:

- Contract and Grant Accounting (C&GA) reviews purchase requisitions that are processed through procurement for allowability and available funds. If there is insufficient budget in an expense category, Accounts Payable forwards the potential expenditure to C&GA for review and disposition.

Internal Audit and/or Outside Controls:

- This area falls within the internal audit risk assessment plan.

High-Risk Responsible Person Controls:

Monitoring

- Quarterly, the Contract and Grant Accounting will pull a sample of grant expenditures to be reviewed for allowability. C&GA checks each sampled item against the contract provisions and Circular A-21 for allowability, contacting the PI and/or OSP for clarification. If it is determined that the expenditure is unallowable, C&GA works with the PI to get the expenditure moved off the grant, and refunds to the sponsor if required.

Training

- PI training was created for inclusion in the Training Post that covered unallowable costs. The Office of Finance web site contains various resources that address allowability. In addition, new training sessions are being created for PIs and their support staff that will cover allowable costs. C&GA staff are trained to assist the PIs and their support staff in answering questions about allowability.

Reporting

- Incidents of non-compliance are reported to the Controller upon discovery, and to the Compliance Committee on a quarterly basis.



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Potential Impact of an Incident of Non-Compliance:

(Impact remains the same before and after controls)

☒ High
☐ Medium
☐ Low

Probability of Occurrence of an Incident after Controls:

☐ High
☒ Medium
☐ Low

RISK RANKING AFTER CONTROLS:

(combine 2 rankings above):

HM__

PRIORITY

3

1=NEEDS IMMEDIATE EFFORT, CURRENTLY DEDICATING RESOURCES

2=NEEDS EFFORT, RESOURCES BEING IDENTIFIED TO ADDRESS ISSUE

3=RESOURCES IDENTIFIED, PROGRESS BEING MADE

4=UNDER CONTROL, CONTINUOUS MONITORING AND TRAINING REQUIRED



Action Plan

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