



NANYANG
TECHNOLOGICAL
UNIVERSITY

A*STAR Compliance and Audit Workshop

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Workshop Objectives and Agenda

Objectives

- To provide an overview of the audit process and the information required by auditors
- To promote a better understanding of A*STAR compliance issues through the use of examples and FAQs

Workshop Objectives and Agenda

Part A : The A*STAR Audit

- Introduction
- Overview of the audit process
- Basis of audit
- General A*STAR Terms and Conditions – some issues mentioned in past audits
- Summary of information generally required by auditors

Part B : FAQs

- Points to note at different stages of the project



Part A – The A*STAR Audit

Introduction to the A*STAR Audit

- Our current auditors for A*STAR projects are PricewaterhouseCoopers
- Projects are chosen for audit by A*STAR every year on a sampling basis (i.e. an A*STAR project may not be audited every year)
- In the audit certification reviews carried out in FY 2005 and FY 2006, the number of projects chosen were as follows :

Financial year	No. of projects audited
2005	30
2006	6

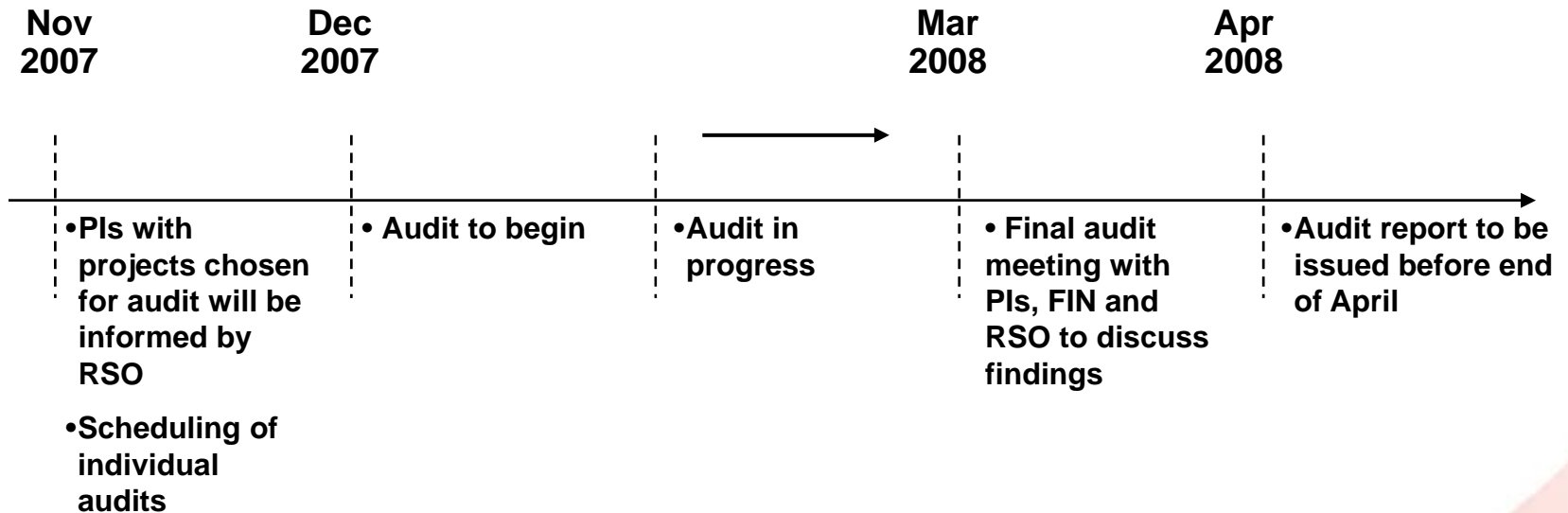


Overview of the Audit Process

- **For FY 2007, 19 projects have been chosen for audit. The qualifying period of review will be (in general) for the period from commencement of project to 31 July 2007.**
- **RSO will be the main contact point between the auditors and PIs/FIN and will coordinate audit meetings, physical sightings of assets & information requests from the auditors.**

Overview of the Audit Process

- The audit process and timeline will tentatively be as follows :



Basis of Audit

The audit is carried out based on Agreed Upon Procedures provided by A*STAR. These are :-

	Agreed Upon Procedures
1	Funds received in advance are properly accounted for and recorded/updated for the relevant approved projects
2	Funds are utilised in accordance with the terms/conditions/policies required by A*STAR through its Letter of Offer/Award
3	Expenditure incurred and procurement are valid and properly approved/processed in accordance with the relevant policies/procedures (i.e. University's Policies and Procedures)



Basis of Audit

	Agreed Upon Procedures (continued)
4	Expenditure is accurately captured per project (project costing)
5	Management reports (whether annually or quarterly for scientific update or financial in nature) submitted per requirement are accurate/reliable
6	Unutilised funds are properly returned to A*STAR for projects that have been completed/closed

Basis of Audit

- *In a nutshell*, this simply means that auditors will be checking for :-
 1. Compliance with all Terms and Conditions, Policies and Procedures as relevant to the Grant; and
 2. Accuracy, completeness and reliability of information submitted to A*STAR

General A*STAR Terms and Conditions

- To promote a better understanding of what is meant by compliance with terms and conditions of the grant, the following slides will highlight compliance issues relating to some general A*STAR terms and conditions including matters highlighted by auditors in past audits

General A*STAR Terms and Conditions

1. Funds should be used for and in connection with the Research Project ONLY and for no other purpose.

- Whether or not the items are used for the project is a question of fact but if there is any doubt on this issue, PI to seek clarification through RSO from A*STAR and obtain written approval for the arrangement.

General A*STAR Terms and Conditions

1. Funds should be used for and in connection with the Research Project ONLY and for no other purpose.

Examples:

- The sharing of materials and resources between projects for operational efficiency, even in the instance where the sharing parties replenish materials/resources in a timely manner, is in a “grey” area and prior written consent from A*STAR should be obtained
- In general, **assets** purchased under A*STAR grants should be used only for the Research Project and should be physically located in Singapore. **However**, the contract may allow for the following :

General A*STAR Terms and Conditions

1. Funds should be used for and in connection with the Research Project ONLY and for no other purpose. (cont'd)

- ☑ **Use of Assets by Approved Third Parties** (e.g. local publicly funded research institutes, research centre or other specialty centre, university polytechnic) subject to availability and the imposition of charges by the University.
- ☑ **Use of Assets by University employees** not involved in the Research for purposes other than the Research provided that the use is restricted to R&D work at NTU, during times when the Assets are NOT used by the Research and where the use does not affect NTU's other obligations under the Agreement with A*STAR
- ☑ **Note:** At the end of the Research, A*STAR has the option of requiring NTU to transfer ownership of Assets to any specified person or body at no cost.



General A*STAR Terms and Conditions

- 2. The PI should not solicit or receive any funds or such other means of support for carrying out the Research from any other person, company, body, organisation, institution or agency (governmental or non-governmental) without A*STAR's prior written consent.**

General A*STAR Terms and Conditions

3. All Reports and any other information submitted to A*STAR relating to the Research or the Funding should be complete, accurate and not misleading

- PI to exercise due care in ALL submissions made to A*STAR.

General A*STAR Terms and Conditions

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Issues spotted by auditors

- Error in reporting period and project duration reflected in annual progress reports
- Transpositional and typographical errors resulting in expenses being inaccurately stated in the final report
- Non-submission of quarterly fund requisition form (a nil projected expenditure submission is required)

General A*STAR Terms and Conditions

3. All Reports and any other information submitted to A*STAR relating to the Research or the Funding should be complete, accurate and not misleading

Issues spotted by auditors (cont'd)

- Manpower/staff costs from another project charged to the grant project code or omission of payroll expenses
- Figures in progress/final report which do not tie to SAP reports and other submissions (e.g. final claim statement). PI to ensure that any expenditure reported to A*STAR (e.g. in progress and final reports) is supported by SAP reports printed out and retained.

General A*STAR Terms and Conditions

4. All forms and reports should be submitted in a timely manner to A*STAR.

- The Terms and Conditions state that certain reports (e.g. progress and final reports) must be submitted in accordance with specified timelines.
- Therefore, adherence to the timelines in such cases is not a matter of choice but of obligation under the agreement

Examples of Forms that should be submitted in a timely manner to A*STAR

Type of submission	Deadline (BMRC)	Deadline (SERC)
Grant Award Acceptance Form	As stated on Letter of Award	As stated on Letter of Award
Budget Phasing Form	Together with Acceptance Form	Together with Acceptance Form
Progress Report	12 calendar months after commencement of Funding	Either 14 July or 14 January
Final Report	Within 3 months of completion of project	Within 3 months of completion of project
Schedule 3 (Manpower Details Form)	Prior to commencement of research and whenever new research personnel are hired for the project.	Prior to commencement of research and whenever new research personnel are hired for the project
Requests for project extension	Before project completion	6 months to one year before project completion

General A*STAR Terms and Conditions

5. Funding should not be used for purposes specifically excluded in the Contract or Guidelines, unless expressly approved in writing by A*STAR

- **PIs to familiarise themselves with the list of fundable / non-fundable expenses in the guidelines (if applicable) and/or non-fundable items specifically highlighted in the contract.**

General A*STAR Terms and Conditions

5. Funding should not be used for purposes specifically excluded in the Contract or Guidelines, unless expressly approved in writing by A*STAR

Issues spotted by auditors:

- Claims for settling-in allowances, where not expressly provided for in the grant
- Hiring of research personnel not resident in Singapore, where this has been specifically stated as a non-fundable item, and approval in writing has not been sought from A*STAR

General A*STAR Terms and Conditions

6. A*STAR must be informed of any proposed publication or presentation based on the findings, methods and results derived from the Research in advance of the submission to a journal, editor or other third party.

- A*STAR has 21 days to object to the proposed publication or presentation
- Onus is on the PI to maintain a copy of all correspondence with A*STAR as evidence that approval was sought.
- PI is NOT to depend on A*STAR having complete records of such correspondence

General A*STAR Terms and Conditions

6. A*STAR must be informed of any proposed publication or presentation based on the findings, methods and results derived from the Research in advance of the submission to a journal, editor or other third party.

Issues spotted by auditors:

- Either no approval sought or no documentation that approval was sought from A*STAR.

General A*STAR Terms and Conditions

Note :

- These are general compliance points only and terms and conditions are likely to vary across the A*STAR grant categories (e.g. BMRC, SERC, SBIC, etc) and even within each category.
- Please, therefore, familiarise yourself with the T&C and Guidelines relating to your own grant and adhere strictly to them.

Information generally required by auditors

- Based on past requests from the auditors, the basic documents that should be made available to the auditors at the commencement of the audit have been summarised in the following slides
- Pls to take note of information required and ensure that their records are in good order (i.e. complete and up-to-date) and can be made available on short notice
- The list of information required is not exhaustive and Pls are reminded to respond promptly to any further requests of information from auditors

Information required by auditors

S/N	Document description	PI, working with School and / or OHR	RSO	FIN
1	A*STAR approval letter and approved project budget submitted to A*STAR	<input checked="" type="checkbox"/>		
2	Bank statements which evidence receipt of funds from A*STAR			<input checked="" type="checkbox"/>
3	GL records which show evidence of funds received, posted into the correct GL grant code			<input checked="" type="checkbox"/>
4	Annual Progress Reports and Final Report submitted to A*STAR, with supporting SAP statements	<input checked="" type="checkbox"/>		
5	Final claim statement submitted to A*STAR			<input checked="" type="checkbox"/>



Information required by auditors (continued)

S/N	Document description	PI, working with School and / or OHR	RSO	FIN
6	Documentary evidence of return of excess/unused funds to A*STAR upon completion of project (bank statement/remittance advice)			<input checked="" type="checkbox"/>
7	NTU policies and procedures governing A*STAR project purchases		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
8	Guidelines from A*STAR specifying the type/nature of purchases allowed for the specific project	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
9	Payroll records, letters of appointment, salary claim forms, related timesheets and listing of project team members for each project	<input checked="" type="checkbox"/>		



Information required by auditors (continued)

S/N	Document description	PI, working with School and / or OHR	RSO	FIN
10	Quarterly funds requisition form, Budget phasing form and supporting schedules submitted to A*STAR	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
11	All supporting POs and PRs relating to the operating expenses incurred for each project	<input checked="" type="checkbox"/>		
12	All payment vouchers (i.e. supplier invoices and reimbursement claim forms) relating to expenses claimed under operating expenditure			<input checked="" type="checkbox"/>

Information required by auditors (continued)

S/N	Document description	PI, working with School and / or OHR	RSO	FIN
13	SAP records of payroll claims posted in the last 2 weeks of each financial quarter and the first week of the financial quarter			<input checked="" type="checkbox"/>
14	SAP records of equipment purchases posted in the last 2 weeks of each financial quarter and the first week of the financial quarter			<input checked="" type="checkbox"/>
15	A*STAR policy guidelines over timelines for submission of Management Reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	



Information required by auditors (continued)

S/N	Document description	PI, working with School and / or OHR	RSO	FIN
16	Forms and/or correspondence with A*STAR relating to :- <ul style="list-style-type: none"> • requests for extension of time • manpower details/changes (Schedule 3) • informing of presentations and publications • any other pertinent issues 	<input checked="" type="checkbox"/>		
17	Interest earned schedule prepared for each project			<input checked="" type="checkbox"/>

Information required by auditors (continued)

S/N	Document description	PI, working with School and / or OHR	RSO	FIN
18	SAP actual line items report for each project and GL listing of project codes and sub-codes			<input checked="" type="checkbox"/>
19	Commitment items report for each project			<input checked="" type="checkbox"/>

Part B – FAQs

Part B - FAQs

- FAQs on different stages:
 1. Acceptance of award
 2. Project commencement
 3. Project Tenure
 - Fund disbursement
 - Progress report
 - Change requests
 - Publication related
 4. Final report
- FAQs on EOM & Travel

Stage 1 - Acceptance of Award

How to accept the award?

- Sign & submit the [Acceptance and Schedule Form 4.1](#) (Budget Phasing) through Research Support Office by stipulated deadline.

Note: Compliance with the full set of Terms & Conditions (as attached to the Letter of Award) is expected

For BMRC, PI must seek Bioethics Approval (if applicable) from Bioethics Review Committee (BERC) as soon as the award is accepted.

Stage 2 - Project Commencement

When to start the project & from which point is it deemed to start?

- Within two (2) months from the date of the Letter of Award.
- From the point where scientific work on the Research has started and not merely the acquisition of Assets or Materials.
- Staff recruitment within eight (8) months (for SERC) & six (6) months (for BMRC) from the date of the Letter of Award → Complete and return **Schedule 3** to A*STAR prior to the commencement of the staff

Note: For some specific projects, the periods allowed may be shorter. This will be set out in the Letter of Award.

Stage 2 - Project Commencement (cont.)

What if there's any delay?

- A case must be made in writing to A*STAR **well in advance** from the grace period given.
- **Otherwise** the offer of the grant may be withdrawn at the absolute discretion of A*STAR.

Stage 3 – Project Tenure Fund Disbursement

What's the purpose of submitting Fund Requisitions forms (i.e. Schedule 4 and Schedule 4.1)?

- A*STAR fundings are based on disbursement thus the forms have to be submitted quarterly so that Funds will be disbursed.
- Submission has to be accompanied with detailed expenditure incurred in previous quarter (certified correct by the Chief Financial Officer or his authorized nominee).

Note: Disbursement is also subject to the Institutions and Investigators meeting the Milestones.



Stage 3 – Project Tenure Progress Report

Which forms to be used & when to submit Progress Report?

SERC	BMRC
<ul style="list-style-type: none">• Submission of Annual Progress Reports includes:<ul style="list-style-type: none">☑ PSF12☑ PSF16 - Capability Indicators• Deadline for submission to SERC is <u>14th July</u> OR <u>14th January</u> each year.	<ul style="list-style-type: none">• Submission of Annual Progress Reports includes:<ul style="list-style-type: none">☑ BMRC Annual Report Form• Deadline for submission of the first annual progress report to BMRC is <u>12 calendar months</u> after the project commencement.

Note:

- Failure to submit progress report → suspension of the grant → PI needs to write to A*STAR with justifications, through NTU, for consideration to restore funding for the project.
- A*STAR will review Progress Reports, unsatisfactory progress → suspension/termination of the grant.



Stage 3 – Project Tenure Change Requests

Different types of change requests:

1. Extension without additional increase in total project value.
2. Extension with supplementary budget request.
3. Virement
4. Change of Principal Investigator/Programme Manager/Co-Investigator
5. Change of project scope or direction
6. Change of capability indicators
7. Supplementary budget request

Stage 3 – Project Tenure Change Requests

Which forms to be used for variation request?

SERC	BMRC
For any kind of request, please use: PSF15 & PSF16 form	For any kind of request below, please use BMRC Grant Variation Form

1. Extension with OR without supplementary budget request:

- When to submit?

- SERC: Requests should be made in final year & reach at least 6 months before the project end date.
- BMRC: Requests should be made before the project end date (not necessary to be submitted in final year)

Note: Normally extensions **will not** exceed more than 6 months.
Longer extensions might be given on case by case basis.

Stage 3 – Project Tenure Change Requests (cont.)

2. Virement request:

- Who approves the virement?

SERC	BMRC
<ul style="list-style-type: none">• For virements which cumulatively <u>exceed 30%</u> of the original grant amount of the vote to be vired to or vired from, whichever is lower has to be approved by SERC.• Lower amount, the approving authority is within NTU (i.e. DOR)	<ul style="list-style-type: none">• Any virement amount need to be approved by BMRC

Stage 3 – Project Tenure Change Requests (cont.)

3. Change of Principal Investigator/Programme Manager/Co Investigator:

- Have to attach CV of the nominee?
 - Yes
- If the nominee is not from NTU?
 - PI needs to first obtain written agreements from both organizations that existing work can be transferred and enclose it along with the request

Stage 3 – Project Tenure

Publication Related

Must A*STAR approval be sought before PIs submit a publication?

- Yes, PIs shall be responsible for furnishing to A*STAR copies of such proposed publication or presentation in advance of the submission of such proposed publication or presentation to a journal, editor, or other third party.
- Publications could be sent to either respective council in A*STAR or Exploit Tech.

What's the lead time required by A*STAR?

- A*STAR or Exploit Tech will need 21 days to forward its written objections. If no objection is made to the proposed publication or presentation within the stipulated time, PI shall be free to proceed with the publication or presentation.

Stage 3 – Project Tenure Publication Related (cont.)

What's the purpose of this submission?

- To avoid disclosure of patentable subject matter contained in the proposed publication or presentation which needs protection.

Note: In the event that A*STAR objects to any such publication or presentation on the basis that the same would disclose patentable information, the Institution and each Investigator shall refrain from making such publication or presentation for a period of 90 days (or such shorter period as A*STAR may agree and which shall not be less than 60 days in any event) from date of receipt of such objection in order for the relevant patent application(s) to be filed.

Stage 4 – Final Report

Which forms to be used for Final Report?

SERC	BMRC
<ul style="list-style-type: none">• Final Report submission includes:<ul style="list-style-type: none"><input checked="" type="checkbox"/> PSF13<input checked="" type="checkbox"/> PSF16 - Capability Indicators• An A1-sized poster (only softcopy) summarizing:<ul style="list-style-type: none">•i. Project Motivation/Objectives•ii. Technical achievements/findings•iii. Other achievements such as awards, patents, papers, students•iv. New areas of research or new projects arising from original project•v. Website address for a continuation of the work (if any)•vi. Contact for continuing research/public query•vii. Acknowledgement of A*STAR's funding support	<ul style="list-style-type: none">• Final Report submission includes:<ul style="list-style-type: none"><input checked="" type="checkbox"/> BMRC Final Report Form



Stage 4 – Final Report

When to submit Final Report?

- The report must be submitted through RSO to A*STAR within 3 months of completion of the project.

Note:

- A*STAR will review the outcomes against the objective(s) of the Research as stated in this Contract, the Application, Approved Proposal or any approved revised budget, aims and research plan.
- PIs & Co-PIs whose final report is outstanding will be deemed ineligible for any further A*STAR grant applications

Other FAQs on EOM & Travel

1. For SERC, a faculty member wishes to give a top-up of stipend to his research student from SERC project funding. Is this allowed under the ASTAR guidelines?
 - No, SERC doesn't support stipend top-up.
2. With regards to SERC PSF funding, PI would like to hire Research Assistants who are Singapore Permanent Residents but not of ASEAN origin. Is this allowed?
 - No, it is required that Research Assistants must be Singapore citizens and/or Singapore Permanent Residents of ASEAN origin (effective for projects funded from May 2006 onwards).
3. Conference cost is going to be charged under A*STAR grant, what items can be claimed under this account?
 - NTU Travel guidelines are applicable. Please adhere to University's policies and procedures.

Thank you

