



University Grant Audit

Overview

PCC was retained by the Director of Internal Audit of a multi-location University to perform a detailed controls review of research grants and contracts administration. The value of the eight grants reviewed by PCC was approximately \$1.8 million.

**Approach &
Methodology**

➤ Performed an evaluation of the key control points of the grant process at the University as well as a detailed study of eight grants for compliance to University policy and specific campus policy by reviewing the following:

- grants application process
- grant accounting process
- payroll process
- purchasing process
- expenditure process
- accounts payable process
- sponsor reporting process
- billing process
- accounts receivable process

➤ Conducted interviews of employees in the Office of Research Administration (ORA)

➤ Reviewed university policies as well as campus policies and procedures to gain understanding of key processes

➤ Developed flowcharts and walk-throughs for use in testing and evaluating controls

➤ Developed an audit program based on the nine key processes reviewed, the policies adopted by the Board of Trustees, and the policies and procedures of the ORA

➤ Formulated a set of observations, risks and recommendations as a result of the key process review and detailed testing of the eight grants

Benefits

PCC concluded that the control environment reviewed was insufficient and made specific recommendations which were subsequently implemented by the client. PCC also recommended a follow-up review in six months to evaluate the effectiveness of the improvements to the control environment.
