

## 1. Audit Observations

Each year Enterprise Ireland conducts a series of audits on our range of programmes to ensure compliance with the EI Grant Agreement. As these audits are an annual feature in our working calendars we would like to take this opportunity to reflect on the findings of the 2012 round of audits and some of the issues that were encountered. It is in everyone's interest that we understand the types of issues arising to enable participants to ensure that claims are compliant and to minimise the administrative burden on the EI Contracts Unit, Principal Investigators and Research Accounts personnel.

In brief the type and nature of issues arising can be summarised as follows:-

## 2. Public Procurement Procedures

Claimants have an ongoing obligation to ensure that they are able to demonstrate that they have complied with both National and European public procurement procedures in respect of purchases of goods and services. **Click for guidelines**

- Non-compliance with procurement guidelines was observed in almost all colleges
- Reliance on sole supplier justification is used widely
- In many cases sole supplier selection cannot be reliably substantiated.

We recommend that in all instances where supply of goods and/or services are sought or utilised, appropriate public procurement procedures are observed where applicable. Sole supplier justification must provide reference to efforts undertaken to identify alternative suppliers.

## 3. Publicity

Publicity continues to be an issue across a large number of institutions with regard to the acknowledgement of EI support provided and the absence of documentation to confirm compliance. Please note that the obligation with regard to publicity rests with the PI in all cases.

## 4. Time Records

Staff members not engaged on a full time basis on projects are required to maintain time records (timesheets) which clearly show the element of their total working time attributable to the project. Therefore where a researcher is working across a number of different projects they must be able to provide a time record which clearly demonstrates the allocation of their time across all projects and the nature of the work performed. Whilst most organisations comply with these requirements there were still some incidences where time records are not being maintained by researchers and the basis for time allocation to the projects appears to be arbitrary in some cases.

## 5. Contracts of Employment

Contracts of employment are required to verify that the appropriate salary charge in line with the relevant grade and point on the scale is made to the project. The nature and type of queries regarding contracts of employment are as follows:-

In many instances contracts of employment were not available.  
There were inconsistencies between the contracts of employment and payroll records.  
Access to employment contracts denied citing the Data Protection Act.

## 6. Pension Contributions

Pre 2011 project participants must be able to demonstrate that pension contributions included in their submissions are not only incurred but also paid into an appropriate approved pension scheme. In order to comply with the Employment Control Framework post 2011 project participants Employer Pension Contributions are charged at 20% and participants must be able to demonstrate that they are paid into a pension control account.

## 7. Travel

Participants must provide supporting documentation in respect of travel undertaken to conferences or workshops in order to enable the auditors to link travel directly to the project. Justification regarding the relevance to project, conference papers obtained, confirmation of attendance, travel undertaken etc. are required.

## 8. In-Kind Contribution

In some cases there was no supporting documentation provided to support the contribution from the industry partner. Where documentation was provided it was deemed to be insufficient as no breakdown of costs was not available.

## 9. Internal Charges/ Recharges

Included in a number of submissions were nominal journal entries for internal charges or recharges of various costs. In many cases participants could not provide documentation to support these entries. Participants must be able to demonstrate with appropriate supporting documentation that such entries represent real costs.

- Basis for internal charges of supplies/services in some cases not adequately supported
- Internal recharges across projects not supported
- Amount of recharges in some cases are round sum in nature, generic and unsupported e.g. "please recode €3,000 of consumables from Project x to Project y".

## 10. Other Items in Brief

- Maintenance contracts - in many cases there is no contracts in place and EI advised that item is covered by warranty.
- There is no specific insurance policy for equipment in place – covered under general insurance.
- In some cases it was not possible to inspect capital equipment as it was not located on site.
- Expenditure is claimed prior to or after project start/ finish date.
- No separate project code opened for a project,
- Equipment costs not recorded on the Fixed Asset Register.
- Assets not tagged with EI acknowledgment of funding/EI logo.

## 11. Relevant Legislation & Guidance

- EI Terms & Conditions
- Department of Finance Guidelines
- Relevant Accounting Standards
- Public Procurement Policies & Procedures