

**McGill University**  
**Tri-Agency Financial Monitoring Review Assessment Report - Overview (February 2016)**  
**32 Findings**

**Note: 18 Items Resolved @ March 2017**

Criteria Assessed	Tri-Agency Dashboard @ June 2016	CIGT Item Number	Agency Finding	McGill Dashboard @ January 2017	Status/Timeline @ January 2017	Total Items 32
<b>General Institutional Controls Assessment</b>						
PREVIOUS MONITORING HISTORY	!	Item 12	The recommendations from the previous reviews have not all been addressed. The institution has not completely addressed the recommendations related to the authorization of expenditures by grant holders, verification of transactions for compliance and eligibility, eligibility of individuals to receive a salary from grant accounts and the General Research Fund spending (NSERC only).	!	June 2018	1
<b>Financial Management Controls Assessment</b>						
AUTHORIZATION OF EXPENDITURES	✗	Item 21 RECURRING	There is no process to ensure that PCard transactions, internal store transactions and internal expense allocations are authorized by the grant holder. For compensation, there is a process but it is not always operating effectively. A new process was implemented for PCards and some internal stores after the end of the reviewed period, but we were not able to test it.	!	December 2017	2
		Item 22 RECURRING	During the period reviewed, authorizations of expenditures were not always documented in writing or electronically. Unauthorized expenses could be recorded in the grant holder's account.	!	December 2017	3
DELEGATION OF SIGNING AUTHORITIES	✗	Item 23	The institution has in place a process for grant holders to delegate signing authority and those delegations are documented in writing or electronically. However, some grant holders delegate signing authority to individuals who may not be familiar with the research for administrative convenience.	✓	RESOLVED	4
		Item 24	The institution has in place a system to ensure that delegations are valid and documented. However, for the General Graduate Studies Fund (GGSF), there is no evidence that signing authorities were delegated from the president to the individuals that are authorizing transactions.	✓	RESOLVED	5
REVIEW OF COMPLIANCE AND ELIGIBILITY OF EXPENSES	✗	Item 26 RECURRING	The institution has a process in place to review transactions for compliance and eligibility, either centrally or by staff within the department. However, purchasing cards transactions, purchase requisition transactions under \$500, internal stores transactions and internal expense allocations are not necessarily subject to this review. This results in a high number of non-complaint transactions in those categories.	!	December 2017	6
OWNERSHIP AND DISPOSAL OF ASSETS	✗	Item 27	The institution does not have a means to track the purchase and disposal of equipment acquired with the agencies' grant funds.	✓	RESOLVED	7
		Item 28	The institution does not have a process in place to ensure that the proceeds from the sale of equipment purchased with agency grant funds are used for research-related purposes.	✓	RESOLVED	8
<b>Process Specific Controls Assessment</b>						
CIHR RESEARCH ALLOWANCES (RA)	!	Item 49	The awardee has unfettered access to RA funds and determines the use of the funds. The awardee authorizes the expenses charged to the RA either at the time of the transaction or after the fact. There is a process to ensure RA funds are released only after the approval of the administering institution's REB. However, there is no monitoring of the ongoing ethics requirements of research allowance holders performing research on human or animal subjects.	✓	RESOLVED	9
PURCHASING CARD (PCARD)	✗	Item 51 RECURRING	Prior to December 2015, there is no confirmation that the grant holder authorized the expenses if he is not the reconciler. A new process has been put in place; however, we have not tested it.	✓	RESOLVED	10
		Item 52 RECURRING	In most faculties, transactions incurred with a purchasing card are not reviewed for compliance and eligibility by an appointed institutional official other than the grant holder or their delegate.	!	REV to Dec 2017 (November 2017)	11
		Item 53	Purchasing card transactions are supported by documentation regarding the goods and services acquired. However, information is missing such as justification.	✓	RESOLVED	12
TRANSFER OF FUNDS - Between Institutions	✗	Item 58	The content of the transfer letters is not compliant with the agencies' guidelines due to missing elements such as the compliance with the Tri-Agency Framework on the Responsible Conduct of Research and the consolidation of the F300.	✓	RESOLVED	13
		Item 59	There is no evidence that transfers are authorized by the grant holder before funds are transferred to another institution.	✓	RESOLVED	14
GENERAL RESEARCH FUNDS (GRF) AND GENERAL GRADUATE STUDIES FUNDS (GGSF) ADMINISTRATION	!	Item 65	The GRF transactions are authorized by the grant holder or their delegate. However, for the GGSF, there is no evidence that the grant holder responsibilities were formally transferred to all individuals making decisions.	✓	RESOLVED	15
		Item 66	The institution has a process in place to review transactions for compliance and eligibility. However, depending on the method of payments, some transactions are not reviewed, leading to non-compliant transactions being charged to the GRF.	!	December 2017	16
		Item 67 RECURRING	The institution's NSERC GRF contains balances, and the institution is not spending the funds in a timely manner. The agencies expect that at least 50% of available funds be spent on a yearly basis.	✓	RESOLVED	17
ELIGIBILITY STATUS	!	Item 75	The institution verifies the continuing eligibility status of grant and award holders, however, the agencies are not receiving the information/documentation in a timely manner.	✓	RESOLVED	18
<b>Compliance Controls Assessment</b>						
COMPENSATION	!	Item 76 RECURRING	Not all employees hired are authorized by the grant holder or their delegate. NSERC stipends are paid to visiting researchers within prescribed limits. Supporting evidence for compensation-related transactions is complete. Non-discretionary benefit charges are sufficiently documented. The same non-discretionary benefits are offered to all individuals paid from the grant account if they hold identical positions.	✓	RESOLVED	19
		Item 77 RECURRING	The institution does not have an official process to monitor the eligibility status of external recipients of salaries or stipends paid from grant funds to ensure they can in fact receive remuneration. These individuals may not be eligible due to their affiliation with another university.	✓	RESOLVED	20
INTERNAL STORES	✗	Item 83 RECURRING	Not all transactions are authorized by the grant holders or their delegate and this authorization is not necessarily authenticated.	!	September 2017	21
		Item 84 RECURRING	Authorization by the grant holders or their delegate is not necessarily authenticated.	!	September 2017	22
		Item 85	Supporting documentation is maintained indicating the exact charge made but information is often missing such as justification for office supplies.	!	September 2017	23
		Item 86 RECURRING	During the period reviewed, expense transactions were not reviewed for compliance and eligibility by an appointed institutional official other than the grant holder.	!	September 2017	24
INTERNAL EXPENSE ALLOCATION AND SHARED EXPENDITURES	✗	Item 87 RECURRING	Not all transactions are authorized by the grant holders or their delegate and this authorization is not necessarily authenticated.	!	December 2017	25
		Item 88 RECURRING	Expense transactions are not reviewed for compliance and eligibility by an appointed institutional official other than the grant holder.	!	December 2017	26
		Item 89	Internal expense allocations are supported by documentation regarding the goods and services acquired. However, since the transactions are not reviewed for compliance and eligibility, transactions may be charged to grant accounts without sufficient supporting evidence.	!	December 2017	27
EQUIPMENT AND SUPPLIES	✗	Item 90	Transactions are authorized by the grant holder or their delegate and this authorization is authenticated. However, the guidelines indicate that approval to process the invoice is not required unless the invoice amount is at least 10% higher than the purchase order amount authorized by the grant holder. During the period reviewed, the variance was not approved by the grant holder. Sufficient supporting evidence is maintained, including the supplier invoices indicating the details of purchases and prices paid.	!	REV to June 2017 (March 2018)	28
		Item 91 RECURRING	Not all expense transactions are reviewed by an appointed institutional official other than the grant holder or their delegate for compliance and eligibility. Consequently there are a number of non-compliant transactions. More specifically, electronics, computers and books were not always justified.	✓	RESOLVED	29
		Item 92	Information is missing such as justification. Without adequate justification for these types of expenditures, the institution does not have sufficient information to assess the eligibility of the expenditure.	✓	RESOLVED	30
HOSPITALITY FOR NETWORKING AND RESEARCH RELATED ACTIVITIES	!	Item 94	Not all expense transactions are reviewed by an appointed institutional official other than the grant holder or their delegate for compliance and eligibility.	✓	RESOLVED	31
		Item 95	Information is missing to support the hospitality charges.	✓	RESOLVED	32

<b>Total Findings:</b>	<b>32</b>
<b>Resolved Items January 2017:</b>	<b>12</b>
<b>Resolved Items February 2017:</b>	<b>2</b>
<b>Resolved Items March 2017:</b>	<b>4</b>
<b>Total Resolved Items @ March 2017:</b>	<b>18</b>
<b>Outstanding Items:</b>	<b>14</b>