

UTS163 – Guidelines on Effort Reporting Policies APPENDIX B – Monitoring Plan Criteria

Each UT Institution shall develop a written monitoring plan, which is approved by the Designated Responsible Party, the institutional compliance officer, and the institutional compliance committee. The monitoring plan should contain information on the: 1) specific risks to be monitored; 2) operating and monitoring controls to be relied upon; and 3) monitoring results communicated to executive management.

1) Specific Risks:

Each UT Institution shall actively monitor the following specific risks:

- Failure to complete a Cost Transfer when revised Effort has occurred;
- Failure to request sponsor approval in advance for reduction in Effort of greater than or equal to 25%;
- Failure to complete and justify Cost Transfers in a timely manner;
- Having payroll charges in excess of documented Effort for the applicable contract or grant;
- Having multiple Sponsored Programs whose commitment exceeds 100%;
- Having un-informed principal investigators completing Effort Certification;
- Failure to account for Cost Sharing;
- Failure to adhere to the NIH salary cap.

Each UT Institution shall include these specific risks in its monitoring plan. Each UT Institution should complete a formal risk assessment based on its control environment, culture, types of externally funded research, known problem areas, etc. to determine if other specific risks should be included in its monitoring plan. Another potential benefit of the risk assessment is insight into selecting a sample of transactions that would be reviewed by the monitoring controls (see next paragraph). For example, if an institution determines career development awards (more commonly known as K Awards) should be monitored; the institution should periodically select a random sample of K Award recipients and determine the reasonableness of their Effort Certification.

2) Operating and Monitoring Controls:

Effective internal controls (both operating and monitoring controls) should mitigate the specific risks to an acceptable level. Operating controls are applied by staff to every event/transaction in the applicable process. Monitoring controls are the procedures performed thereafter (on a sample basis) by a supervisor to determine whether the operating controls worked as intended. These procedures shall include periodic interviews with Primary Individuals and principal investigators who have confirmed Effort Certification reports. Supporting documentation should be considered when assuring sufficient time was available for Total Institutional Activities certified.

Every internal control relied upon to mitigate a specific risk and the evidence associated with that internal control should be documented in the monitoring plan. It is critical that the monitoring controls are performed by someone who has no involvement with executing the operating controls.

3) Reporting:

The monitoring results shall be communicated in writing in a timely manner to the Designated Responsible Party, the institutional compliance officer, and to the institutional compliance committee so that corrective action(s) can be promptly implemented for any instances of non-compliance.