

# **Presentation to the Estonian Research Council/ Universities Estonia**

**Experience in Ireland – Joint Audit Approach undertaken  
by Science Foundation Ireland and Health Research  
Board in the Research Performing organisations (RPOs)**

**Presented by Joan Hynes  
Head of Finance & Grants  
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# What Science Foundation Ireland Actually Does

- Makes **grants** to Higher Education Institutes (HEIs) in Ireland
- Based on competitive, international merit review for scientific **excellence** and **impact**
- Trains **people**
- Builds **infrastructure**
- Produces **scientific results** and technology (Research Output)
- Transfer of the **Research Output** to existing and new companies for **economic and societal impact**
- Supply of appropriately trained people along the entire **science and technology pipeline**
- **Significant industrial collaboration** attracting, anchoring and starting companies
- **Leverages** other research funding e.g. Industrial / EU / Charitable / Philanthropic / International
- Fosters high levels of **collaboration** between academia, industry, charity, disciplines, sectors, institutions, people and countries
- Engages the **public** to **grow scientific literacy** and citizenship

# Ireland and Horizon 2020

Total draw down to date:

**€683M**

1.72% of total H2020 drawdown to date (up from 1.67% last year)

Target: 1.56%; juste retour: 1.2%

## Sector Success

- Higher Education 54%
- Companies 34%
- Public sector, etc. 12%

## Success rates

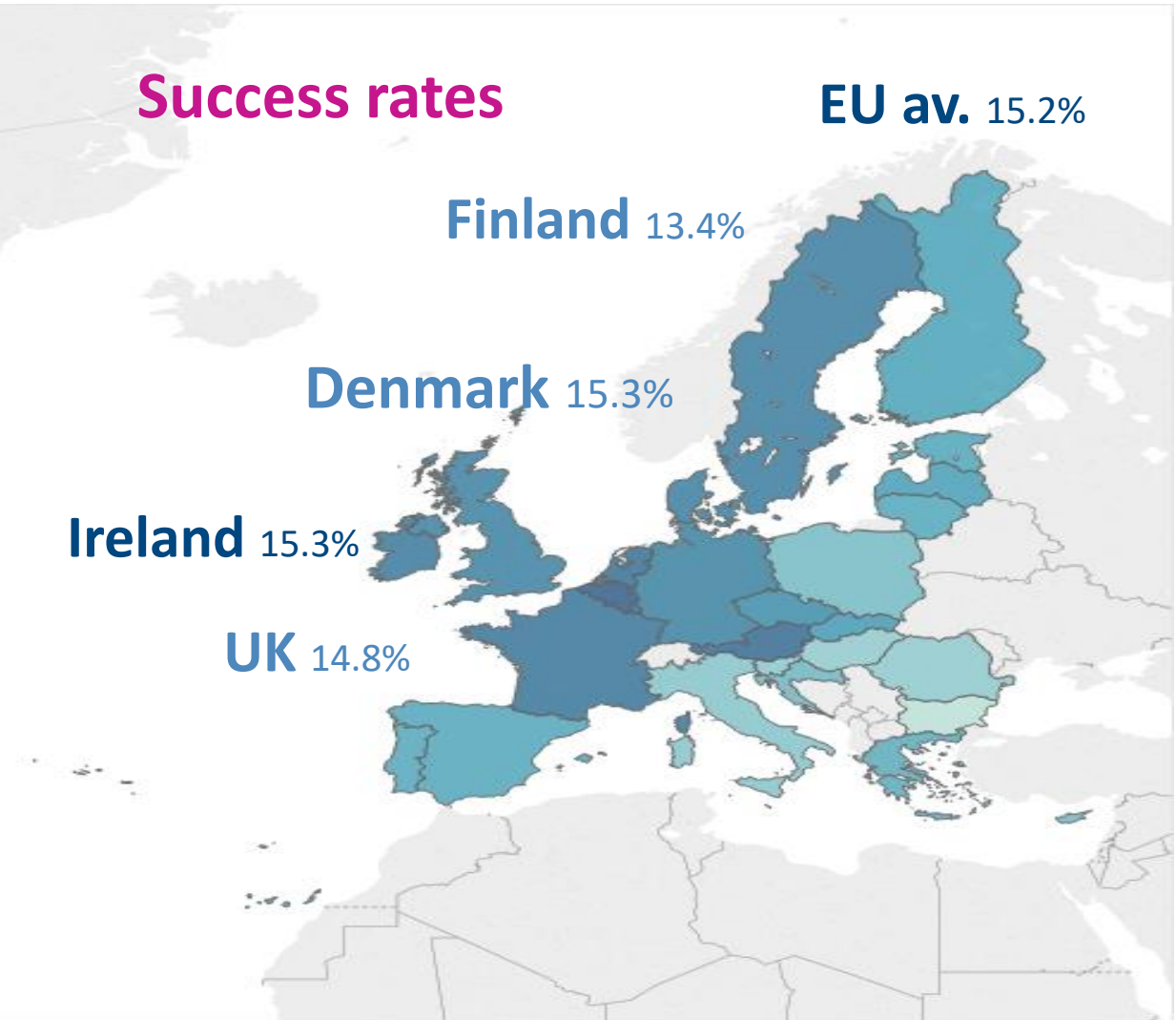
**EU av. 15.2%**

**Finland 13.4%**

**Denmark 15.3%**

**Ireland 15.3%**

**UK 14.8%**



# SFI Joint Audit Approach – Background

SFI make awards to the Research Performing organisations directly (RPOs). There are 8 large universities in Ireland. A number of the RPOs identified that they were being audited a number of times in the same year:

- The Comptroller & Auditor General – State annual financial audit
- RPOs internal Audit departments
- Science Foundation Ireland / Health Research Board / other State Funding agencies audits
- EU audits for ERDF audits
- EU audits for Horizon 2020/ other EU awards

This significant audit burden puts pressure on the same group of Financial Staff at the RPOs. There were initial contacts made through the Irish Universities Association and the Research Accountants group to see if this burden could be reduced.

# SFI Joint Audit Approach

- SFI and another Irish Funding Agency, the Health Research Board, commenced performing joint audits of RPO's (Research Performing Organisations) in 2014.
- The Health Research Board also makes research awards to the same group of RPOs in the life sciences area.

The common audit approach works as follows:

- SFI and HRB jointly appoint professional firms to carry out audits of RPO's on the basis of an agreed methodology that covers the key processes around award management in respect of awards issued by both bodies.
- Both SFI and HRB have appointed key liaison officers to manage this process
- Both the process and reporting are overseen by each body's executive management and Board (through the Audit Committees).
- This process has been subject to review in early 2015 and early 2016.

# SFI Joint Audit Approach - Scope

- The joint audits completed by SFI and HRB only cover audits of financial controls in respect of awards to RPO's by both organisation
- The joint approach does not currently include any EU reporting or auditing requirements, such as ERDF, ESF or similar funds.
- SFI and HRB are currently in discussion on an approach to carry out scientific risk audits jointly – this approach is unlikely to commence until 2020.

# SFI Joint Audit Approach - Methodology

- SFI and HRB annually confirm the agreed audit methodology which documents:
  - roles and responsibilities for coordination,
  - audit selection,
  - professional firm panel selection and tendering,
  - audit approach, and audit timelines
  - reporting.

Both Funding Agencies are jointly responsible for maintenance of the audit methodology

Audit selection takes place on a risk basis. Each Funding Agency will firstly consider its own award profile and suggest RPO's to be included for audit during that year on the basis of considering the following main risks: value of payments made in the year, RPO not subject to recent audit, or significant recent audit / reporting findings

# SFI Joint Audit Approach

- The audit approach focuses and on the evaluation of controls, and is therefore not mainly a substantive approach to test specific expenditure or transactions alone.
- The Auditors have to provide an overall opinion on the assurance levels that can be provided on the adequacy of these controls, and also highlight any significant control weaknesses.
- Closing meetings – Audit firms are required to complete a closing meeting with RPO's where relevant findings are discussed and recommendations agreed verbally.
- Draft report – Audit firms should deliver a draft report within 2 weeks after completion of the closing meeting. Once management comments are received from the RPO, these draft reports are provided to SFI and HRB for review.



# SFI Joint Audit Approach – Key Benefits

- Efficiency of the joint audit process - the delivery of single audits covering the assurance requirements of multiple funding agencies has efficiency benefits for the funding agencies (time and cost input) and also reduced the resourcing impact on RPO's.
- Increased learning from audits
- Standardisation of approach / consistency
- Rigor of approach - two funding agencies agreeing a joint audit approach
- Clarity for RPO's – SFI and HRB spent time clarifying the audit approach and methodology
- Improved coordination
- Controls assessment – the move from a largely substantive approach to a controls based assessment has resulted in the audits focussing on real control weaknesses
- Potential policy alignment of SFI/HRB
- Cross funding issues – such as potential double funding, or incorrect allocation of shared costs

# SFI Joint Audit Approach – Key issues and further enhancements identified to date

- Funding Agency involvement – the current joint auditing process involves SFI and HRB only -The benefits from the joint process would be increased if further agencies were to participate.
- ERDF and ESF audits are not currently included in the scope of joint audit activity.

## Contacts with DG Research and Innovation

- “Arrangement between DG Research & Innovation and Science Foundation Ireland” signed in November 2015 set out areas for Cooperation include :
  - Regular contacts to discuss risk audit and control issues best practices research Integrity and scientific mis-conduct
  - exchange of information on awards made by SFI which could be crossed checked against awards made by EU ERC awards etc.
  - Mutual access to databases on grants (E-Corda)
  - Participation in joint training events
  - Points of Contact nominated .....SFI and DG
  - Not much progress since then....



***Thank You***