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Annual audit of US Federal Grants – Single audit and Wellcome Trust

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Audit scope

The University of Cambridge carries out an annual review of Department of Health and Human Services (DHHS) / National Institutes of Health (NIH) funded grants and any auditable Department of Defence grants.

FY 2023/24 audit

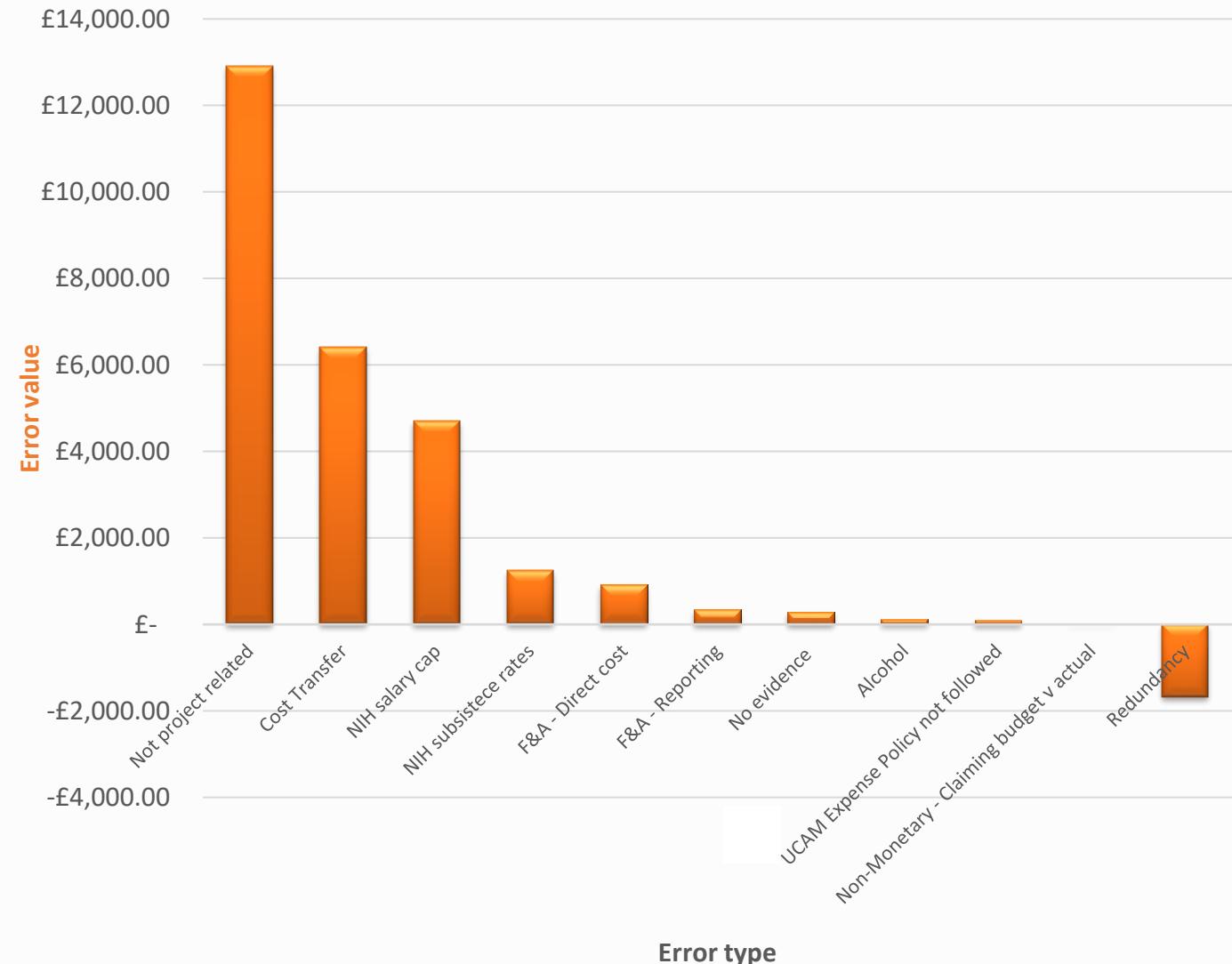
- New provider to conduct the FY2023/24 audit is  **Crowe**
- Aiming to start the audit process in the second half of May 2025 and complete it by mid-Aug 2025
 - 40% of the auditable grants will be sampled (approx. 20 grants)
 - Tighter response timeframes anticipated and possible new requirements depending on the auditor's testing methodology
 - Please respond promptly to requests for evidence /documentation/queries
- Contact ROO Compliance (CROCompliance@admin.cam.ac.uk) for any queries related to the Single audit from the Primes or Federal Agencies

Summary of findings from 2022/23 audit

- 14 grants sampled in the audit
- 9 grants had findings noted in the audit report
- Overall reduced error values compared to 2021/22 audit

Top 3 errors from 2022/23 audit

- costs not project related
- Cost transfers without an audit trail
- NIH salary cap not respected



Reminder of the main funder requirements

Item	Requirement
Transfer of costs	should be accomplished WITHIN 90 days of when the error was discovered and must be supported by documentation fully explaining how the error occurred, when the error was identified along with approval of correction.
Salary costs	costs charged to the project MUST reconcile with time records. All productive hours (100% of effort) need to be recorded on the timesheets.
NIH salary cap	The salary that can be paid to an individual through a grant cannot exceed a specific level requested by the funder. The salary cap changes annually (\$225,700 starting with 1st Jan 2025).
Costs allocability	only costs directly related to the grant and actual costs should be charged to the grants (not allocations or budgeted costs).
Facilities & Administrative costs (F&A)	to be claimed on Modified Total Direct Costs.
Air travel	Business Class fares are not allowed. Must use a US Flag Carrier to travel for UK/US - <i>not</i> a UK airline e.g. British Airways, unless using an applicable Fly America Act exception.

Useful links

[Uniform Administrative Requirements](#), [NIH Cost Principles](#), [Allowable Costs/Activities](#), [Fly America Act](#), [NIH Salary Cap](#)

Reminder of the University of Cambridge main Policies and Procedures

Item	Requirement
Procurement	University's Competition Procedures must be followed unless PRIOR dispensation has been granted in accordance with Regulation 18.3 .
Employee Expenses Policy	Be aware that US federal grants rules are stricter than the University's rules for air travel.
Financial Procedures Chapter 19 - Research Grants	<p>Review expenditure on the grants regularly (month end checks) and in particular prior to the submission of the claim to the funder to ensure that costs:</p> <ul style="list-style-type: none">▪ not project related, have not been charged in error to the grant▪ are charged in the correct category▪ in line with the T&Cs of the grant and the University Financial Procedures and Policies▪ supported by adequate evidence



Wellcome Trust audit

Background

- The review assessed the University's established controls and processes to ensure compliance with Wellcome's funding policies and grant conditions, effectively manage the portfolio of Wellcome's grants and implement good research practices.
- Audit carried out between Nov 2024 – Feb 2025.
- 16 grants were sampled in the audit.

Audit outcome

- Positive outcome, a rating of "**some improvements needed**" and a **risk culture rating of "integrated"** has been awarded.
- No critical control weaknesses or instances of non-compliance identified.

Wellcome Trust audit observations and areas of improvement

Non-compliance with Wellcome's policies and grant conditions

- **Environmental sustainability** (LEAF accreditation)
- **Bullying, harassment, abuse and harm** checks
- **Continuing Professional Development** – training for research misconduct panel members & CPD training monitoring
- **Equality, Diversity and Inclusion** training reporting
- **Research Ethics** – monitoring of ethics approvals and appropriate research ethics training for all Wellcome-funded researchers using samples or participants
- **Expenditure incurred prior to the start date of the grant** - ineligible expenditure

Non-compliance with University's processes

- **Due-diligence** – periodic checks on collaborators were not conducted for several existing collaborators
- **Research collaboration agreement** not fully executed
- **Evidence of reviewing the Financial Expenditure Report** prior to submission missing

Monitoring controls - Biosafety

- Insufficient monitoring of physical access to Containment Level 3 (CL3) laboratories
- CL3 practices related to inspection reporting processes