

**NATIONAL RESEARCH FOUNDATION (“NRF”)
RESEARCH PROJECT’S AGREED-UPON-PROCEDURES (AUP)**

Guidelines for Periodic Project AUP (formerly known as Project Audit) (“PA”)

1. In line with the need to check that the National Research Fund is utilized appropriately, project claims must be subject to an Agreed-Upon-Procedures (AUP) engagement by an external auditor (i.e. practitioner) under the Singapore Standard on Related Services SSRS 4400 (Revised) Agreed-Upon-Procedures (AUP) Engagement. It must be performed by a practitioner appointed by the **Qualified Agency**¹ and comply with the independence² requirements below:
 - (a) The practitioner has not provided accounting and bookkeeping services which include preparing accounting records and financial statements, recording transactions and payroll services to the Host Institution during the claim period of the statement; and
 - (b) The practitioner is not the Host Institution or related entities (as defined in the ACRA Code) of the Host Institution that is awarded the grant by National Research Foundation.
2. The practitioner’s report on the AUP (formerly known as the “Project Audit (PA) report”) shall be addressed to the Host Institution and is intended solely for the Host Institution and the Grantor³. Its format shall be in accordance with the Institute of Singapore Chartered Accountants’ (ISCA) Audit Guidance Statement 1 Appendix 5A. The practitioner shall stamp a copy of the Host Institution’s Periodic Requisition / Final Statement of Account (the “Statement”) which was previously submitted by the Host Institution and on which the procedures were performed under the engagement, with the stamp of the Practitioner’s firm and enclose the Statement in the practitioner’s report.
3. The AUP on direct cost shall cover at least 85% (or 70% coverage if the latest assurance report on the Entity Audit (EA) submitted to NRF has an unmodified conclusion) of the value claimed.
4. The PA report is to be submitted by the Host Institution on all claims under the project within 6 months from the end of the annual/mid-term/end-term PA period [refer to table 1 below].

¹ Defined as Ministries, Statutory Boards, CREATE entities, Autonomous Universities of Singapore and Healthcare Clusters. This would include Whitelist Entities as approved by NRF.

² For any deviations, Grantor’s approval has to be sought.

³ National Research Foundation, Singapore (NRF) reserves the right to request for a copy of the PA report, if the project is administered by its Implementing Agency or Intermediary, where applicable.

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Table 1: Overview of Project Term and periodic coverage for AUP

Host Institution	Project Term ⁴	PA Period [and its submission deadlines]		
		Annual	Mid Term	End Term
1. Qualified Agencies (with EA report submitted to NRF)	≤3years	N.A.	N.A.	Project Start Date to Project End Date [PA report to be submitted by Host Institution within 6 months from project end date.]
	> 3years	N.A.	Project Start Date to 3 rd FY ending 31 st Mar [PA report to be submitted by Host Institution by 30 Sep of 4 th FY.]	4 th FY beginning 1 st Apr to Project End Date [PA report to be submitted by Host Institution within 6 months from project end date.]
2. Qualified Agencies (EA exempted by NRF)	Any period	<ul style="list-style-type: none"> • PA report ending 31 Mar, to be submitted by Host Institution annually by 30 Sep; • For the last FY of the project period, PA report to be submitted by Host Institution within 6 months from project end date. 	N.A.	N.A.

⁴ means the term of the Contract, beginning with the project start date for the duration of the Funding as specified in the Letter of Award/Acceptance Form.

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5. If there is an extension of a project with ≤ 3 years duration, the final PA report due date would be automatically extended with the approved extension of the project, provided the following 2 criteria are met:
- (a) there is no additional resources required, and
 - (b) the total period extended is within 12 months from the original project end date.

Notes

- *For Qualified Agencies (with EA report submitted to NRF), each PA period should not exceed 3 years, unless it is due to an extension of time as provided above. For Projects with an original project term exceeding 5 years, Directorates should calibrate and ensure each periodic PA period does not exceed 3 years.*
- *For Qualified Agencies (exempted from EA report submission to NRF), the annual PA report may be combined for up to a period of 15 months for the first and/or last PA report.*

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Agreed-Upon Procedures (AUP)

The following AUP must be incorporated in the practitioner’s report.

Terms of Reference for Grantee’s Practitioners

The AUP must be performed in accordance with the Singapore Standard on Related Services SSRS 4400 (Revised) Agreed-Upon Procedures Engagements.

1. Obtain the Letter of Award, including all amendments, variations and supplementals to the same, and its accompanying annexes (hereafter referred collectively to as the “Award Letter”).
2. Agree the project details on the Periodic Requisition is in accordance to Grantor’s stipulated template, including Final Claims/ Final Statement of Account and its manpower listing (hereafter referred to as the “Statement”) to the Award Letter and schedules of expenditure⁵ provided by management by performing the following procedures:
 - 2.1 Agree the budget amounts stated in each Statement with the Letter of Award. If there is a revised budget, recompute the revised budget amounts based on the budget stated in the Letter of Award and its approved budget variations, and agree the revised budget recomputed to the Statement.
 - 2.2 Check that any variations/virement of funds performed within and across Votes (Expenditure on Manpower, Equipment, Other Operating Expenses, Overseas Travel and Research Scholarship etc.) are in accordance with the Grantor’s Funding Guidelines & Terms and Conditions included in its Award Letter.
 - 2.3 Agree the opening cumulative drawdown and expenditure amounts reported in each Statement with the closing cumulative amounts in the prior claim period.
 - 2.4 Agree the actual expenditure amounts, for each vote, reported in each Statement with the total amount in the corresponding schedules of expenditure.
 - 2.5 Check that indirect costs claimed, if applicable, is computed accurately in accordance with the approved indirect costs rate/ratio per the formulae provided in the Statement and is based on its qualifying direct costs amount in accordance with the Grantor’s Funding Guidelines & Terms and Conditions included in its Award Letter.
 - 2.6 Check that the indirect costs rate/ratio in the Statement is per the Award Letter and does not exceed the budgeted amount.
3. Recompute the amounts on each of the Grantee’s Statement(s) on funds to be credited/disbursed, fund balance, total actual expenditure incurred, etc, where applicable.
4. Check that the cumulative expenditure amount in each of the Statement are within the grant amount and limits of the Award Letter and do not exceed the approved budget (after virement, if any) of the various categories, funding support rate/ratio (if applicable):
 - 4.1 Overall Total Project/ Programme Cost;
 - 4.2 Individual Votes (Expenditure on Manpower, Equipment, Other Operating Expenses, Overseas Travel and Research Scholarship); and
 - 4.3 Indirect Research Cost, if any.
5. Inspect that all Statements are signed off by the Grantee’s authorised nominee, by checking against specimen signatures in the delegation of authority provided by management for such claims. If there are no specimen signatures in the delegation of authority or if the delegation of authority is not available, obtain written management confirmation that the Statement is signed off by the Grantee’s authorised nominee.

Procedures 2.5, 3, 4 and 5 above are not applicable for project claims managed through Integrated Grant Management System.

6. Trace the funds received by Grantee under this Grant to the amount stated for disbursement in the Statement, and agree this amount to the General Ledger and bank statement.

⁵ schedule should include details such as expenditure description, vendor name, invoice amount, invoice date, delivery/service date, payment voucher number, payment date etc.

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Direct Cost Validation

7. The procedures as listed from 7.1 to 7.11 shall cover at least 85% (or 70% coverage if the latest assurance report on the Entity Audit submitted to NRF has an unmodified conclusion) of the actual expenditure claimed in the Statement. For projects with Co-Funding, the procedures as listed from 7.1 to 7.10 shall be performed on amounts before pro-rata. Procedures for pro-rata are listed in 7.11.
 - 7.1 On schedules of expenditure provided by management, check that:
 - 7.1.1 the description of the items claimed in the schedules of expenditure are not within the non-fundable/ non-supportable direct cost items defined in the Award Letter⁶;
 - 7.1.2 the employees’ designations provided in the manpower listing are not within the non-fundable direct cost defined in the Award Letter.
 - 7.1.3 where there are description on Qualifying Cost appended in the Award Letter, check the description of items claimed are not disallowed by the Grantor.
 - 7.2 Agree the amount, description and details (e.g. dates of involvement/incurrence) of items claimed in the detailed schedules of expenditure and manpower listing to:
 - 7.2.1 Accounting records of the Grantee, and
 - 7.2.2 Original source documents or other records (e.g. invoices, delivery documents, commissioning certificates, personnel and payroll records etc). In the absence of original source documents or other records, trace to certified true copies by the Grantee’s authorised signatories (e.g. payroll records and purchase records).
 - 7.3 Check that payment vouchers are approved by an authorised personnel in accordance to the delegation of authority of the Grantee by checking against specimen signatures in the delegation of authority provided by management for such payments and trace the payment vouchers to the General Ledger. If there are no specimen signatures in the delegation of authority or if the delegation of authority is not available, obtain written management confirmation that the payment vouchers are approved by the authorised personnel.
 - 7.4 Check that items claimed in the Statement per the schedule of expenditure are incurred (based on invoices or service rendered date) within the qualifying period (‘Project Start Date’ to ‘Project End Date’) as per the Award Letter and report item(s) claimed which fall outside the qualifying period.
 - 7.5 Check that the payment dates are after invoice dates and/or service rendered dates.
 - 7.6 Check that claims that are under reimbursement from Grantor are submitted to Grantor only after payment had been made by the Grantee by tracing such claims to the supporting documents for payment (e.g. bank statements etc.).
 - 7.7 In the event that there are items in the schedule of expenditure which are purely accounting entries without cash outlays (e.g. accruals, depreciation etc.), commitments or projections, except for inter-department charges (if any), this will constitute as an exception. The Practitioner shall report these exceptions within the Practitioner’s Report.
 - 7.8 Inspect the description of items and amounts claimed in the Statement and schedule of expenditure in the current claim period and the previous claim periods provided and confirmed by management to be complete, and report on any items with the same description, billing period, amounts and/or invoice number in different claim periods as this may indicate duplicated claims.

⁶ The list of non-fundable direct costs is provided in the Annex of Guidelines for the Management of Research Grants in its Award Letter.

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Additional procedures applicable to Final Claims on staff performance bonus paid after the qualifying period.

- 7.9 For Final Claims on staff performance bonus, if the pay-out occurs within 6 months from the end of the qualifying period, agree the staff performance bonus pay-out amount to the payroll records (e.g payroll summary report) and supporting documents for payment (e.g. bank statements etc.).

Additional procedures applicable to Research Scholarship Claims.

- 7.10 For Stipend claims selected as samples:

- 7.10.1 Check that Stipend rates for research scholars are charged in accordance with Ministry of Education’s (MOE’s) prevailing circulars (e.g. HED/006/2015, HEG/005/2018 and HEG/001/2021 or their latest versions).
- 7.10.2 Recompute the Stipends claimed based on the prevailing Stipend rates and number of student(s) claimed in the Statement.
- 7.10.3 Obtain the supporting documents for the Stipends claimed and agree the details of the student (e.g. student’s name, admission number etc.) to the Admission Letter and Letter of Undertaking (or acceptance of offer equivalent).
- 7.10.4 Check that the period of claim is within the period of award stated in the Admission Letter and the qualifying period.

Additional procedures applicable to Projects with Co-Funding.

- 7.11 For selected Projects that are subject to co-funding (eg. SGI Summation, Funding to Private Sector Entities etc.)
- 7.11.1 Obtain the basis of pro-ration from the Award Letter and perform re-computation of pro-rated qualifying costs; and
 - 7.11.2 Agree the amount claimed in Statement is per the recomputed pro-rated costs on qualifying costs.

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Additional procedures applicable to Equipment

8. Check that equipment funded by the Grantor per the cumulative amount in the Statement are capitalised in accordance with the Grantee’s policy on asset capitalisation by tracing the amount funded to the asset register, equipment listing etc.
9. Identify all equipment with cost amount of \$250,000 and above from the equipment claimed in the Statement and perform the following procedures:
 - 9.1 Perform physical sighting of the equipment anytime during the claim period and up till the date of the Practitioner’s Report. Where physical sighting is not practical⁷, perform virtual sighting (e.g. live video tours, photographs of the equipment with time stamp etc.) to check the existence of the equipment claimed in the Statement.
 - 9.2 Enquire with project personnel and obtain written management confirmation that the equipment are installed/operating for the project.
10. Obtain written management confirmation that there are no sale/lease/disposal/transfer of any equipment, software or intellectual property rights, if applicable, that has been funded by the Grantor under this Grant, which took place during the qualifying period. If there were any sale/lease/disposal/transfer of any equipment, software or intellectual property rights, if applicable, reported by management within the confirmation, agree the details (i.e. description, period claimed under this Grant, qualifying costs claimed, claim amount, date of sale/lease/disposal/transfer) to the records of the Grantee and report in the Practitioner’s Report as an exception found.
11. In the event that there are errors and deviations found⁸, or the Practitioner is unable to perform any of the prescribed procedures above, the Practitioner shall report these on the Practitioner’s report as exceptions in the form of a table as illustrated in the Audit Guidance Statement 1 [Appendix 5A] to the Grantor and the National Research Foundation accordingly and provide findings, where applicable.

⁷ refers to scenarios where physical sighting is not practical as the physical equipment are not located in Singapore, eg. equipment located in space/ volcano site etc.

⁸ in situations where no exceptions are found, if the Practitioner deems that reporting of further information is necessary, the Practitioner can do so by appending the details to the Practitioner’s Report.