

## PROCEDURE OF CONDUCTING AUDITS ON HOST INSTITUTION PREMISES

### **§1. Terms defined**

Wherever in the hereby procedure a reference is made to:

- 1) Centre – it shall be understood as the National Science Centre;
- 2) Director – it shall be understood as the Director of the National Science Centre;
- 3) Project – it shall be understood as a research project financed by the National Science Centre pursuant to a contract of financing a project by the National Science Centre, for which an audit has been ordered. The term project shall be understood also as post-doctoral internships and doctoral scholarships as referred to in art. 20 point 5 letter d) of the Act on the National Science Centre (i.e. Journal of Laws of 2015, position 839 with further modifications);
- 4) Host Institution – it shall be understood as the entity referred to in art. 10 points 1-8 and 10 of the Act of 30th April 2010 on the principles of financing science (Journal of Laws of 2014, position 1620 with further modifications) where the project in question is being carried out;
- 5) Principal Investigator – it shall be understood as the principal investigator to a research project financed by the National Science Centre pursuant to the contract of financing a project by the National Science Centre for which an audit has been ordered. In the hereby procedure, Principal Investigator shall be understood also as an intern conducting his/her post-doctoral internship, and a recipient of a scholarship granted by the National Science Centre;
- 6) Audit Team – it shall be understood as the team appointed by the Director of the National Science Centre for the purpose of conducting an audit;
- 7) Auditor – it shall be understood as a member of an Audit Team;
- 8) Auditor in charge of the audit proceedings – it shall be understood as the member of the Audit Team appointed by the Director of the National Science Centre for the purpose of coordinating the audit proceedings;
- 9) TCA – it shall be understood as the Audit Team.

### **§2. Legal basis for audit**

1. The Centre is authorised to conduct audits of projects pursuant to:
  - art. 34 section 3 point 2 of the Act of 30<sup>th</sup> April 2010 on the National Science Centre;

- art. 35 section 2 of the Act of 30<sup>th</sup> April 2010 on the National Science Centre, should the contract of financing an internship or a scholarship provide for the possibility of audit on the Host Institution's premises, where the internship or scholarship is being carried out.

### **§3. General information**

1. An audit of a project is carried out in order to determine if the project has been carried out according to the grant agreement made in evidence of an actual state established using the adopted criteria of audit, i.e. legality, thrift, purposefulness or diligence.
2. Audits are conducted taking into account the regulations on the protection of classified information.
3. Audits on Host Institutions' premises differ based on:
  - 1) the nature of the audit:
    - planned audit – conducted in accordance with the Annual Audit Schedule;
    - ad hoc audit – not included in the Annual Audit Schedule.
  - 2) the scope of the audit:
    - comprehensive audit – an audit concerned with all aspects of the project's realisation;
    - problem-oriented audit – an audit concerned with a chosen aspect of the project's realisation.
4. In a given calendar year, audits are conducted based on the Annual Audit Schedule, approved by the Director.
5. An ad hoc audit may be instituted based on a justified motion of the Centre, approved by the Head of TCA and the Director.
6. Evaluation of annual reports of the projects subjected to audit proceedings may be suspended until the audit's conclusion.
7. Final clearance of the projects intended for audit is suspended until the audit's conclusion.

### **§4. Audit Team**

1. Audits are conducted by an Audit Team appointed by the director, comprising at least two individuals, including at least one member of the TCA, pursuant to the document of audit order, referred to in § 7 section 1.
2. The Director may appoint as a member of the Audit Team an independent scientific or financial expert. Should an expert be appointed who is not employed by the Centre (external expert), the Centre offers them a contract in accordance with the principles observed at the Centre.
3. Members of the Audit Team are appointed with regard for the principle of impartiality, i.e. members of the Audit Team may only be individuals to whom no considerations of fact or law apply that might affect the impartiality of the audit.

4. An auditor shall be excluded from participation in the audit at any stage thereof should justified doubts arise as to their impartiality. The decision whether or not to exclude an auditor from participation in the audit lies with the Director. Any such exclusion shall be communicated, in writing, to the Host Institution.
5. In justified cases, in the course of an ongoing audit, the composition of the Audit Team may be altered, the fact of which shall be communicated, in writing, to the Host Institution.
6. A scientific expert may be an individual holding at least a doctoral degree and being competent in the scientific domain appropriate for the scope of the project.
7. A financial expert may be an individual holding entitlements referred to in article 54 section 2 or article 286 of the Act of 27 August 2009 on public finances (i.e. Journal of Laws of 2013, position 885 with further modifications).

#### **§5. Auditor's rights and duties**

1. Auditors have the right to:
  - 1) free entry and movement on the premises of the Host Institution;
  - 2) access to documents related to the realisation of the research project under audit, collection, with a receipt of proof issued, and securing documents appropriate for the scope of the audit, in compliance with the regulations on information that is confidential under the law;
  - 3) make, and if necessary commission, copies of documents necessary for the audit proceedings, as well as extracts from documents and balances or calculations. Compliance with the original documents of the copies and extracts, as well as the balances and calculations, is confirmed by a person authorised by the Host Institution;
  - 4) receive from the Host Institution – and at every stage of the audit – input materials, original data, analyses, results of research related to the realisation of the project;
  - 5) require, from the individuals involved in the project's tasks and its administrative-financial servicing, spoken or written explanations, as well as statements, in matters relevant to the scope of the audit;
  - 6) inspect equipment, appliances and other assets of the Host Institution, financed with the projects' resources;
  - 7) process personal data to the extent necessary for the realisation of the statutory tasks of the Centre.
2. Auditors are obliged to retain confidentiality in relation to the Host Institution, i.e. they shall not disclose to unauthorised individuals information acquired during the audit.

#### **§6. Host Institution's rights and duties**

1. The Host Institution before the commencement of audit proceedings on its premises is required to appoint persons in charge of providing information on the scientific and financial aspects of the research project.
2. The Host Institution is obliged to offer the auditors conditions necessary for an efficient audit, in particular providing immediate perusal of the documents required, timely written

and spoken explanations in matters related to the audit, and making the necessary equipment available, providing Internet access and, if possible, a separate room for work, with appropriate equipment.

3. The Host Institution (including authorised individuals) has the right to offer spoken or written explanations and to issue statements, as well as to apply for attaching to the audit documents specific documents, proofs, balances and reports.
4. The head of the Host Institution has the right to raise objections in writing to the findings included in the draft version of the position paper and to apply for an extension of the period for raising objections.

## **§ 7. Audit proceedings**

1. An audit begins with the Director's signing the order of audit, which is subsequently delivered to the Host Institution.
2. The order referred to in section 1 shall state in particular the following:
  - 1) the title of the project under audit;
  - 2) the project's registration number;
  - 3) the principal investigator's name and surname;
  - 4) the scope of the audit;
  - 5) the date of audit appointment on the Host Institution's premises;
  - 6) the composition of the Audit Team authorised by the Director;
  - 7) the range of documents the Host Institution is required to prepare for the audit appointment or submit to the Centre.
3. As a rule, the audit shall be carried out on the Host Institution's premises during the normal time of operations, and should the good of the audit so require, also outside working hours and on weekends and public holidays.
4. The findings of the audit made by the members of the Audit Team shall be described in the draft version of the position paper, which shall be shared with the Head of the Host Institution.
5. The Audit Team determines the actual state based on evidence collected over the course of the audit, starting from the day of its commencement until signing the draft version of the position paper by the Director.
6. The head of the Host Institution has the right to raise written objections to the findings included in the draft version of the position paper within 7 days of the date of its service.
7. Upon the Head of the Host Institution's request, within the period specified in section 6, this period may be extended to a date named by the Director.

8. The director has the right, at any time, of his/her own motion or at the request of the Head of the Host Institution, to correct clerical errors or other obvious mistakes affecting the findings presented in the draft version of the position paper. The draft version of the position paper to which corrections have been made shall be presented to the Head of the Host Institution, along with information on the changes applied to it and a note on the right to raise objections within 7 days of its service.

9. Objections to the draft version of the position paper shall be examined by the Director, who in writing shall inform the appellant of the decision.

10. The Director may:

- 1) reject objections raised by an unauthorised individual, or raised after the deadline;
- 2) accept objections as valid in full or in part;
- 3) dismiss objections.

11. The Head of the Host Institution may at all times withdraw the objections submitted. Withdrawn objections shall not be examined.

12. When examining objections, the director has the right to request documents or written explanations from Head of the Host Institution, or to order – with respect to the raised objections – an auditor to carry out additional audit proceedings.

13. Should no objections be raised or accepted, a position paper shall be written, which incorporates the findings set forth in the draft version of the position paper.

14. Should objections be accepted in full or in part, a position paper shall be written based on the text of the draft version of the position paper and the objections raised.

15. The position paper may be appended with:

- 1) recommendations on the removal of irregularities and oversights;
- 2) suggested improvements of the Host Institution's operations with regard to projects funded by the Centre;
- 3) a deadline for the submission of the information on complying with the recommendations and also on the steps taken or the reasons why they have not been taken.

16. An audit is concluded on the date of signing the position paper by the Director, which is presented to the Head of the Host Institution.

17. No appeals shall be made from the position paper.

18. Organisational units of the Centre in charge of administrative and financial support to the project shall monitor the implementation of post-audit recommendations.

## **§ 8. Final provisions**

1. The Director may at any stage of the audit, of his/her own motion or at the request of a member of the Audit Team, seek advice of an additional external expert, with a view to examine circumstances substantial for the result of the audit proceedings that require specialist expertise. Such an expert cannot be a member of the Audit Team.
2. Results of an audit may constitute legal basis for the suspension of funding or termination of funding and termination of the contract for realisation and financing of the project by the Centre with immediate effect.
3. The director may choose to discontinue, at any time, further audit proceedings upon informing the Host Institution in writing of the fact.

#### **§ 9. Final and transitional regulations**

1. The hereby procedure applies to audits of projects recommended for funding under calls published by the Centre after 14<sup>th</sup> September 2015.
2. The hereby directive enters into force on the day of its signing.