

**Order No 83/2019
of the Director of the National Science Centre
establishing a procedure for conducting audits on Host Institution's premises
of 16 December 2019**

Pursuant to § 2 (3) of the Organisational Regulations of the National Science Centre's Office and according to the tasks of the Scientific Coordinators of the National Science Centre, the uniform text of which constitutes Annex 1 to Order No 66/2019 issued by the Director of the National Science Centre on 19 September 2019, it is hereby decided as follows:

§ 1.

A procedure is hereby established for conducting audits on the premises of the Entity acting as the Host Institution for NCN-funded research projects, post-doctoral fellowships and/or doctoral scholarships referred to in Article 20 (1) (d) of the Act on the National Science Centre of 30 April 2010 (uniform text in Journal of Laws of 2019, item 1384), fellowships in foreign research teams implementing ERC grants, other research activities funded by the NCN within the scope of its tasks, announced by National Science the Centre after 15 December 2019, and acting as the Host Institution for research projects funded from the EEA and Norway Grants 2014-2021 under the Basic Research Programme and an activity implemented under the Bilateral Cooperation Fund within the framework of the EEA and Norway Grants 2014-2021.

§ 2.

Procedures for conducting audits arising under previous applicable orders issued by the Director of the National Science Centre shall apply to research projects, post-doctoral fellowships, fellowships in foreign research teams implementing ERC grants and/or other research activities financed by the NCN within the remit of its statutory tasks, recommended for funding under calls announced before 15 December 2019.

§ 3.

The procedure referred to in § 1 constitutes Annex 1 hereto.

§ 4.

This Order shall enter into effect on the date of its execution.

Annex 1 to Order No 83/2019 of the Director of the National Science Centre establishing a procedure for conducting audits on the premises of an Entity of 16 December 2019

PROCEDURE FOR CONDUCTING AUDITS ON THE PREMISES OF AN ENTITY

§1. Definitions

Wherever this procedure refers to:

- 1) NCN, it shall mean the National Science Centre;
- 2) Director, it shall mean the Director of the National Science Centre;
- 3) Project, it shall mean as a research project funded by the National Science Centre, a post-doctoral fellowship, or a doctoral scholarship, referred to in Article 20 (1) (d) of the Act on the National Science Centre of 30 April 2010 (uniform text in Journal of Laws of 2019, item 1384), a fellowship at a research team abroad implementing an ERC grant, other research activity funded by the NCN within the scope of its tasks, a research project funded from the EEA and Norway Grants 2014-2021 under the Basic Research Programme (hereinafter: EEA and Norway Grants FM projects) and/or an activity implemented under the Bilateral Cooperation Fund within the framework of the EEA and Norway Grants 2014-2021 (hereinafter: BCF projects);
- 4) Host Institution, it shall mean the Host Institution referred to in Article 27 (1) (1) - (7) and (9) of the Act on the National Science Centre (uniform text in Journal of Laws of 2019, item 1384) hosting the project as well as Host Institutions forming partnerships awarded funding under the EEA and Norway Grants 2014-2021;
- 5) Principal Investigator, it shall mean the Principal Investigator of a research project for which audit proceedings have been ordered;
- 6) Audit Team, it shall mean a Team appointed by the NCN Director for conducting the audit proceedings;
- 7) Auditor, it shall mean a member of the Audit Team;
- 8) Auditor in charge of an Audit, it shall mean the member of the Audit Team appointed by the Director as coordinator of audit proceedings;
- 9) Expert, it shall mean an expert in research or expert in finance, who acts as a member of the Audit Team;
- 10) External Expert, it shall mean an external expert appointed by the Director who is not a part of the Audit Team;
- 11) ACT, it shall mean the Audit and Compliance Team; and
- 12) Code of Ethics, it shall mean the Order of the Director laying down the ethical concerns related to the NCN's cooperation with an Expert for research.

§2. General information

1. A Project shall be audited in order to determine its proper implementation, in particular compliance with the funding agreement made in evidence of an actual state established pursuant to the audit criteria, i.e. legality, economy, purposefulness or diligence.
2. The audits shall be carried out in compliance with the regulations on the protection of confidential information.
3. Audits on Host Institutions' premises shall differ based on:
 - 1) the nature of the audit:
 - a) planned audit conducted in accordance with the Annual Audit Plan;
 - b) ad hoc audit not included in the Annual Audit Plan;
 - 2) scope of the audit proceedings:



- a) comprehensive audit reviewing all aspects of the Project's implementation;
 - b) problem-oriented audit reviewing selected aspects of the Project's implementation.
4. In a calendar year, planned audits shall be conducted pursuant to the Annual Audit Plan approved by the Director.
 5. Projects may be included in the Annual Audit Plan based on:
 - 1) recommendation by persons in charge of administrative and financial management of the Projects as well as by Scientific Coordinators and ACT staff, Evaluation Team, i.e. naming projects that are sensitive or involve the risk of undue implementation;
 - 2) information of irregularities in the implementation of the Projects found based on, *inter alia*, the funding agreements, Code on Research Integrity, investigated complaints and requests;
 - 3) sampling (simple random sampling) of the Projects.
 6. A draft version of the Annual Audit Plan, with justification for the selection of Projects, shall be presented to the Director for his approval by 30 November of the year preceding the year to which the Plan applies.
 7. In the case of BCF projects, the NCN shall additionally send a copy of the Annual Audit Plan, in the remit of the BCF, to the National Contact Point by 31 January of the year to which the Plan applies.
 8. For EEA and Norway Grants FM projects and BCF actions, the ACT shall operate a register including a description and justification of sampling methods and a list of projects selected for the planned audit.
 9. Projects subject to ad hoc audits shall be selected pursuant to the rules set forth in Clause 5 (1) – (2), taking into account the ACT staff resources available.
 10. An ad hoc audit shall be recommended to the Director upon the request of the head of the ACT, subject to prior preliminary verification of the information obtained based on the documents owned by the NCN or publicly available documents. An ad hoc audit shall be initiated pursuant to the Director's written approval.
 11. In the case of EEA and Norway Grants FM projects and BCF actions, the ACT shall keep a register of descriptions and justifications for ad hoc audits.

§3. Audit Team

1. Audits shall be conducted by an Audit Team appointed by the Director, comprising at least two individuals, including at least one member of the ACT pursuant to the document of audit order, referred to in § 6 (1).
2. The Director may appoint an independent expert reviewer for research-related issues and for finance-related issues as a member of the Audit Team. The Expert reviewer shall act as a member of the Audit Team pursuant to an agreement setting forth the procedure and terms of cooperation, in accordance with the rules applicable at the NCN (including the Code of Ethics).
3. An Expert for research must be a person holding at least a PhD degree and having expertise in the domain corresponding to the content of the Project in question.
4. Experts for research shall be selected by the CTA among the candidates proposed by the individuals having expertise in the domain of the Project in question (e.g. Scientific Coordinators). Recommendations shall be provided to the Director for approval by the Auditor in charge of the Audit.
5. In order to appoint an Expert for research, the Director may, regardless of the recommendation presented by the Auditor in charge of the Audit, seek advice from a person having expertise in the domain corresponding to the Project in question, or select another Expert for research.
6. An Expert for finance must be a person with the powers set forth in Article 54 (2) or Article 286 of the Act on Public Finances of 27 August 2009 (uniform text in Journal of Laws of 2019, item 869, as amended).



7. Experts shall be selected pursuant to the Public Procurement Law of 29 January 2004 (Journal of Laws of 2019, item 1843).
8. Any arrangements between the Auditor in charge of the Audit and the Expert that are important for the case shall be drafted as a document.

§4. Auditor's rights and obligations

1. Auditors shall have the right to:
 - 1) free access and movement on the premises of the Host Institution;
 - 2) access to documents related to the implementation 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 the protection of confidential information;
 - 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, shall be confirmed by a person authorised by the Host Institution;
 - 4) receive from the Host Institution – 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 and financial management, 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 implementation of the statutory tasks of the NCN.

§5. Host Institution's rights and duties

1. Before the commencement of audit proceedings on its premises, the Host Institution shall be required to appoint persons in charge of providing information on the scientific and financial aspects of the research project.
2. The Host Institution shall be 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 a separate room for work, with appropriate equipment.
3. The Host Institution (including authorised individuals) shall have the right to offer spoken or written explanations and to issue statements, as well as to apply for supporting the audit documents with specific documents, proofs, balances and reports.
4. The head of the Host Institution shall have 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.

§6. Audit proceedings

1. An audit shall begin with the Director's signing the order of audit to be 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) scope of the audit proceedings;
 - 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 documents to be prepared for the audit meeting at the by the Host Institution's premises or to be submitted to the NCN.
3. Audits shall be carried out pursuant to a written authorisation issued to each member of the Audit Team by the Director, valid on presentation with an ID document. The authorisations are included in the NCN's Authorisation Register.
4. As a rule, the audit shall be carried out on the Host Institution's premises during its normal time of operations, should it be in the interest of the audit, also outside working hours and on weekends and public holidays.
5. The Audit Team shall determine facts 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 Expert reviewers shall determine facts concerning the implementation of the Project in the form of an opinion.
7. 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.
8. In the case of audits of the EEA and Norway Grants FM projects and the BCF projects, the Auditor in charge of the Audit shall fill out separate checklists, advised by opinions drafted by Expert reviewers.
9. 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 Expert, with a view to examine circumstances substantial for the result of the audit proceedings that require specialist expertise.
10. In the case of suspicion of irregularities with regard to the legality of research, the Director shall consult the Expert appropriate for the research domain.
11. The Director and the Expert shall enter into an agreement setting forth the procedure and terms of cooperation, in accordance with the rules applicable at the NCN (including the Code of Ethics).
12. The Expert's opinion shall be taken into account when establishing the facts described in the draft version of the position paper.
13. The head of the Host Institution shall have 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.
14. Upon the head of the Host Institution's request, within the period specified in Section 13, this period may be extended to a date named by the Director.
15. The Director shall have 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 alongside information on the changes applied to it and a note on the right to raise objections within 7 days of its service.
16. 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.
17. 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.
18. The head of the Host Institution may at all times withdraw the objections submitted. Withdrawn objections shall not be examined.
19. Should the head of the Host Institution raise objections to the findings of the audit, the Director may request the Experts to take position on the objections.
20. When examining objections, the Director shall have the right to request documents or written explanations from the head of the Host Institution.



21. Should new circumstances arise, which may affect the findings included in the draft version of the position paper, the text of the draft version of the position paper may be altered. An altered draft version of the position paper is delivered to the head of the Host Institution, who may raise written objections outlined in § 6 (13) hereof.
22. 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.
23. 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.
24. The position paper may be appended with:
 - 1) recommendations on the removal of irregularities and oversights;
 - 2) a request for a return of incorrectly disbursed funding;
 - 3) suggested improvements of the Host Institution's operations with regard to projects funded by the NCN;
 - 4) 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.
25. 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.
26. No appeals shall be made from the position paper.

§7. Final proceedings

1. The head of the ACT shall enter the position paper in the ZSUN/OSF system.
2. The head of the ACT shall draw up the Director's order, which shall include the results of the Project's audit and recommendations of actions to be taken by a unit appropriate for the administrative and financial management of the Project. The Director's order shall be approved by the Director and sent to the unit appropriate for the administrative and financial management of the Project.
3. The NCN's organisational units in charge of administrative and financial management of the Project shall monitor the implementation of the post-audit recommendations, taking into account the scope of the irregularities and oversights.
4. Pursuant to the rules outlined in detail in the funding agreement, an audit may constitute legal basis for the suspension of funding or termination of funding and termination of the grant agreement by the NCN with immediate effect.
5. The Director may choose to discontinue, at any time, further audit proceedings, informing the Host Institution thereof in writing.