

University of Alberta

Reports on Federal Awards in Accordance with the Program- Specific Audit Option under the Uniform Guidance

Year ended March 31, 2023

University of Alberta

Reports on Federal Awards in Accordance with the Program-Specific Audit Option under the Uniform Guidance

Index

Year ended March 31, 2023

	Page(s)
Part I - Schedule of Expenditures of Federal Awards	
Report of Independent Auditors	3 - 5
Schedule of Expenditures of Federal Awards and Notes to Schedule of Expenditures of Federal Awards	6 - 9
Part II - Report on Compliance and Internal Controls	
Report of Independent Auditors on Compliance for a Federal Program and Report on Internal Control Over Compliance When Using the Program-Specific Audit Option to Satisfy the Uniform Guidance Audit Requirements	10 - 13
Part III – Federal Award Findings and Questioned Costs	
Schedule of Findings and Questioned Costs	14
Summary Schedule of Prior Audit Findings and Status	16 - 19



Report of Independent Auditors

To the Board of Governors of
University of Alberta

Report on the Audit of the Schedule of Expenditures of Federal Awards

Opinion

We have audited the accompanying schedule of expenditures of federal awards for the research and development cluster funded by United States of America federal awards (the "Program") of the University of Alberta (the "University") for the year ended March 31, 2023, including the related notes (collectively referred to as the "financial statement").

In our opinion, the accompanying financial statement presents fairly, in all material respects, the expenditures of federal awards for the Program of the University for the year ended March 31, 2023, in accordance with the basis of accounting described in Note 2 to the financial statement.

Basis for opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), except as noted below. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Personnel of PricewaterhouseCoopers LLP in Canada do not participate in a continuing education program that fully satisfies the requirements set forth in Chapter 4, paragraphs 4.16-4.18 of *Government Auditing Standards*. However, this firm does participate in continuing education programs applicable in Canada.

Further, PricewaterhouseCoopers LLP in Canada did not have an external quality review by an unaffiliated audit organization as required by Chapter 5, paragraphs 5.60-5.62 of *Government Auditing Standards*, since no such program is offered by professional organizations in the country. However, this office participates in the PricewaterhouseCoopers worldwide internal control review program, which requires the office to be periodically subjected to an extensive quality control review by partners and managers from other PricewaterhouseCoopers affiliated firms.

PricewaterhouseCoopers LLP
Stantec Tower, 10220 103 Avenue NW, 22nd Floor, Edmonton, Alberta, Canada T5J 0K4
T: +1 780 441 6700, F: +1 780 441 6776

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Responsibilities of Management for the Audit of the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the basis of accounting disclosed in Note 2 to the financial statement; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for one year after the date the financial statement is available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of certain internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with US GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants
Edmonton, Alberta
December 15, 2023



University of Alberta

**Schedule of Expenditures of Federal Awards
Year ended March 31, 2023**

(amounts in USD unless otherwise stated)

Assistance Listing #	Assistance Listing Title	Award #	Direct / Pass-through	Agency or Pass-through entity	Federal expenditure US\$	Sub recipients US\$
Research and Development Cluster						
Department of Health & Human Services -National Institutes of Health (NIH)						
93.213	Research and Training in Complementary and Integrative Health	589633 NP-MRD RFP	Pass-through	Battelle	\$105,511	
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	1UG3EB024965	Pass-through	Sloan Kettering Inst for Cancer Research	\$421,905	
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	U01EB027601	Pass-through	George Mason University	\$24,990	
93.393	Cancer Cause and Prevention Research	1R21CA261833-01	Direct	National Institutes of Health	\$20,327	
93.583	Refugee and Entrant Assistance Wilson/Fish Program	R61NS119345	Pass-through	University of California	\$51,751	
93.837	Cardiovascular Diseases Research	HL092321	Pass-through	Loyola University Chicago	\$10,084	
93.837	Cardiovascular Diseases Research	R01HL143816	Pass-through	Loyola University Chicago	\$51,833	
93.837	Cardiovascular Diseases Research	R01HL153264-01A1	Pass-through	University of Missouri-Columbia	\$26,391	
93.837	Cardiovascular Diseases Research	1R21HL161626-01	Direct	National Institutes of Health	\$33,697	
93.837	Cardiovascular Diseases Research	1R01HL155953-01A1	Pass-through	Northwestern University	\$6,190	
93.837	Cardiovascular Diseases Research	2R01HL092321-14A1	Pass-through	Loyola University Chicago	\$577	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	1U01DK120447-01	Direct	National Institutes of Health	\$372,078	\$305,275
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	VUMC80721	Pass-through	Vanderbilt University Medical Center	\$120,355	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	R01DK126482	Pass-through	Stanford University	\$101,030	
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	2R01NS047567-06A2	Direct	National Institutes of Health	(\$944)	



University of Alberta

Schedule of Expenditures of Federal Awards Year ended March 31, 2023

(amounts in USD unless otherwise stated)

Assistance Listing #	Assistance Listing Title	Award #	Direct / Pass-through	Agency or Pass-through entity	Federal expenditure US\$	Sub recipients US\$
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	1R01NS104436-01	Pass-through	University of Rhode Island	\$12,715	
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	1U01NS113851-01	Pass-through	Northwestern University	\$6,863	
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	1R01NS110826	Pass-through	Columbia University	\$3,173	
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	1U24NS122732-01	Pass-through	University of California, San Francisco	\$23,622	
93.855	Allergy and Infectious Diseases Research	1U01AI131339-01	Pass-through	Columbia University	\$3,804	
93.855	Allergy and Infectious Diseases Research	1R01AI118842-01A1	Direct	National Institutes of Health	\$140,734	
93.855	Allergy and Infectious Diseases Research	1R01AI146329-01	Pass-through	Albert Einstein College of Medicine	\$42,489	
93.855	Allergy and Infectious Diseases Research	1R01AI150944-01	Direct	National Institutes of Health	\$438,948	\$151,977
93.855	Allergy and Infectious Diseases Research	1U19AI159840-01	Pass-through	Stanford University	\$543,989	
93.855	Allergy and Infectious Diseases Research	1R01AI156037	Pass-through	Colorado State University	\$89,565	
93.855	Allergy and Infectious Diseases Research	1U19AI171110-01	Pass-through	University of California, San Francisco	\$41,739	
93.855	Allergy and Infectious Diseases Research	1U19 AI171443-01	Pass-through	The Scripps Research Institute	\$42,936	
93.865	Child Health and Human Development Extramural Research	2R01HD055741-11	Pass-through	Univ of North Carolina at Chapel Hill	\$842	
93.865	Child Health and Human Development Extramural Research	5R01HD089713-02	Pass-through	University of British Columbia	\$26,446	



University of Alberta

Schedule of Expenditures of Federal Awards Year ended March 31, 2023

(amounts in USD unless otherwise stated)

Assistance Listing #	Assistance Listing Title	Award #	Direct / Pass-through	Agency or Pass-through entity	Federal expenditure US\$	Sub recipients US\$
93.865	Child Health and Human Development Extramural Research	2R01HD055741-16	Pass-through	National Institutes of Health	\$4,190	
93.866	Aging Research	1R01AG055518-01	Pass-through	UCLA Univ of California	\$85,003	
93.866	Aging Research	AG068992	Pass-through	University of California	\$160,608	
93.866	Aging Research	5U19-AG063744-02	Pass-through	Duke University	\$33,979	
93.866	Aging Research	1RF1AG058942-01	Pass-through	Duke University	\$29,614	
93.867	Vision Research	R21EYO33078	Direct	National Institutes of Health	\$123,413	
93.RD	US Dept Health & Human Services Project	Not available	Pass-through	University of South Florida	\$838	
93.RD	US Dept Health & Human Services Project	Not available	Pass-through	New England Research Institute	\$70	
93.RD	US Dept Health & Human Services Project	450521	Pass-through	Battelle	\$23,291	
93.RD	US Dept Health & Human Services Project	75N93019C00052	Pass-through	University of Georgia	\$62,678	
93.RD	US Dept Health & Human Services Project	Not available	Pass-through	Hamilton Health Sciences Corporation	\$457	
93.RD	US Dept Health & Human Services Project	HHSN272201400041C	Pass-through	Infectious Disease Res Ins	\$87,344	
93.RD	US Dept Health & Human Services Project	75N93019C00052	Pass-through	University of Georgia	\$46,207	
					\$3,421,333	\$457,252
U.S. Agency for International Development						
98.001	Foreign Assistance for Programs Overseas	7200AA19CA00001	Pass-through	Johns Hopkins University	\$84,673	
Department of Education						
84.305A	Education Research, Development and Dissemination	R305A210087	Pass-through	Washington State University	\$7,181	



University of Alberta

Schedule of Expenditures of Federal Awards Year ended March 31, 2023

(amounts in USD unless otherwise stated)

Assistance Listing #	Assistance Listing Title	Award #	Direct / Pass-through	Agency or Pass-through entity	Federal expenditure US\$	Sub recipients US\$
Department of Agriculture						
10.31	Agriculture and Food Research Initiative (AFRI)	2021-67015-34562	Pass-through	Iowa State University	\$54,083	
Department of Energy						
81.112	Stewardship Science Grant Program	DE-NA0003856	Pass-through	University of Rochester	\$52,457	
81.RD	United States Department of Energy Project	DE-AC52-07NA27344	Pass-through	Lawrence Livermore National Security	\$1,031	
81.RD	United States Department of Energy Project	DE-AC52-07NA27344	Pass-through	Lawrence Livermore National Security	\$85,236	
81.RD	United States Department of Energy Project	DE-AC52-07NA27344	Pass-through	Lawrence Livermore National Security	\$33,909	
					<u>\$172,633</u>	<u>-</u>
Department of Defense						
12.42	Military Medical Research and Development	W81XWH2210801	Direct	US Department of Defense	\$51,977	
12.42	Military Medical Research and Development	W81XWH2110797	Direct	US Department of Defense	\$92,362	
12.431	Basic Scientific Research	W911NF-17-2-0213	Direct	US Department of Defense	\$45,054	
12.431	Basic Scientific Research	W911NF-22-1-0195	Direct	US Department of Defense	\$28,696	
12.RD	US Department of Defense Project	W81XWH1920048	Direct	US Department of Defense	\$538,523	
12.RD	US Department of Defense Project	W81XWH2010875	Direct	US Department of Defense	\$212,254	\$50,265
12.RD	US Department of Defense Project	XWH-19-DMRDP-CRMRP-RESTORE	Pass-through	Infinite Biomedical Technologies	\$121,459	
12.RD	US Department of Defense Project	W81XWH2110857	Direct	US Department of Defense	\$98,936	
					<u>\$1,189,261</u>	<u>\$50,265</u>
					<u>\$4,929,164</u>	<u>\$507,517</u>
					<u>\$4,929,164</u>	<u>\$507,517</u>



University of Alberta

Notes to Schedule of Expenditures of Federal Awards Year ended March 31, 2023

(amounts in USD unless otherwise stated)

1. Nature of operations

The University of Alberta is a post-secondary institution incorporated under its Board of Governors. The Governors of the University of Alberta is a corporation which manages and operates the University of Alberta (the "University") under the Post-secondary Learning Act (Alberta). All members of the Board of Governors are appointed by either the Lieutenant Governor in Council or the Minister of Advanced Education, with the exception of the Chancellor and President, who are ex officio members. Under the Post-secondary Learning Act, Campus Alberta Sector Regulation, the University is a comprehensive academic and research institution offering undergraduate and graduate degree programs as well as a full range of continuing education programs and activities. The University is a registered charity, and under section 149 of the Income Tax Act (Canada), is exempt from the payment of income tax.

The University participates in ongoing research projects that are funded in part by federal awards provided by United States Federal agencies.

2. Significant accounting policy

Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards (the "financial statement") includes the federal grant activity for the research and development cluster (the "Program") funded by United States federal awards and has been prepared using the accrual basis of accounting. The University prepares its annual financial statements in accordance with Canadian Public Sector Accounting Standards. The information in this financial statement is presented in accordance with the program audit provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The University receives funds in US dollars based on the grant agreements, but the expenses are incurred in Canadian dollars. The expenses reported on the accompanying financial statement have been converted from Canadian dollars to US dollars using an average exchange rate for the year. The University does not use the 10% de-minimis rate in Section 200.414 of the Uniform Guidance for indirect cost allocations but rather the rates that have been negotiated within each individual federal award.



Report of Independent Auditors on Compliance for a Federal Program and Report on Internal Control over Compliance when using the Program-Specific Audit Option to Satisfy the Uniform Guidance Audit Requirements

To the Board of Governors of
University of Alberta

Report on Compliance for the Research and Development Cluster Funded by United States of America Federal Awards

Opinion on Compliance for the Research and Development Cluster Funded by United States of America Federal Awards

We have audited the University of Alberta's (the "University") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its research and development cluster funded by United States of America federal awards (the "Program") for the year ended March 31, 2023.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its Program for the year ended March 31, 2023.

Basis for opinion on the Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (US GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* (Uniform Guidance), except as noted below. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

Personnel of PricewaterhouseCoopers LLP in Canada do not participate in a continuing education program that fully satisfies the requirements set forth in Chapter 4, paragraphs 4.16-4.18 of *Government Auditing Standards*. However, this firm does participate in continuing education programs applicable in Canada.

Further, PricewaterhouseCoopers LLP in Canada did not have an external quality review by an unaffiliated audit organization as required by Chapter 5, paragraphs 5.60-5.62 of *Government Auditing Standards*, since no such program is offered by professional organizations in the country. However, this office participates in the PricewaterhouseCoopers worldwide internal control review program, which requires the office to be periodically subjected to an extensive quality control review by partners and managers from other PricewaterhouseCoopers affiliated firms.

PricewaterhouseCoopers LLP
Stantec Tower, 10220 103 Avenue NW, 22nd Floor, Edmonton, Alberta, Canada T5J 0K4
T: +1 780 441 6700, F: +1 780 441 6776, www.pwc.com/ca

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the Program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the University's Program.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of the federal program as a whole.

In performing an audit in accordance with US GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs and management's views and corrective action plan. The University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PricewaterhouseCoopers LLP

Chartered Professional Accountants
Edmonton, Alberta
December 15, 2023



University of Alberta

Schedule of Findings and questioned costs

Year ended March 31, 2023

(amounts in USD unless otherwise stated)

Part 1 - Summary of Auditor’s Results

Schedule of Expenditures of Federal Awards

Type of auditor’s report issued	Unmodified
Internal control over financial reporting	
Material weakness(es) identified	No
Significant deficiency(ies) identified not considered to be material weakness	None reported
Noncompliance which is material to financial statement	No

Federal awards

Internal control over major programs	
Material weakness(es) identified	No
Significant deficiency(ies) identified not considered to be material weakness	Yes
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	Yes

Identification of major programs (CFDA#’s)

Name of Federal Program	CFDA No.
Research and Development Cluster	Various

Part 2 – Financial Statement Findings and Questioned Costs None reported.



University of Alberta

Schedule of Findings and questioned costs

Year ended March 31, 2023

Part 3 - Federal Award Findings and Questioned Costs

2023-001 Compliance with Section 200.313 - Equipment of OMB guidance

Cluster / program name: Research & Development Cluster

Assistance Listing Number: All on financial statement

Assistance Listing titles: All on financial statement

Federal Agency: Department of Health & Human Services – National Institutes of Health (NIH), US Agency for International Development, Department of Education, Department of Agriculture, Department of Energy and Department of Defense

Award Numbers: All on financial statement

Award Year: April 1, 2022 – March 31, 2023

Pass-through entities: All on financial statement

Criteria or Specific Requirement: Section 200.313 - *Equipment*, subsection (d) *management requirements* of the OMB guidance establishes procedures for managing equipment. The specific requirements include item (2) *A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.*

Condition Found and Context: Through our audit procedures we noted that the University did not complete a physical inventory of the property at least once every two years.

Cause: Management was not aware of the requirements.

Effect: Failing to execute the physical inventory count may lead to non-compliance.

Questioned Costs: None

Recommendation: We recommend that management put in place a process to ensure the timely execution of a physical inventory of property at least once every two years.

Views of Responsible Officials: See management's views and corrective actions included in the University of Alberta's Management's Views and Corrective Action Plan attached to this report.



University of Alberta

Summary Schedule of Prior Audit Findings and Status

Year Ended March 31, 2023

2022-001 Timeliness of filing

Cluster / program name: Research & Development Cluster

Assistance Listing Number: All on financial statement

Assistance Listing titles: All on financial statement

Federal Agency: Department of Health & Human Services – National Institutes of Health (NIH), US Agency for International Development, Department of Agriculture, Department of Energy and Department of Defense

Award Number: All on financial statement

Award Year: April 1, 2021 – March 31, 2022

Pass-through entities: All on financial statement

The University did not comply with the audit reporting deadline requirement with the final audit report issued in excess of 9 months of the March 31, 2022 year end.

Recommendation: PwC recommend that management put in place a process to ensure the timely execution of the audit in line with the required timeframe.

Status Update: Remediated in the current year.

2022-002 Subrecipient Monitoring

Cluster / program name: Research & Development Cluster

Assistance Listing Number: 93.847, 93.855, 12.RD

Assistance Listing titles: Diabetes, Digestive, and Kidney Diseases Extramural Research, Allergy and Infectious Diseases Research , US Department of Defense Project

Federal Agency: Department of Health & Human Services – National Institutes of Health (NIH)

Award Numbers: 1U01DK120447-01, 1R01AI150944-01, W81XWH2010875

Award Year: April 1, 2021 – March 31, 2022

Pass-through entities: National Institute of Health, US Department of Defense

The University did not have policies and procedures specific to subrecipient monitoring. Subrecipient agreements, including acknowledgement of CFR requirements, were in place however, formal monitoring of subrecipient compliance including evaluation of subrecipient risk and review of subrecipient's Uniform Guidance audit was not completed.

Recommendation: PwC recommend that management put in place a process to ensure that subrecipients are monitored.

Status Update: The University implemented a subrecipients monitoring process in the year.



University of Alberta

Summary Schedule of Prior Audit Findings and Status

Year Ended March 31, 2023

2022-003 Documentation of Certain Procurement Transactions (Significant Deficiency in aggregation)

Cluster / program name: Research & Development Cluster

Assistance Listing Number: 93.286, 12.RD, 93.847

Assistance Listing titles: Discovery and Applied Research for Technological Innovations to Improve Human Health, US Department of Defense Project, Diabetes, Digestive, and Kidney Diseases Extramural Research,

Federal Agency: National Institute of Health, US Department of Defense

Award Numbers: 1UG3EB024965, W81XWH1920048, 1U01DK120447-01, W81XWH2010875

Award Year: April 1, 2021 – March 31, 2022

Pass-through entities: Sloan Kettering Institute for Cancer Research

The University did not comply with the Uniform Guidance procurement standards as they did not have a stated micro-purchase threshold. The University had a process in place where purchases up to \$75,000 CAD (\$59,000 USD) require a minimum of one quote.

Recommendation: PwC recommended we amend our policies and procedures to comply with the Uniform Guidance procurement standards through a micro-purchase threshold.

Status Update: The University adopted a micro-purchase threshold for transactions between \$10,000 USD and the established \$59,000 USD threshold.

2022-004 Suspension and debarment

Cluster / program name: Research & Development Cluster

Assistance Listing Number: 12.RD, 93.847

Assistance Listing titles: US Department of Defense Project, Diabetes, Digestive, and Kidney Diseases Extramural Research,

Federal Agency: National Institute of Health, US Department of Defense

Award Numbers: 1UG3EB024965, W81XWH1920048, 1U01DK120447-01, W81XWH2010875

Award Year: April 1, 2021 – March 31, 2022

Pass-through entities: National Institute of Health, US Department of Defense

The University did not assess if potential vendors are suspended or debarred before initiating a transaction and did not have a process to periodically re-assess this status with existing vendors.

Recommendation: PwC recommended we amend our policies and procedures to assess whether potential vendors are suspended or debarred before initiating a transaction and periodically re-assess this status with existing vendors.



Status Update: The University adopted policies and procedures to assess whether potential vendors are suspended or debarred before initiating a transaction and re-assess this status with existing vendors.

University of Alberta

Summary Schedule of Prior Audit Findings and Status

Year Ended March 31, 2023

2021-001 Subrecipient Monitoring

Cluster / program name: Research & Development Cluster

Assistance Listing Number: 93.847, 93.853, 93.855

Assistance Listing titles: Diabetes, Digestive, and Kidney Diseases Extramural Research, Extramural Research

Programs in the Neurosciences and Neurological Disorders, Allergy and Infectious Diseases Research

Federal Agency: Department of Health & Human Services – National Institutes of Health (NIH)

Award Numbers: 1U01DK120447-01, 2R01NS047567-06A2, 1R01AI150944-01

Award Year: April 1, 2021 – March 31, 2022

Pass-through entities: National Institute of Health, US Department of Defense

The University did not have policies and procedures specific to subrecipient monitoring. Subrecipient agreements, including acknowledgement of CFR requirements, were in place however, formal monitoring of subrecipient compliance including evaluation of subrecipient risk and review of subrecipient's Uniform Guidance audit was not completed.

Recommendation: PwC recommend that management put in place a process to ensure that subrecipients are monitored.

Status Update: The University implemented a subrecipients monitoring process in the year.

2021-002 Documentation of Certain Procurement Transactions (Significant Deficiency in aggregation)

Cluster / program name: Research & Development Cluster

Assistance Listing Number: 93.286,93.847,93.855, 81.RD, 12.RD

Federal Agency: Department of Health & Human Services - National Institutes of Health (NIH), Department of Energy, Department of Defense

Award Year: April 1, 2021 – March 31, 2022

Pass-through entities: Sloan Kettering Inst for Cancer Research, National Institutes of Health, Lawrence Livermore National Security, US Department of Defense

The University did not comply with the Uniform Guidance procurement standards as they did not have a stated micro-purchase threshold. The University had a process in place where purchases up to \$75,000 CAD (\$59,000 USD) require a minimum of one quote.



Recommendation: PwC recommended we amend our policies and procedures to comply with the Uniform Guidance procurement standards through a micro-purchase threshold.

Status Update: The University adopted a micro-purchase threshold for transactions between \$10,000 USD and the established \$59,000 USD threshold.

University of Alberta

Summary Schedule of Prior Audit Findings and Status

Year Ended March 31, 2023

2021-003 Suspension and debarment

Cluster / program name: Research & Development Cluster

Assistance Listing Number: 93.286, 12.RD

Federal Agency: Department of Health & Human Services - National Institutes of Health (NIH), Department of Defense, as presented in the Schedule of Expenditures of Federal Awards

Award Year: April 1, 2021 – March 31, 2022

Pass-through entities: Sloan Kettering Inst for Cancer Research, US Department of Defense, as presented in the Schedule of Expenditures of Federal Awards

The University did not assess if potential vendors are suspended or debarred before initiating a transaction and management did not have a process in place to periodically re-assess this status with existing vendors.

Recommendation: PwC recommended we amend our policies and procedures to assess whether potential vendors are suspended or debarred before initiating a transaction and periodically re-assess this status with existing vendors.

Status Update: The University adopted policies and procedures to assess whether potential vendors are suspended or debarred before initiating a transaction and re-assess this status with existing vendors.



**UNIVERSITY OF
ALBERTA**

Leading with Purpose.

2023-001 Compliance with Section 200.313 - Equipment of OMB guidance

Contact: Michael Walesiak

Corrective Action: Management agrees with the recommendation. Management will develop and implement a physical inventory count process for property acquired under Federal grants to be completed at least every two years. Michael Walesiak is responsible for this recommendation.

Completion Date: March 31, 2024