

NHMRC ADMINISTERING INSTITUTION POLICY FEBRUARY 2011

FREQUENTLY ASKED QUESTIONS

GENERAL QUESTIONS

1 Why did NHMRC revise its Administering Institution Policy?

The Administering Institution Policy (AI Policy) was last revised in 2005. Since then, a combination of factors resulted in changes having to be made to the Administering Institution Policy. These factors include:

- NHMRC became a Statutory Agency governed by the *Financial Management and Accountability Act 1997*;
- a grants policy and reporting framework for all departments and agencies subject to the *FMA Act 1997* being articulated in the *Commonwealth Grant Guidelines 2009*; and
- the Australian National Audit Office report on the *Administration of Grants by the National Health and Medical Research Council 2009-10*.

The revised AI Policy helps NHMRC meet its responsibilities as a Statutory Agency and improve the overall effectiveness of its oversight of research funding. It helps NHMRC determine whether organisations should administer NHMRC funds by setting General Criteria all Administering Institutions must meet, and Specific Criteria for organisations identified in s.51 of the *National Health and Medical Research Council Act 1992*.

The AI Policy also articulates more clearly NHMRC's expectation that Administering Institutions will conduct research ethically and comply with the *Australian Code for the Responsible Conduct of Research 2007*. It also encourages the development of strong collaborative relationships among Administering Institutions in the emerging 21st century health and medical research environment.

2 When were Institutions notified of the release of the AI Policy?

The AI Policy was placed on the NHMRC website on 7 February 2011 and appeared in NHMRC Tracker on 11 February 2011. A letter from the CEO was sent to all current Administering Institutions on 8 February 2011. This letter invited institutions currently administering NHMRC funding to notify NHMRC in writing of their intention to register under the new AI Policy, by 31 March 2011. Following that notification, Program Assurance will provide institutions with an application form which will include a requirement to provide evidence to satisfy eligibility requirements. Institutions wishing to maintain Administering Institution status must ensure they can meet all eligibility requirements and the requirements of the *NHMRC Funding Agreement* (the Funding Agreement) which was released in December 2010.

3 What type of entity can become an Administering Institution?

S.51 of the *National Health and Medical Research Council Act 1992* defines the types of institutions NHMRC may fund for the purposes of conducting medical research. These are:

- Departments of the Commonwealth or of States/Territories;
- Universities; and
- Institutions and persons engaged in medical research.

NHMRC can also provide assistance in the training of persons engaged in medical research.

Administering Institutions must be capable of entering into a Funding Agreement with NHMRC to administer research funds and NHMRC must avoid entering into Funding Agreements with entities from which it cannot recover Commonwealth funds. In this context, joint ventures and trusts are not suitable as Administering Institutions.

FREQUENTLY ASKED QUESTIONS

4 How and why is the AI Policy linked to the revised Funding Agreement?

Clause 4.1 of the Funding Agreement requires Administering Institutions to comply fully with the AI Policy. By executing the Funding Agreement the Administering Institution commits to meeting obligations that require NHMRC and the Administering Institution to be accountable for Commonwealth funds.

NHMRC has advised that all Administering Institutions currently administering NHMRC funding should indicate their intention to register as an Administering Institution by 31 March 2011. In addition, before registration as an Administering Institution, the institution must sign the Funding Agreement. Thus, the AI Policy and the Funding Agreement are linked.

5 Can an organisation be an Administering Institution if it has not signed NHMRC's Funding Agreement?

NHMRC will not list any institution on the Administering Institution Register until it has met all necessary criteria and signed a Funding Agreement.

6 Can an organisation be an Administering Institution if it is not actively administering NHMRC grants?

In specific circumstances, this may occur:

- a. A new applicant organisation may have demonstrated that it meets all of the governance criteria outlined in the AI Policy, have signed the Funding Agreement and be waiting for its researchers' applications for grants to be successful.
- b. A registered Administering Institution with an executed Funding Agreement may temporarily have run out of grants to administer.

7 Can you continue to be an Administering Institution if you do not have formal agreements with other Participating (Actual) Institutions?

Because funding schemes such as Project and Program Grants have teams of researchers, many of whom are likely to be employed by another medical research institution, there must, in most cases, be a formal agreement between the institutions. However, where the research activities are being conducted by employees of the Administering Institution at an institution other than the Administering Institution, a formal agreement may not be necessary.

8 Can you be an Administering Institution if you do not employ the Chief Investigator A (CIA)?

In general, Administering Institutions must employ CIAs. However, in order to foster collaboration between universities and medical research institutions, including hospitals, the AI Policy includes a caveat that recognises research conducted by non-university researchers who hold an academic appointment made by a university appointment process to conduct research at the university that made the appointment. In this case, it is assumed that there will be a formal agreement between the university and the appointment holder such that the university will ensure that all research is conducted in accordance with the Funding Agreement and in accordance with the *Australian Code for the Responsible Conduct of Research (2007)*. Where this is the case, the Administering Institution (university) need not employ the CIA.

FREQUENTLY ASKED QUESTIONS

9 What happens if a CIA wants to transfer a grant to another Institution ?

A grant cannot follow a CIA to an organisation that is not an Administering Institution. If institutions wish to transfer grants in these instances, because the CIA is moving places of employment, the receiving institution will have to apply for and be granted Administering Institution status before that grant can be transferred and administered by the receiving institution.

10 In the event that a CIA transfers from an independent medical research institute (MRI) to an Administering Institution that is a university or hospital, what happens to any IRIISS funding that was being received by the MRI?

If this occurs, IRIISS funding for the transferred grant would cease to be paid to the MRI. It would not be paid to the university or hospital.

11 How will NHMRC acknowledge where the research is conducted?

Details on this have not been finalised. However, it is likely that NHMRC will produce a list that will include the name of the researcher the title of the project and the amount of funding awarded for the project.

TRANSITION TO NEW POLICY

12 How will the transition to the AI Policy be managed?

- (i) Organisations that currently administer NHMRC funding must notify NHMRC of their intention to register as an Administering Institution by 31 March 2011. Once requested by NHMRC, Institutions will have to provide evidence to support the application as required. Once satisfied that the institution meets the criteria, eligible institutions will be asked to execute a Funding Agreement with NHMRC.
- (ii) Organisations intending to become new Administering Institutions will need to apply as outlined above. However, as they will not yet be administering funding, they will be required to provide evidence that they meet all criteria, including employment of potential CIAs or Research Fellows.
- (iii) Administering Institutions that currently administer NHMRC funding, but which do not meet the requirements of the AI Policy, will follow a similar application process as outlined in (i) above. However, in these cases, they will be provided with temporary Administering Institution status until they are able to meet the criteria. The temporary arrangements will cease on 31 December 2011. If they are unable to meet the criteria, they will not be eligible to administer any grants awarded after 31 December 2011 such that funding will have to be administered by another Administering Institution. They will be allowed to continue to administer any current grants awarded before 31 December 2011 until the end of the period of funding.

FREQUENTLY ASKED QUESTIONS

13 What documentation or information will NHMRC be requesting from Administering Institutions?

In general NHMRC will require applicant institutions to provide sufficient documentation to demonstrate that the criteria outlined in the AI Policy can or are being met. Some evidence, which is easily available to NHMRC, such as the existence of the institution as a physical entity in Australia on at least one site at which research is conducted, or listing as a higher education provider under the *Higher Education Support Act (2003)*, need not be demonstrated. However, NHMRC will require confirmation of the current ABN/ACN, a copy of current Certificate of Incorporation (either ASIC certificate or State/Territory), and details of Responsible Officers and areas they are responsible for. Further details will be provided in the application form.

REGISTRATION AND DE-REGISTRATION

14 What is the Register of Administering Institutions?

The Register of Administering Institutions is a list of institutions that fully comply with the requirements of the AI Policy and have signed a Funding Agreement with NHMRC and (in almost all cases) actively and currently administer NHMRC research funds. The list will be posted on NHMRC's website

15 How does an organisation know it has Administering Institution status?

Once NHMRC has determined the organisation meets the criteria in the AI Policy and the organisation has executed a Funding Agreement, NHMRC will advise the organisation that it is an Administering Institution and place it on the Register of Administering Institutions.

16 How long is Administering Institution status valid?

Registration remains valid until:

- (i) The institution asks to be removed from the Register of Administering Institutions;
- (ii) NHMRC removes/ deregisters the institution because the Institution has not administered any NHMRC funding for 3 years; or
- (iii) NHMRC revises criteria in the AI Policy or the Funding Agreement to such an extent that registrations need to be re-validated.

ENSURING ON-GOING COMPLIANCE

17 What happens if Administering Institutions do not comply with the Administering Institution Policy?

In the event that the noncompliance is minor, or the result of a mistake, NHMRC will communicate in writing with the Administering Institution about its non-compliance. If the Administering Institution does not reform and comply with the Policy then NHMRC may withdraw an Administering Institution's status or may take any action set out in cl.15 of the Funding Agreement.

If the non-compliance is exceptional (e.g. is deliberate and/or negligent and/or long-term and/or widespread and/or has a large impact) NHMRC may withdraw an Administering Institution's status under cl. 15 in the Agreement.

FREQUENTLY ASKED QUESTIONS

18 How will NHMRC ensure Administering Institutions continue to meet General and Specific criteria of the Administering Institution Policy?

Under the *Commonwealth Grant Guidelines 2009*, NHMRC is required to implement appropriate financial and performance monitoring frameworks to ensure Administering Institutions administer Commonwealth funds effectively and efficiently. NHMRC has implemented a rolling Compliance Plan which involves on-site audits of Administering Institutions to ensure that funding is expended in an efficient, effective, ethical and accountable manner. In addition, the Funding Agreement also requires Administering Institutions to self-report on their compliance with the Funding Agreement's obligations for good governance of research through an Annual Institutional Compliance Report (available at <http://www.nhmrc.gov.au/grants/admin/deeds.htm>).

Further information is available from the NHMRC Program Assurance team

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