



HORIZON 2020

H2020 Audits and Results

Bratislava, 25th of June, 2019

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Common Audit Service (CAS)

1. Audit results

2. Audit Process

1. Audit results



State of Play as of 14 June 2019

- Overall the CAS closed **649** H2020 audits, related to **1420** participations
- In Slovakia
 - **4** audits closed, related to **5** participations
 - **2** open audits, related to **2** participations
- Figures represent:
 - Value % against all negative adjustment
 - Indirect costs excluded
 - No reclassification

Please consider them with prudence ! They are only 15,7% of the multiannual goal of 9000 audited participations of the H2020 Audit Strategy.

1. Audit results – Overall 1/3



Personnel costs – actual costs (56,5% of all adjustments) due to:

- Incorrect time working on action claimed (14,7%)
- Incorrect remuneration costs - e.g. estimated (11,3%)
- Incorrect productive hours calculation (10,5%)
- Double Charging, double funding (5,2%)
- Other-No valid supporting documents, unreliable/missing timesheets (14,8%)

Personnel costs – unit costs (13,2% of all adjustments) due to:

- Incorrect productive hours calculation (5,7%)
- Incorrect time working on action claimed (3,3%)
- Incorrect remuneration costs - e.g. budgeted, estimated (2,0%)
- Other – indirect costs claimed as direct costs, unreliable/missing timesheets (2,2%)

1. Audit results – Overall 2/3



Subcontracting (10,3% of all adjustments) due to:

- Lack of adequate supporting documents (3,2%)
- Not foreseen in Annex I nor agreed by EU services (2,3%)
- Other – including e.g. no value for money (4,8%)

Other goods and services (9,6% of all adjustments) due to:

- Lack of adequate supporting documents (3,8%)
- Cost not related to the action (1,7%)
- No direct measurement of the cost (1,1%)
- Other - indirect costs claimed as direct costs, no value for money (3,0%)

1. Audit results – Overall 3/3



Equipment (6,6% of all adjustments) due to:

- No direct measurement of the cost (2,7%)
- Other – e.g. indirect costs claimed as direct costs (3,9%)

Travel (2,4% of all adjustments) due to:

- Cost not related to the action (0,7%)
- Lack of adequate supporting documents (0,7%)
- Other – e.g. (1,0%)

1. Audit results – SLOVAKIA

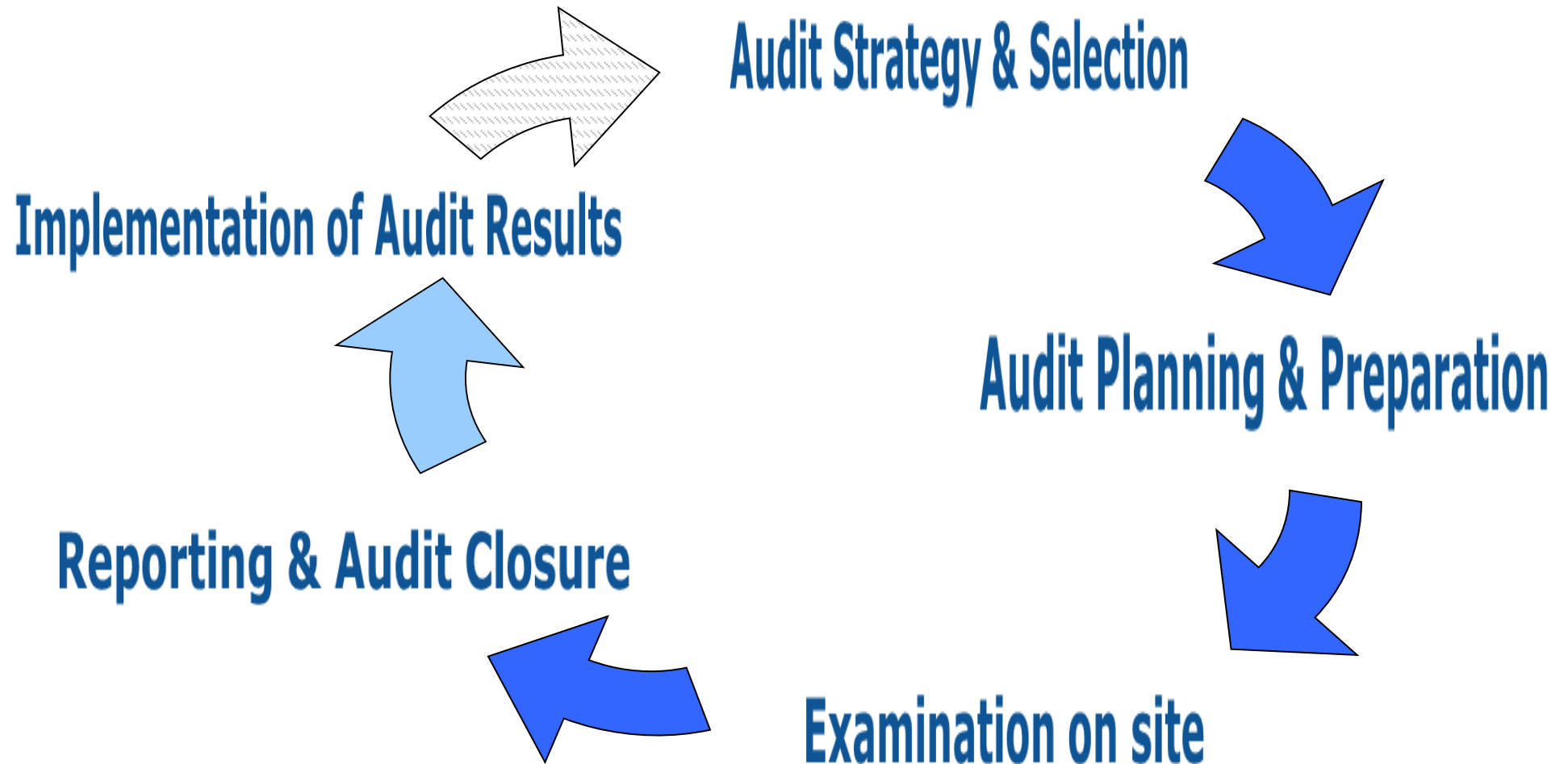


Personnel costs – actual costs (100% of all adjustments) due to:

- Incorrect time claimed (23,00%)
- Incorrect productive hours calculation (77,00%)

2. Audit Process

Audit Process



2. Audit Process

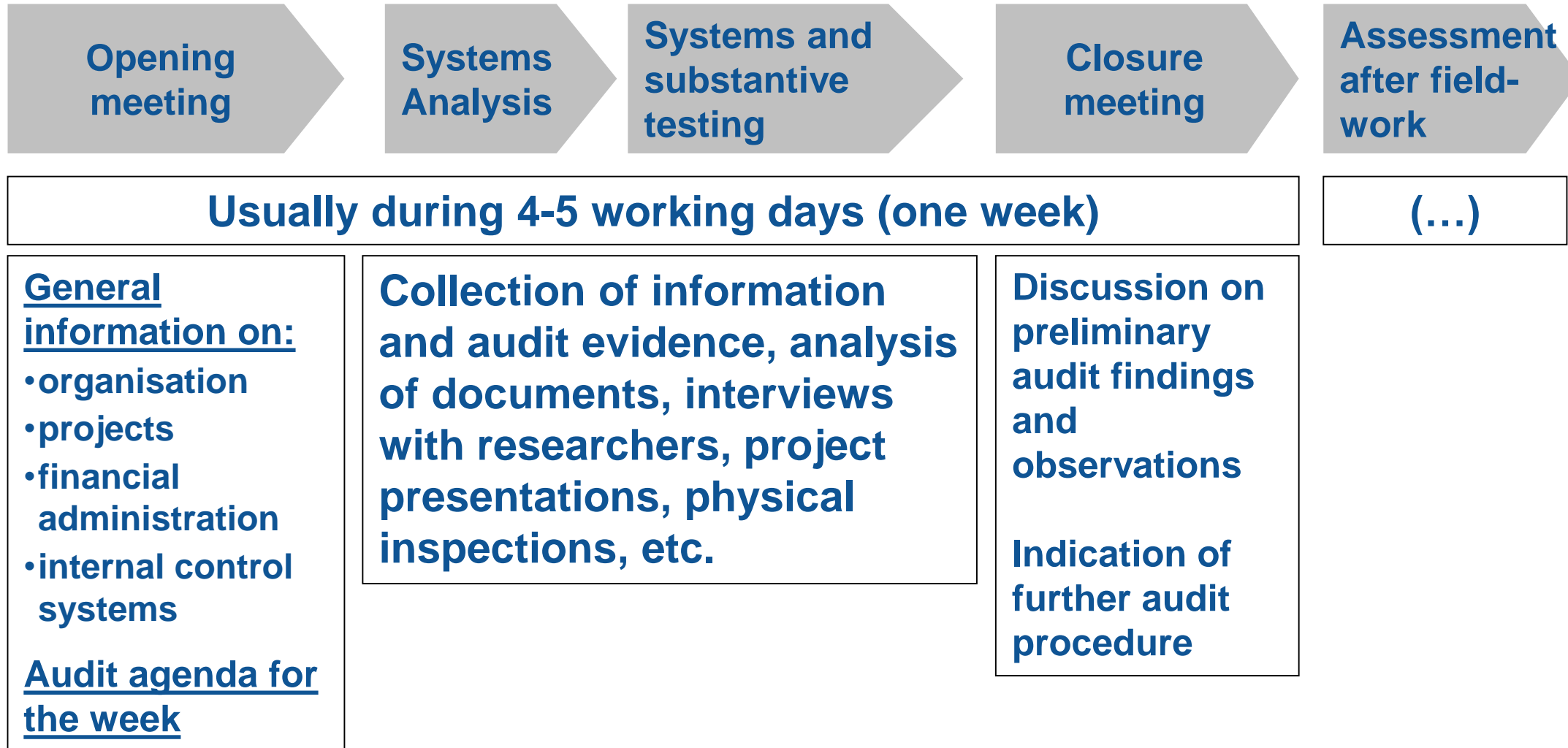
Audit Process – planning and preparation



- Set fieldwork dates
 - Prepare Audit Planning Memorandum (APM)
 - Prepare and send Letter of Announcement (LoA)
 - ❑ Request information (Annexes to LoA)
 - Collect audit evidence (Internal Control Questionnaire – Annex II LoA, Breakdown of costs – Annex III LoA, other evidence – Annex I LoA)
 - Sampling
-
- A light blue arrow originates from the underlined text "Breakdown of costs" in the previous bullet point and points horizontally to the left, then turns vertically down and then horizontally left again to point at the "Sampling" bullet point.

2. Audit Process

Audit process – Examination on site



2. Audit Process

Examination – Personnel Costs

Hours Worked
(14,7% of errors) **X**

Total Personnel Costs
(11,3% of errors)

Total Productive Hours
(10,5% of errors)

2. Audit Process

Examination – Travel & ODC

Other goods and services

- *Actually incurred (documentation)*
- *Ensure best value for money and avoid conflict of interests*
- *Directly related to the action*

Equipment

- *Ensure best value for money and avoid conflict of interests*
- *Directly related to the action*

Travel

- *Actually incurred (documentation)*
- *Directly related to the action*

2. Audit Process

Audit process – reporting & closure

1. Preliminary Audit Report (PAR)

- ✓ review by CAS (incl. quality control)
- ✓ consult internally (operational units)

2. Contradictory procedure


- ✓ **scrutinise preliminary findings and recommendations**
- ✓ **submit appropriate, sufficient and persuasive evidence**

3. Draft Audit Report (DAR) incorporates beneficiary's comments

- ✓ review by CAS (incl. quality control)
- ✓ scrutinise and address all comments
- ✓ consult internally (units managing the actions, legal advice, internal committees etc.)

4. Final Audit Report (FAR)

5. Letter of conclusion



***Implementation of audit findings
Managed by the EC operational
services (not the CAS)***



HORIZON 2020

Thank you !

Find out more:

<http://ec.europa.eu/programmes/horizon2020/>

*Research and
Innovation*