



UNIVERSITÀ DEGLI STUDI
DI TRENTO

Sotto-gruppo
Progetti UE ed internazionali

Gruppo Codau Ricerca

Primi AUDIT H2020

Dott.ssa Mirella Collini

Servizi Amministrativi
per la Didattica e la Ricerca – Polo Collina

Direzione Pianificazione Amministrazione e Finanza

Tor Vergata - Roma, 24 Maggio 2017



5 DIPARTIMENTI (INGEGNERIA E SCIENZA DELL'INFORMAZIONE,
INGEGNERIA INDUSTRIALE, INGEGNERIA CIVILE MATERIALI ED AMBIENTALE,
MATEMATICA, FISICA)

2 CENTRI (CENTRO DI BIOLOGIA INTEGRATA e CENTRO AGRICOLTURA
ALIMENTI AMBIENTE)



IN GESTIONE CIRCA **200 PROGETTI FINANZIATI**
(finanziamenti locali, nazionali, europei ed internazionali)

Dal 2010

- Più di 70 audit 1° livello
- Più di 50 audit di 2° livello (7FP – CP, ERC, MC, EIT)
- n. 1 audit dalla Corte degli Auditor su EIT Digital
- **n. 1 audit H2020 (su 3 progetti) - 2017**

- CFS – Certificate on the Financial Statement: is the Certificate that each beneficiary has to present - **at the end of the project** - if the EU Contribution requested **exceeds Euro 325.000,00** (in H2020) (375K in FP7) -(**art. 20.4 GA H2020 Annex 5**) – **Audit of 1ST Level**
- AUDIT BY EU (**art. 22 GA H2020**): it is the audit done by the EU directly (using its own staff) or indirectly (using external persons or body appointed to do so). It could be possible during the implementation of the action or afterwards (**up to two years** after the payment of the balance) (5 years in FP7) - **Audit of 2nd level**

The audits can cover scientific, financial, technological and other aspects relating to the proper execution of the project and the contract. There could be checks, interviews, audits, investigations.
- Other types of audit are also possible: ie
 - OLAF for anti-fraud, corruption or any other illegal activity affecting the financial interests of the EU;
 - ECA (European Court of Auditor) or other International Organisations



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR RESEARCH & INNOVATION

Directorate J - Common Support Centre
J.2 - Common audit service
The Deputy Head of Unit

Ref. Ares(2017)397220 - 25/01/2017

Brussels,
DG RTD/DG3.J.2/VM/scr (2017)323527
Batch 313

PARTICIPANT PORTAL

Università degli Studi di Trento
Ms Vanessa Ravagni
Via Calepina 14
38122 – Trento
Italy

Subject: Horizon 2020 Framework Programme for Research and Innovation
Audit of Università degli Studi di Trento - IT

Our reference: Audit ID BAEA313025

Dear Ms Ravagni,

I hereby inform you that the Common Audit Service (CAS) at the European Commission, in charge of auditing the expenditure of the Horizon 2020 Framework Programme, has decided to carry out an audit on Horizon 2020 financial statements presented by your organisation. The possibility of such audits is foreseen by Article 22.1.3 of the Horizon 2020 grant agreement.

The audit concerns the following Horizon 2020 grant agreements:

641122	QUIC	CNECT
643644	ACANTO	CNECT
671625	CogNet	CNECT

The European Commission has appointed *KPMG AG Wirtschaftsprüfungsgesellschaft* to coordinate and conduct the audit assignment on its behalf and hence they are to be regarded as the authorised representative of the European Commission for the duration of this assignment, as foreseen under the grant agreements.

25/01/2017 – lettera ufficiale

Punti di attenzione:

- rif. **Art. 22.1.3 del GA**
- **Elenco progetti**
- **Società incaricata (KPMG AG)**
- **Tempi:**
 - **entro 1 settimana**
comunicare persona di riferimento
 - permettere inizio audit
entro 20 gg dal ricevimento della lettera
- Allegato **lista documenti pre-audit and on-site**
- Durante audit **mettere a disposizione una persona esperta di finanza, contabilità e registrazioni costi nel progetto**

BENEFICIARY INFORMATION



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1.1. Summary financial figures

Financial Information ('000' Euro) – taken from financial statements	Year 20XX	Year 20XX	Year 20XX
Total revenues for the year			
EU/EURATOM grants			
EU/EURATOM grants in % of revenues			

1.2. Accounting system and basis

Accounting System	
Basis of accounting	<i>(accrual / cash)</i>

1.3. Time Recording System (including the procedure to record absence)

Time recording system	<i>Insert name of time recording system</i>
Product name	<i>Insert product name</i>
Date of implementation	<i>Insert year of implementation</i>
Integrated with accounting system	<i>Yes/No</i>
Full time recording system	<i>Yes/No</i>
Certification by designated officer	<i>Yes/No</i>

1.4. Productive hours calculation and hourly rate calculation

Productive hours calculation	
Total days in a year	
Less: Weekends	
Subtotal	
Plus overtime	
Subtotal	
Less: Annual Holidays	
Less: Statutory Holidays	
Less: Illness	
Workable days in a year	
Less: Other activities (describe in detail)	
Productive days per year	
Hours per day	
Productive hours per year	

Required supporting documents before and during the audit



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Required supporting documents before and during the audit

Supporting documentation	To be sent to the auditor prior to the mission on-the-spot	Readily available at the time of the audit
I. General Information about the Beneficiary		
1. Beneficiary's legal registration (such as trade register abstract)		Yes
2. Beneficiary's supporting evidences of the non-'deductible VAT' status		Yes
3. Beneficiary's supporting evidences that it is a 'contracting authority' or 'contracting entity' (if applicable)		Yes
4. Organisation chart with list of key officers		Yes
5. List of all other EU/EURATOM funding received and all grant agreements (both closed and in progress) signed with the Commission/Agency/Joint Undertaking in the past 5 years		Yes
6. List of the other EU actions/projects running during the audited period.	Yes	
7. Certified accounts of the last three financial years together with the statutory auditors' report (if applicable)	Yes	
8. Beneficiary's usual accounting practices, usual cost accounting practices and usual remuneration practices (manuals, procedures, internal regulations, etc.)	Yes	

Required supporting documents before and during the audit



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9. Beneficiary' procurement procedures	Yes	
10. Beneficiary's internal procedures as regards valuation methods for stocks' consumption (LIFO, FIFO, etc.).	Yes	
11. Beneficiary's internal procedures for depreciation.	Yes	
12. Beneficiary's internal procedures as regards internal invoicing for shared resources.	Yes	
13. Beneficiary' formalized policy or internal guideline for reimbursement of travel expenses.	Yes	
14. Accounting records for actions transactions, including reconciliation with general accounting (up to 6 months after recording the accounting documents in the Beneficiary's statutory books)		
- accounts fiches, journals, trial balances	Yes	
- general ledgers / analytical accounting books		Yes
15. Beneficiary's guidelines/procedures for the financial / scientific management of Research grant agreements (if available)		Yes
16. List of Authorised signatures		Yes
17. Internal procedures to avoid conflict of interest.		Yes

Required supporting documents before and during the audit



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II. Receipt and distribution of EU/EURATOM financial contribution		
1. Bank statements showing amount and date of advance and/or interim and/or final payments received (from Commission/Agency/JU or coordinator)		Yes
2. Only for coordinator: Table or report on the distribution of the EU/EURATOM financial contribution		Yes
3. <i>Only for coordinator:</i> Beneficiary's bank statement showing amount and date of advance and/or interim and/or final payments forwarded to other members of the consortium		Yes

Required supporting documents before and during the audit



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III. Supporting documents for personnel costs		
1. Beneficiary's internal guidelines/procedures for time recording evidence (if available)	Yes	
2. Employment contracts or equivalent appointment acts for action personnel (permanent or temporary); direct contract with the beneficiary (for natural persons working under other than an employment contract); telework agreement; the secondment contracts; SME owner contract.	Yes (one example for each contract category)	Yes
3. Collective labour agreements and job descriptions		Yes
4. Beneficiary's time recording procedure (if any)	Yes	
5. Beneficiary's timesheets for personnel involved in the action or declaration for exclusive work for the actions	Yes (one example for each)	Yes
6. Breakdown of personnel costs claimed in the financial statements per reporting period, by individual, indicating the number of hours charged as well as the hourly rate, with reference to the financial/fiscal year used in computations. (*)		Yes
7. Payroll/Salary slips for all personnel involved in the action (all audited periods of action duration), in detail, structured as following: the basic remuneration, mandatory complements, variable complements, additional remuneration included in the computations, as the case arise.		Yes

Required supporting documents before and during the audit



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8. Proof of payment (bank statements) of personnel costs.		Yes
9. Please provide all the necessary supporting elements to substantiate the claimed personnel costs (components of personnel costs taken into consideration in the unit costs for personnel, calculation method, justification of productive hours taken into consideration to calculate the unit costs for personnel, evidence that the applied methodology corresponds to your usual accounting and management practice. This list is non-exhaustive and may vary according to the applied methodology).		Yes
10. The supporting documents that demonstrate the actual cost borne by the Third Party (e.g.: timesheets, payslips, accounting entries, etc.)		Yes
11. The list of persons declared under personnel costs for 5 other actions/projects to be communicated to you at a later stage.		Yes

Required supporting documents before and during the audit



IV. Supporting documents for subcontracting		
1. Signed original copies of the agreement (contract, framework contract) established between the beneficiary and the subcontractor prior to its contribution to the action.	Yes	
2. Description of services provided by subcontractors in the context of the funded action. (*)		Yes
3. Tendering documentation (for non-contracting authorities, only of required by the internal rules of procedures). In case no procurement procedure is in place, documents and justifications supporting the selection of subcontractors (price comparisons with open sources, comparative offers received, catalogue of prices, internal procedures followed in other occasions for EU and non-EU activities, etc.).		Yes
4. The underlying documentation (original invoices, debit notes, credit notes, etc.).		Yes
5. Evidence of delivery or services provided.		Yes
6. Proof of payment (bank statements) of subcontracting costs.		Yes

Required supporting documents before and during the audit



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V. Financial support to third parties		
1. A clear and exhaustive list of the types of activities that qualify for financial support for third parties (e.g. financial support for third parties allowed for technology-testing activities).		Yes
2. Proof of payment (bank statements) of the financial support.		Yes
VI. Supporting documents for equipment, infrastructure		
3. Beneficiary's valuation rules for accounting treatment of equipment	Yes	
4. List of all acquisitions and retirements of equipment per reporting period. (*)		Yes
5. Contracts and agreements between the Beneficiary and its suppliers of other direct costs.		Yes
6. Purchase orders and delivery notes for equipment		Yes
7. The underlying documentation (original invoices, debit notes, credit notes, delivery notes, transport documents, etc.) justifying the equipment purchased.		Yes

Required supporting documents before and during the audit



8. Inventory register or fixed asset register/ledger for the equipment related to the action		Yes
9. Depreciation table showing the gross book value of the equipment, the additions and retirements, the depreciation rate and the depreciation charge per reporting period		Yes
10. In case of rented equipment: rental contract, inventory list of rented equipment, and calculation of leasing and/or rental charges		Yes
11. Equipment's usage diary/register (for equipment used by different actions)		Yes
12. Records, calculations and documentation (e.g. logbooks, laboratory registers, diaries, etc.) demonstrating that the actual use of the asset in the action was directly measured.		Yes
13. Proof that the costs charged to the action for rented or leased assets do not exceed by more than 25% the depreciation costs of : <ul style="list-style-type: none"> - either a similar asset as it was priced at the time of the start of the rent of the lease; - or the same asset as it was priced within a period of 6 months before and 6 months after the start of the rent or the lease. 		Yes

Required supporting documents before and during the audit



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14. Justifications regarding the full acquisition costs' allocation on the action (nature of the action, context of use, etc.) for assets that are charged at full acquisition cost and not at depreciation cost.		Yes
15. Calculation of the costs for providing trans-national or virtual access to research infrastructure for the periods under audit (either based on actual or unit costs).		Yes
16. Calculation of declared during the audited reporting period costs of clinical trials, energy efficiency measures or LRI (on the same or other EU-funded grants).		Yes
VII. Contributions in-kind		
1. Copies of the underlying documents obtained from the third party concerning their costs incurred for the contributions in-kind.		Yes

Required supporting documents before and during the audit



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VIII. Supporting documents for travel and subsistence		
1. List and dates of events/trips/conferences by action personnel. (*)		Yes
2. Authorised travel request forms, if applicable		Yes
3. The underlying documentation (original invoices, debit notes, credit notes, minutes of meetings, attendance lists, facilities reservations, etc.) justifying the travel expenses. Proof of connection to the action and proof for the necessity of the action's implementation (mission orders, relevant internal documents, etc.)		Yes

Required supporting documents before and during the audit




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IX. Supporting documents for other goods and services		
1. Break-down of goods and services by action. (*)		Yes
2. Contracts and agreements between the Beneficiary and its suppliers of other direct costs.		Yes
3. Purchase orders and delivery notes for other goods and services		Yes
4. The underlying documentation (original invoices, debit notes, credit notes, delivery notes, transport documents, stock registers etc.) justifying the other goods and services.		Yes
5. Inventory register/ledger (where applicable)		Yes
X. State aid		
1. List of transactions concerning assets, goods and services made available by the State for free for one of the audited actions.		Yes
XI. Access costs for transnational or virtual access to research infrastructure		
1. The calculation of the unit costs used to declared access costs for the reporting periods under audit.		Yes
XII. Information about the consortium		
1. Signed consortium agreement.	Yes	

(*) Note: this breakdown should include the relevant accounting codes/reference numbers to allow for reconciliation between the financial statements sent to the Commission/Agency/JU and the beneficiary's financial records as extracted from the accounting system. **Should the beneficiary identify an eventual discrepancy between the amounts declared and supported, the breakdown to be provided should identify the elements motivating the difference.**

- Richiesta di pianificare incontri con PI e/o collaboratori per interviste

«...Colgo anche l'occasione per sottolineare che, nelle date che indicherete, sarà importante assicurare la disponibilità del personale amministrativo e scientifico che è in grado di fornire le informazioni necessarie alle attività di audit nonché tutta la documentazione elencata. Inoltre, raccomando che il personale che successivamente vi indicheremo sia disponibile durante il nostro controllo per eventuali interviste...».
- Visite dei laboratori  apprezzata la descrizione degli strumenti acquistati su progetto da parte dei PhD e collaboratori su progetto (oltre a PI)

- Inizio analisi costi rendicontati selezionati a campione (campione fornito alcuni giorni prima della visita)



Attenzione all'organizzazione della documentazione

Che tipo di documentazione deve essere predisposta?

Tutti i documenti richiesti dalla procedura descritta **dall'Annex 5**

Tutti i **documenti inerenti** allo specifico progetto

Tutti i **regolamenti interni** che possano aiutare l'auditor (missioni, acquisti, timesheet, regolamento contabile, ...)

Tutta l'ulteriore documentazione specifica richiesta dall'auditor nella email iniziale (**Required supporting documents before and during the audit**)

For the auditor and for us
it's **really important** that you prepare folders in an order

Logic - accurate - clear - «elegant»

ie: on the right top of each documents you have to write a code
and prepare an index that guide the auditor when he needs to
find that specific document

If you need to send electronic files, save them with a specific
numerical code in front, use different folder for each topics and
prepare an index

- 0.1 GA
- 0.2 DOW
- 0.3 Amendments 1
- 0.4 Contribution received
- 0.5 Distribution of the contribution (if coordinator)
- 0.6 Form Cs per each Reporting Period with related accepted cost declaration sent by the PO
- 0.7 Periodic Reports submitted
- 0.8

For all the cost category try to follow the numbers of the Procedures in the Annex 5

- A. Personnel Costs (A.1 PI – A.1.1 contract PI, A.1.2 Timesheet of PI – A.1.2.1 timesheet year 1 - A.1.2.2 timesheet year 2, ; A.2 Mr. X – full professor...)
- B. Subcontracting (B.1 Subcontract Z – B.1.1 Selection Documents – B.1.2 Contract – B.1.3 Invoice – B.1.4 Payment receipts, ...)
- C. Third Parties (if any)
- D. Other Direct Costs:
 - D.1 Travels
 - D.2 Equipment
 - D.3 Other goods and Services

- **Al termine di ogni progetto**, assieme all'auditor si risponde ai vari punti del «Annex 1» al contratto dell'auditor con UE (**Indicative audit programme**)
 - Per ogni voce di costo, riferimento specifico agli articoli del GA e dettagliata descrizione delle «procedure to be performed»
- Stesura e lettura **verbale di audit** con indicazione puntuale della **documentazione aggiuntiva da inviare entro 7 gg**
- **Meeting conclusivo** in cui a voce sintetizzano cosa riporteranno nel report di audit



bozza report giunta in data 22/05/2017 –
entro 16/06/2017 eventuali osservazioni

- L'Audit ha avuto luogo nel marzo 2017 e per gli auditor era già implicito lo spostamento di co.co.co. ed assegni alla voce del personale (AGA v. 4)
- **TRE PROGETTI IN AUDIT – TRE DIVERSE TIPOLOGIE DI PERSONALE COINVOLTO**
 1. solo personale strutturato
 2. personale strutturato e phd alla voce personale ed assegni di ricerca in subcontracting – senza amendment annex 1
 3. personale strutturato alla voce personale ed assegni di ricerca in subcontracting – con amendment annex 1 approvato

- Tra i documenti aggiuntivi hanno richiesto di **inviare i CV aggiornati** di ogni componente il gruppo di ricerca – suggerimento: chiedere a tutti in anticipo (soprattutto al personale docente)
- «**The auditor reclassified costs related the two research contracts** from the subcontracting category to personnel costs, as they **fulfilled the conditions** set out in the Model Grant Agreement version 4.0 (Article 6.2.A.2) for being eligible **as personnel cost...**».
- «As the contract sets **a fixed amount for the work** but does not specify the number of hours to be worked, **the auditors calculated the hourly rate** by dividing the global amount for the work by the **pro-rata of 1720** annual productive hours which corrisponds to the duration of the contract over the financial year. The hourly rate was the multiplied by the **number of actual hours worked on the action** as registered in **timesheets** of the person involved in the EU action.»
- Attenzione PhD student – assegni e cococo: **oneri anno concluso** (se contratto ancora in essere ed anno solare non ancora concluso, si prende a riferimento il costo dell'anno precedente)!

- Tra i documenti aggiuntivi hanno richiesto di **inviare i CV aggiornati** di ogni componente il gruppo di ricerca – suggerimento: chiedere a tutti in anticipo (soprattutto al personale docente)
- Attenzione PhD student – assegni e cococo: **oneri anno concluso** (se contratto ancora in essere ed anno finanziario non ancora concluso, si prende a riferimento il costo dell'anno precedente)!
- «During the course of audit we **reviewed the timesheet** of the sampled personnel **in order to ensure that the staff did not claim more than 1720** hours and recalculated the hours charged during the reporting periods for the actions considered»

- **Visita ai laboratori** e richiesta chiarimenti sull'utilizzo dello strumento nel progetto
- Verifica della procedura di acquisto nel rispetto del principio del **«best value for money»**
- Verifica **documentazione fiscale e pagamenti**
- Verifica **applicazione ammortamento** nei rispetti della normativa vigente e del regolamento di contabilità
- **Controllo nell'Annex 1 (DoA)** se per il beneficiario era stato previsto l'acquisto della specifica strumentazione o della categoria dei consumabili

- Verifica della procedura per le missioni
- Verifica **documentazione, autorizzazione, documentazione a supporto dei costi, presenza delle ore nei TS e pagamenti**
- **Controllo nell'Annex 1 (DoA)** se per il beneficiario era prevista la partecipazione a Congressi (o se era stato autorizzato il viaggio da PO per gli extra-continentali). Nessun problema per i meeting ufficiali di progetto.
- Attenzione alle «**private expenses**» (es. minibar)

Riferimenti

- http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf
- FRAMEWORK CONTRACT FOR SERVICES
2015/RTD/J2/OP/PP-03181-2015 – Annex 1



Grazie per l'attenzione!

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