

AUDIT PROCEDURES IN HORIZON EUROPE

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BESTPRAC-EARMA meeting
November 25-26, 2020

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About me

- Vanessa Ravagni
- Head of Research Support Division at University of Trento since 2004
- Member of Core Group COST Bestprac and chair WG2 Finance from 2014-2017

Summary

- Horizon 2020
- Novelties in Horizon Europe
 - SPA
 - Cross reliance

Horizon 2020

- **Objective:** obtain reasonable assurance that the financial statements are free of material misstatement
- **When:** during the project or at any time up to 2 years after the final payment.
- **How:** Following provisions of the audited grant agreement, International Standards on Auditing, in line with the Indicative Audit Programme

Horizon 2020

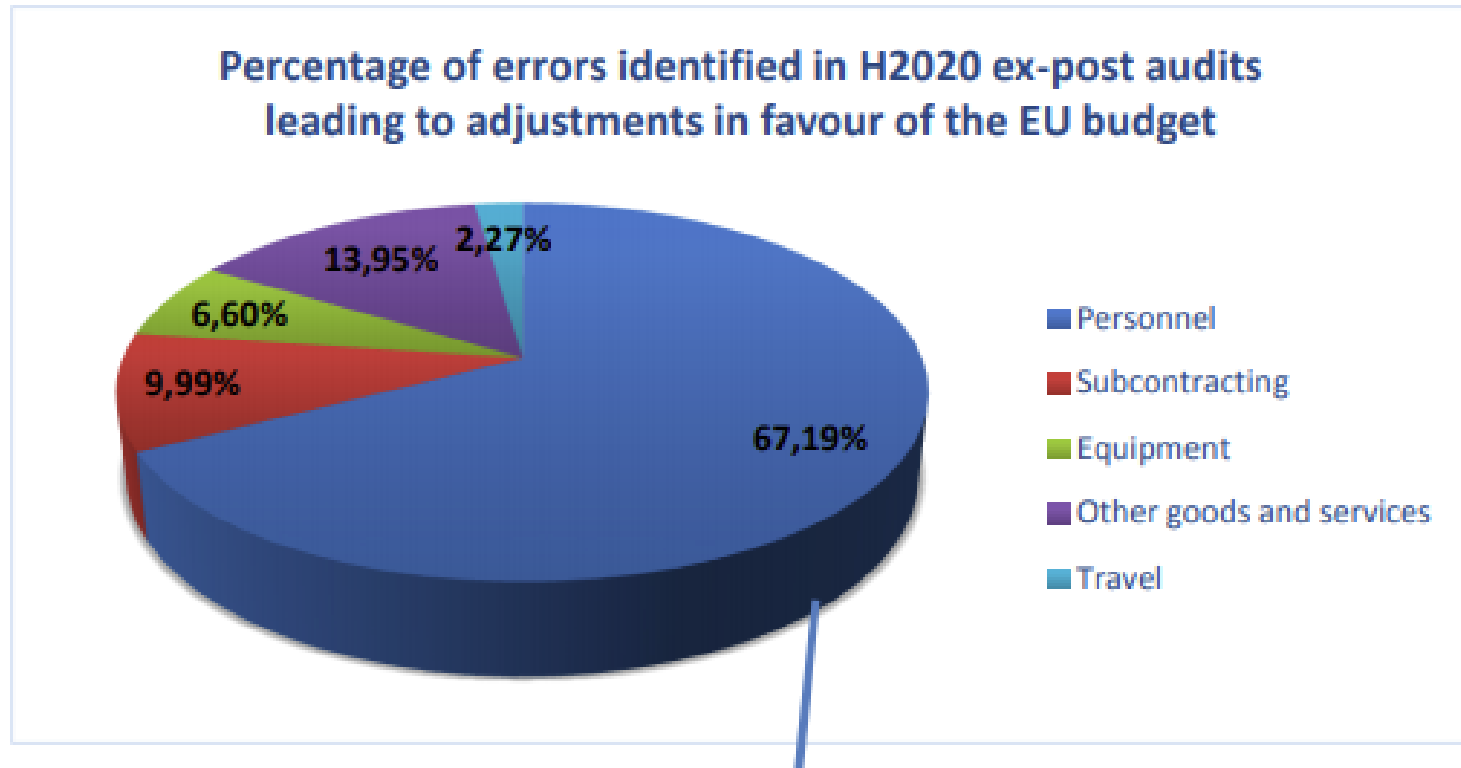
Second level audit procedure:

- Notification by the EU Commission via the Funding & Tender Opportunities Portal or by registered letter
- Examination of documents (desk review)
- Additional on-the-spot visit
- Draft of audit report (findings)
- The beneficiary concerned is given 30 days to formally notify observations ('contradictory audit procedure').
- Final audit report and 'letter of audit conclusions' (LoC)
- If required: follow-up (e.g. in the event of cost rejection, reduction in funding)

Horizon 2020

- How to be prepared:
 - Art.22 Annotated Model Grant Agreement
 - Online Manual
 - Indicative audit Programme (3 versions from 2017)
 - Communication to Horizon 2020 beneficiaries
“How to avoid errors when claiming costs in H2020 grants”
 - H2020 COORDINATORS' DAY (MODEL GRANT AGREEMENT/FINANCIAL ISSUES: Avoiding Common Errors)
https://ec.europa.eu/research/participants/data/ref/h2020/other/events/2018-04-12/h2020-coordinators-day-agenda_en.pdf

Horizon 2020



Source: “How to avoid errors when claiming costs in H2020 grants”, May 2020

https://ec.europa.eu/research/participants/data/ref/h2020/other/comm/190305_avoiding-errors-when-claiming-costs_en.pdf

Novelties in HE

DATA SHEET

1. General data

Project summary:

Project summary

6. Other

Specific rules (Annex 5):

[n/a]

- [...]

Standard time-limits after project end:

Confidentiality (for X years after final payment): 5

Record-keeping (for X years after final payment): 3/5

Reviews (up to X years after final payment): 2/3/5

Audits (up to X years after final payment): 2/3/5

Extension of audit findings from other grants to this grant (no later than X years after final payment): 2/3/5

Impact evaluation (up to X years after final payment): 3/5

Yes/

which is signed by the parties in the system.

Rules for Participation <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52018PC0435>

Corporate Model Grant Agreement Corporate MGA — Multi & Mono

<https://ec.europa.eu/transparency/regdoc/?fuseaction=list&cotelid=3&year=2020&number=3759&version=ALL&language=en>



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Novelties in HE

- System and process audit **SPA** : risk assessment and audit opinion
- Pilot with the biggest and most important beneficiaries in H2020
- Assessing 3 types of risks:
 - Inherent Risk at the level of the entity
 - Control risk at the entity level
 - Budget Category specific control risk



Source: Stakeholder workshop: Novelties in Horizon Europe MGA (9 October 2020) <https://ec.europa.eu/research/participants/docs/h2020-funding-guide/other/event201009.htm>

Novelties in HE

- Cross Reliance: reduced audit burden for beneficiaries
 - Combined review
 - Single audit principle for joint funding
 - Possibility for enhanced cross reliance