

# **COST Targeted Network TN1302 BESTPRAC**

## **The 2nd level audit**

## FP7 2nd level audit

- Information e-mail appr. 1 month in advance from auditing company
- Agreement on the specific dates with the auditors directly
- At least 1 auditor will speak your language
- Up to 5 days stay
- Extensive list of documents to prepare

## FP7 2nd level audit

- Extensive list of documents to prepare
  - General information on institution
    - Details on legal entity
    - Description of activities
    - Numbers of statutory financial statements of the past 3 years
    - Written internal regulations!!
    - Accounting system
    - Time recording system
    - .....

## FP7 2nd level audit

- Extensive list of documents to prepare
  - Project specific information
    - Personnel costs
      - Cost rate calculations (payrolls, time records, ...)
      - Employment contracts
      - Descriptions of salary conditions etc.
    - Equipment and consumables
      - Original purchasing invoices and proof of payments
      - Inventory list
      - Depreciation policy

## FP7 2nd level audit

- Extensive list of documents to prepare
  - Project specific information
    - Travel and subsistence
      - List of all trips including date, destination and purpose per person
      - Invoices and proof of payments
      - Reports, records, minutes of all travels
      - Written policy for business trips (approval, reimbursement)
    - Subcontracts and Other
      - Documentation and explanations, tenders, etc.

## FP7 2nd level audit

- Extensive list of documents to prepare
  - Indirect costs
    - Description of calculation
  - Policies etc.
  - Justifications (personnel costs, time recording, depreciation, indirect costs, ...)
  - Financial statements
  - Signed agreements

## FP7 2nd level audit

- Comments on draft audit report
- Lessons learned
  - Know your internal regulations (very well!!)!!
  - Take the auditor as a friend...
  - ... don't try to hide anything, explain.
  - Be patient,
  - ...it takes a while until you get the final feedback.