

SHORT TERM SCIENTIFIC MISSION (STSM)

SCIENTIFIC REPORT

This report is submitted for approval by the STSM applicant to the STSM coordinator

Action number: TN1302

STSM title: Excellence transfer for professional project financial management

STSM start and end date: 26/08/2019 to 30/06/2019

Grantee name: Katarzyna Drożdziel

PURPOSE OF THE STSM:

The aim of the STSM at NTNU was to exchange precise and specific knowledge on the aspects of professional project financial management and contribute to the objective of the COST BESTPRAC action by:

- networking with the group of highly qualified experts- employees of the Financial Advisory Section at Financial Division of the Norwegian University of Science and Technology/NTNU;
- sharing good practices, useful and efficient methods, tools, software, solutions, procedures used in project financial management;
- initiating new networks, collaboration not only between financial and administrative staff of the universities that usually have at their disposal large financial divisions with qualified, trained employees, but also between professionals from bigger institutions such as the Host: NTNU and smaller ones -like the home organization of the participant: HELCOM. Both types of organizations are often particularly active in externally funded EU projects while there is a lack of knowledge transfer in/to these small ones, in which often only one employee is responsible for all types of different financing schemes and/or all aspects of projects' management: finances, administration, legal issues.

DESCRIPTION OF WORK CARRIED OUT DURING THE STSM:

During 5 days spent at NTNU there was a series of meeting arranged and coordinated by Per Inge Andresen- Senior Financial Advisory at Financial Advisory Section of the Financial Division. According to



the plan already set at the STSM proposal stage these were carried out with the EU Financial Team responsible for financial arrangements of all NTNU ongoing H2020 projects and assistance with H2020 proposals. Apart from that, the meetings with experts in specific areas such as procurement, financial advisory, audit/ control were held. Below, please find a detailed STSM agenda and programme prepared by Mr Per Inge Andresen and based on the outline set in the STSM proposal.

Agenda



- Project financial management - good practices.
- Budget meeting for H2020 proposal coordinated by NTNU.
- EU Finance Team weekly meeting.
- Procurement -policies, internal procedures and guidelines.
- Visits with our team members at two departments at the Faculty of Engineering (IV).
- Internal and EU reporting. Time recording/costs reporting in a multi project environment.
- The CFS audit procedure and experiences.
- Level 2 EU audit – procedures and experiences.
- Summary and conclusions.



Programme



Monday 26.08	Tuesday 27.08	Wednesday 28.08	Thursday 29.08	Friday 30.08
09:00: Introduction: Project financial management- good practices. <i>Per Inge Andresen.</i> <i>Room A106</i>	09:00: Procurement - policies, internal procedures and guidelines. <i>Ina Therese Sørfonden.</i> <i>Room A106</i>	09:00: Budget meeting for H2020 proposal coordinated by NTNU. <i>Dragvoll Campus</i>	08:30: Visit at the Department of Civil and Environmental Engineering. <i>Eirik Olsen</i>	09:00: Summary, conclusions. <i>Per Inge Andresen.</i> <i>Room B268</i>
13:00: EU Finance Team weekly meeting. <i>Room C321</i>	12:30: Level 2 EU audit – procedures and experiences. <i>Terje Ruud.</i> <i>Room C321</i>	12:30: The CFS audit procedure and experiences. <i>Peder Bjerke.</i> <i>Room B268</i>	12:30: Internal and EU reporting. Time recording/costs reporting in multi project environment <i>Andreas V. Ellefsen.</i> <i>Room C321</i>	12:30 Departure for the airport

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DESCRIPTION OF MAIN RESULTS OBTAINED:

During the STSM I was able to get the insights of NTNU practices and share my experiences of financial aspects of project management as planned in the application:

- **Project financial management ‘good practices’** – there seems to be a similar approach both at NTNU and HELCOM when it comes to projects management- starting with direct support with budgeting at the application stage and then continuing with financial overview, reporting at the implementation, closure stage. There are of course many differences that are an obvious result of the scale of both institutions, experience, available tools etc. The most important one that I would now I would like now to use as a good practice and introduce at HELCOM especially in larger projects (here meaning app. 1mIn and bigger budgets) would be 6 months project budget checks/monitoring. That practice seems to be especially useful with financial management where one takes the role of the coordinator of a consortium. Up till now in EU projects run by HELCOM I have slowly started to introduce some mock reports-taking place usually 6 months before the project closure. I believe these checkups could be just as useful at the beginning (after 6 months) and/ or (in case of long projects) during the project duration. I see it as one of the most effective method of reducing and avoiding risks in projects financial management (incorrect reporting; lack



of information from the partners about transfers between budget categories; overall difficulties with financial planning; ineligibility of costs, costs recovery by EU). It seems that though partners receive the summary of reporting guidelines at the beginning of project, are provided all necessary documentation (grant, consortium agreements) there is still no better method to verify the costs, improve reporting than regular financial monitoring.

- **Procurement -policies, internal procedures and guidelines** – once again given the scale and the type of the both institutions there are different approaches to procurement. While NTNU relies mostly on framework contracts, HELCOM uses price inquiries, collects offers for each project services. Despite these specifics I've found one valuable characteristic in NTNU practices, namely the focus given to the BVP- best value procurement, where there is a lot of emphasize given to developing procedures supporting the scheme, which looks at factors other than only the price, such as quality when selecting the contractors. Although in case of small organization that does not have specialists for procurement and relies often on little financial and admin staff in general it is often a challenge to deal with this topic I will try to improve procedures/ schemes that would make it easier/ clear how to introduce more factors than just the price itself in offers evaluation (quality, experience).
- **Time recording/costs reporting in multi project environment** - after talks on different aspects of difficulties when reporting we concluded that despite of complexity of types of costs it is still personnel costs and consequently time reporting that is a reason for most mistakes and expenses being questioned by the funding authorities. And though in contract to HELCOM -NTNU has at its disposal software to report hours in electronic system it still doesn't prevent mistakes mostly causes by 'human factor' and some inconsistencies between HR and financial/ accounting software. Time sheets, time recording seems to be always the subject that requires a lot of attention, constant improvement and supervision.
- **Financial supporting tools and software**- as a result of taking part in project budgeting meeting, staff meeting, getting insight to the everyday work assignments at the Financial Advisory Section of the Financial Division it became clear to me that apart from available software ordered and tailored specifically for the NTNU a lot of tools for financial management had been designed by the Financial Division employees simply in Excel. The staff has spent a lot of time in developing these tools to have been improving them along the years so now every new team member has already a set of available instruments e.g. to prepare budget, monitor spending, manage costs, and finally report them properly. Moreover, information about many aspects of financial management, funding schemes etc. is shared between all employees. Different templates, rules for reporting etc. can be easily used by the newcomers. Off course that took many years and additional work to have them standardized. Following the NTNU example I plan prepare and introduce at least some of such the standardized tools that I've found particularly useful incl. reporting template for partner mock reports, template illustrating the planned spending and its deviations and its deviations by costs categories, WPs, timeline. These tools should be prepared in a way they allow financial officer to analyze the project situation but can also be presented in an easy clear graphic manner to project coordinator, executive staff.

- **Internal and external audit-** I have learnt about the practicalities, procedures, common mistakes during audit procedures. I would say that in my case the practicalities- timeline, procedure, templates etc. very especially interesting. Until now I have only had to do with some smaller audits of projects funded by Interreg BSR and structural funds /Human Capital Operational Programme.

FUTURE COLABORATIONS:

Since recently apart from projects funded by Interreg BSR, and EC agencies (EC EASME, DG ENV, DG ECHO) HELCOM is applying and taking part in more and more H2020 proposals I would like to continue the exchange of knowledge with the colleagues from the Financial Advisory Section of Financial Division on management of different types of specific funding within H2020. After seeking advice on further professional development and discussing it with Mr Per Inge Andersen I plan to start participating in EARMA conferences. I would also like to continue to collect all the experiences of financial project management at the small organization and by comparing them with the experiences, procedures, tools used by the big organizations prepare a short useful kit for the early stage financial coordinators, administrators that work with smaller organizations with limited resources.

