



FINAL AUDIT REPORT

AUDITED ORGANISATION	[Redacted]
ACTIONS AUDITED	Out of Scope [Redacted] 644373 – PRISAR
AUDIT REFERENCE NUMBER	BABA354001
AUDIT DATES	27 August 2018 – 31 August 2018

This report has been prepared by request of the European Commission. The views expressed herein are those of the independent auditor and do not represent any official view of the European Commission. The use of this report is restricted to the European Commission, and those EU official authorities having regulatory right of access to it (such as for example the European Court of Auditors and the European Anti-Fraud Office) and those stakeholders of the Horizon 2020 / Euratom actions as determined by the European Commission.
Restricted Use

Table of contents	page
PART 1 – EXECUTIVE SUMMARY	4
Audit opinion Report.....	4
Opinion.....	6
1. AUDIT ADJUSTMENTS AND RECOMMENDATIONS FOR SYSTEMS IMPROVEMENT	8
1.1. Audit findings and adjustments.....	8
1.2. Systemic or recurrent errors	10
1.3. Observations and Recommendations for systems improvement.....	11
2. FOLLOW-UP OF PREVIOUS AUDITS CARRIED OUT.....	11
PART 2 – GENERAL INFORMATION	14
3. INFORMATION ON THE AUDITED ORGANISATION	14
3.1. Legal status.....	14
3.2. Summary financial figures	14
3.3. Dependence on EU funding	14
3.4. Accounting system and basis	14
3.5. Time Recording System (including the procedure to record absence).....	15
PART 3 – AUDIT WORK AND FINDINGS.....	17
4. DIRECT PERSONNEL COSTS.....	17
4.1. Work performed	17
4.2. Productive hours calculation and hourly rate calculation	17
4.3. Findings.....	19
5. DIRECT COST OF SUBCONTRACTING.....	21
6. OTHER DIRECT COSTS.....	22
6.1. Work performed	22
6.2. Findings.....	24
7. INDIRECT COSTS.....	25
7.1. Work performed	25
7.2. Findings.....	25
8. SPECIFIC BUDGET CATEGORIES.....	26
9. RECEIPTS	26
9.1. Work performed	26
9.2. Findings.....	26
10. CONVERSION RATES	26
11. COORDINATOR ROLE	26

11.1. Work performed	26
11.2. Findings.....	26
12. MSCA ACTION – COSTS FOR THE RECRUITED RESEARCHER.....	26
12.1. Work performed	26
12.2. Findings.....	27
13. MSCA ACTION – INSTITUTIONAL COSTS	27
13.1. Work performed	27
13.2. Findings.....	27
PART 4 – ANALYSIS OF BENEFICIARY'S COMMENTS.....	28
PART 5 - ANNEXES TO THE AUDIT REPORT.....	29
ANNEX 1 – COSTS CLAIMED ACCORDING TO FINANCIAL STATEMENTS AND AUDIT ADJUSTMENTS	30
ANNEX 1A – COSTS CLAIMED ACCORDING TO FINANCIAL STATEMENTS AND AUDIT ADJUSTMENTS (MSCA).....	33
ANNEX 2 – ANALYSIS OF DIRECT PERSONNEL COSTS.....	34
ANNEX 3 – BENEFICIARY'S COMMENTS.....	41

PART 1 – EXECUTIVE SUMMARY

Audit opinion Report

We have audited the financial statements as set out in the table below submitted to the services of (Out of Scope) the Research Executive Agency (Out of Scope) the “Granting Authority”) by (Out of Scope) (the “Beneficiary”):

Out of Scope

Out of Scope

Out of Scope

Grant Agreement	644373 – PRISAR	Cost claimed
Period audited	1/02/2015 - 31/1/2017	EUR
	Total amount claimed	391 500,00
Agency	REA	
Framework Programme	H2020	

Responsibility of the Beneficiary for the Financial Statements

The Beneficiary is responsible for the preparation and fair view of the financial statements in accordance with the grant agreement and for maintaining adequate accounting records and documentation to support and justify the costs reported. The Beneficiary is also responsible for such internal controls as are necessary to enable the preparation of financial statements that are free from misstatement, whether due to error or fraud.

Auditors' Responsibility

Our responsibility is to express an independent opinion, based on our audit procedures, on the financial statements of the above mentioned grant agreements only as to whether the costs have been properly incurred and are eligible costs, as defined under the grant agreement.

We conducted our audit taking into account the provisions of the audited grant agreements under the Horizon 2020 Framework Programmes for Research and Innovation and in accordance with International Standards on Auditing as they are applicable in relation to the special scope of this engagement. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit engagement involves performing relevant procedures to obtain evidence about the amounts claimed in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, we consider internal controls relevant to the entity's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances relevant for the scope of this engagement, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls as a whole.

An audit also includes evaluating the appropriateness of accounting policies used for the preparation of the financial statements submitted to the Granting Authority services as well as evaluating the overall presentation of these financial statements.

We believe that the evidence obtained is sufficient with respect to the objectives relevant for our engagement and appropriate to provide a basis for our opinion.

Additional Conditions

Our work has been undertaken so that we might state to the European Commission those matters we are required to state in our audit report and for no other purpose. We are thus responsible solely to the European Commission for our work and the opinion that we have formed. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the European Commission unless such responsibility has been expressly accepted.

Our work is not designed specifically to identify incidences of fraud. Accordingly, fraud may occur and not be detected.

We have nevertheless obtained representations made by the Beneficiary in relation to the authenticity and completeness of the supporting documentation provided to us.

Our work in assessing the necessity of costs incurred for the implementation of an action is limited to verifying, to the extent that we are qualified and able to, that those costs have been incurred solely for the intended purpose of the grant agreement. This normally implies verifying that specific costs are provided for in the budget proposals sent to the Granting Authority services prior to grant agreement signature (or otherwise reflected and prescribed within the action technical specifications as set out in Annex I to the audited

research grant agreement) and that those costs when actually incurred are processed, validated and approved within an accounting system and related internal control structure that would meet or exceed the generally accepted international principles of sound financial management.

Our audit work relating to the certification that costs are economic and reflect the Beneficiary's economic environment is limited to (to the extent that we are able and qualified to):

- verifying that claimed costs are incurred in line with the usual administrative and management practices of the Beneficiary and;
- assessing whether these costs, in pure monetary terms, are evidently reckless or unreasonable as defined within the grant agreement terms and conditions.

It is not a value for money or performance audit. It is a report by exception. As such, it cannot normally create legitimate expectations on the conformity of the costs declared or the methods of calculation used.

Opinion

During our audit we noted adjustments ^{Out of Scope} [Redacted]

Out of Scope [Redacted]

Out of Scope [Redacted]

[Large Redacted Block]

Out of Scope [Redacted]



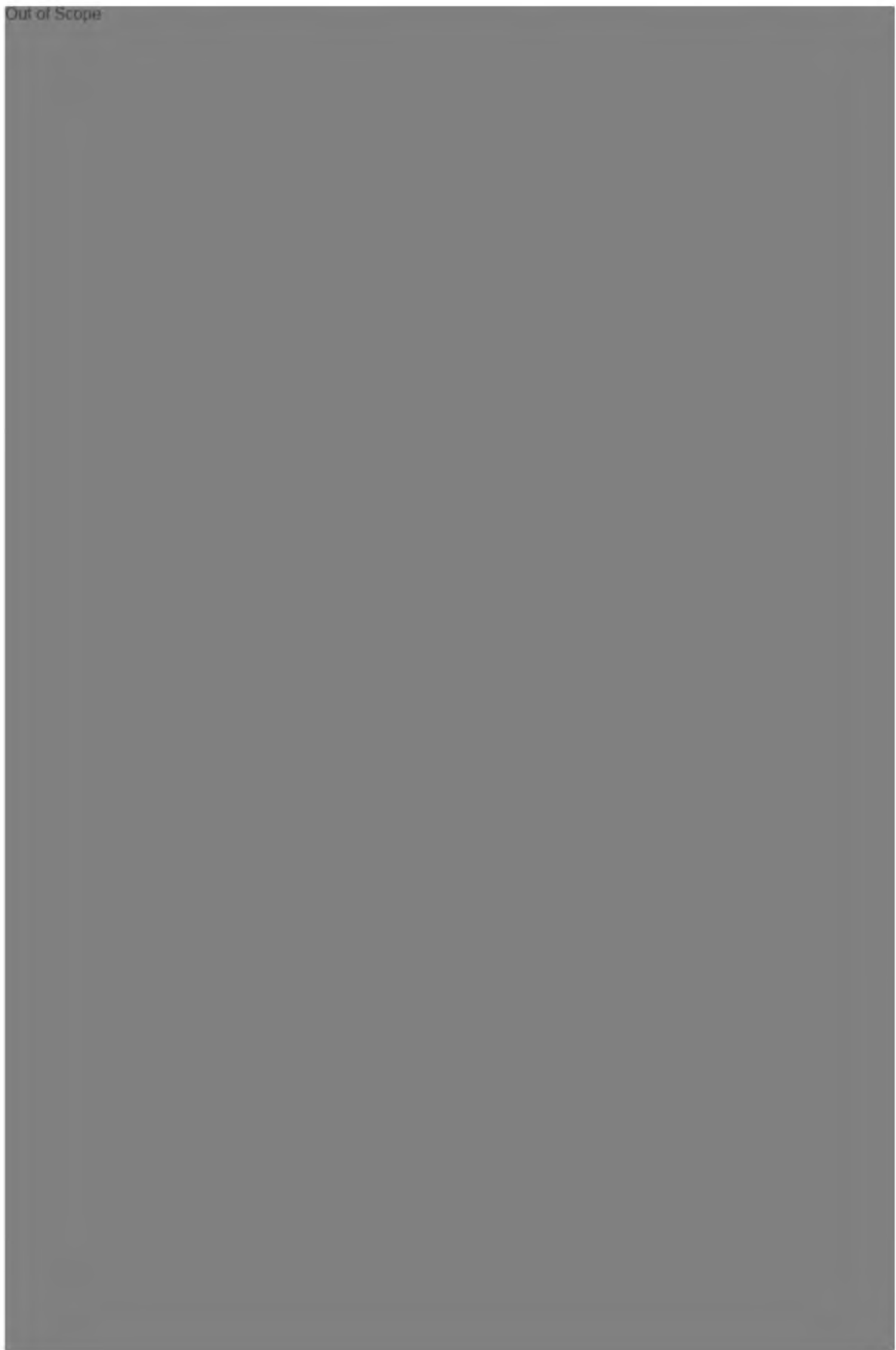
1. AUDIT ADJUSTMENTS AND RECOMMENDATIONS FOR SYSTEMS IMPROVEMENT

1.1. Audit findings and adjustments

Out of Scope



Out of Scope




Out of Scope



644373 – PRISAR

We have not noted adjustments.

1.2. Systemic or recurrent errors



1.3. Observations and Recommendations for systems improvement




2. FOLLOW-UP OF PREVIOUS AUDITS CARRIED OUT

Out of Scope



Out of Scope



Out of Scope



PART 2 – GENERAL INFORMATION

3. INFORMATION ON THE AUDITED ORGANISATION

Audited Organisation	[Redacted]	
Address of Beneficiary	[Redacted]	[Redacted]
Persons present – Beneficiary	[Redacted]	[Redacted]
Persons present – Auditors	[Redacted]	[Redacted]

3.1. Legal status

[Redacted]

3.2. Summary financial figures

[Redacted]

3.3. Dependence on EU funding

[Redacted]

3.4. Accounting system and basis

[Redacted]

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





PART 3 – AUDIT WORK AND FINDINGS

4. DIRECT PERSONNEL COSTS

Out of Scope




4.1. Work performed

Out of Scope



4.2. Productive hours calculation and hourly rate calculation

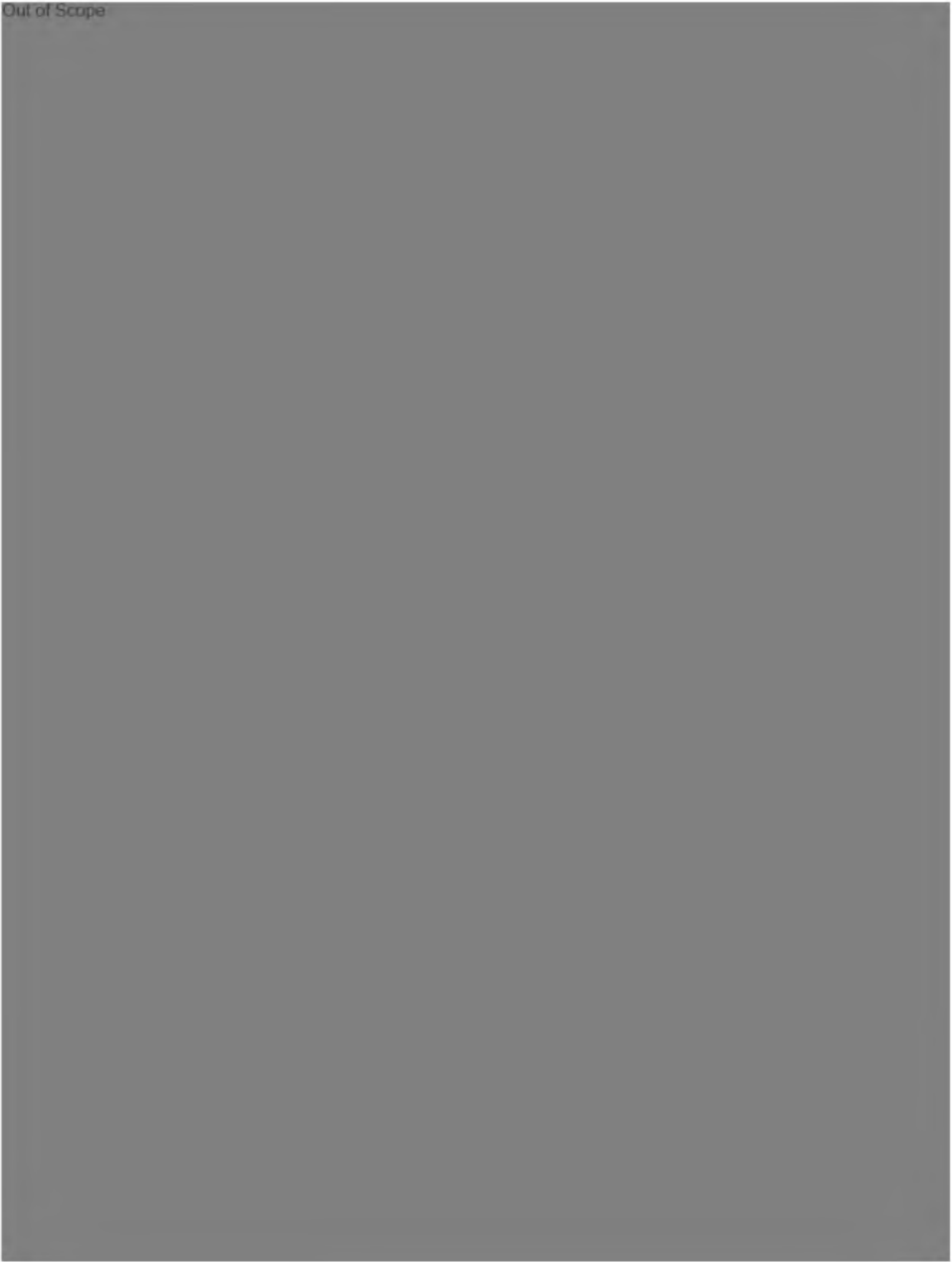
Out of Scope




Out of Scope



Out of Scope



Out of Scope



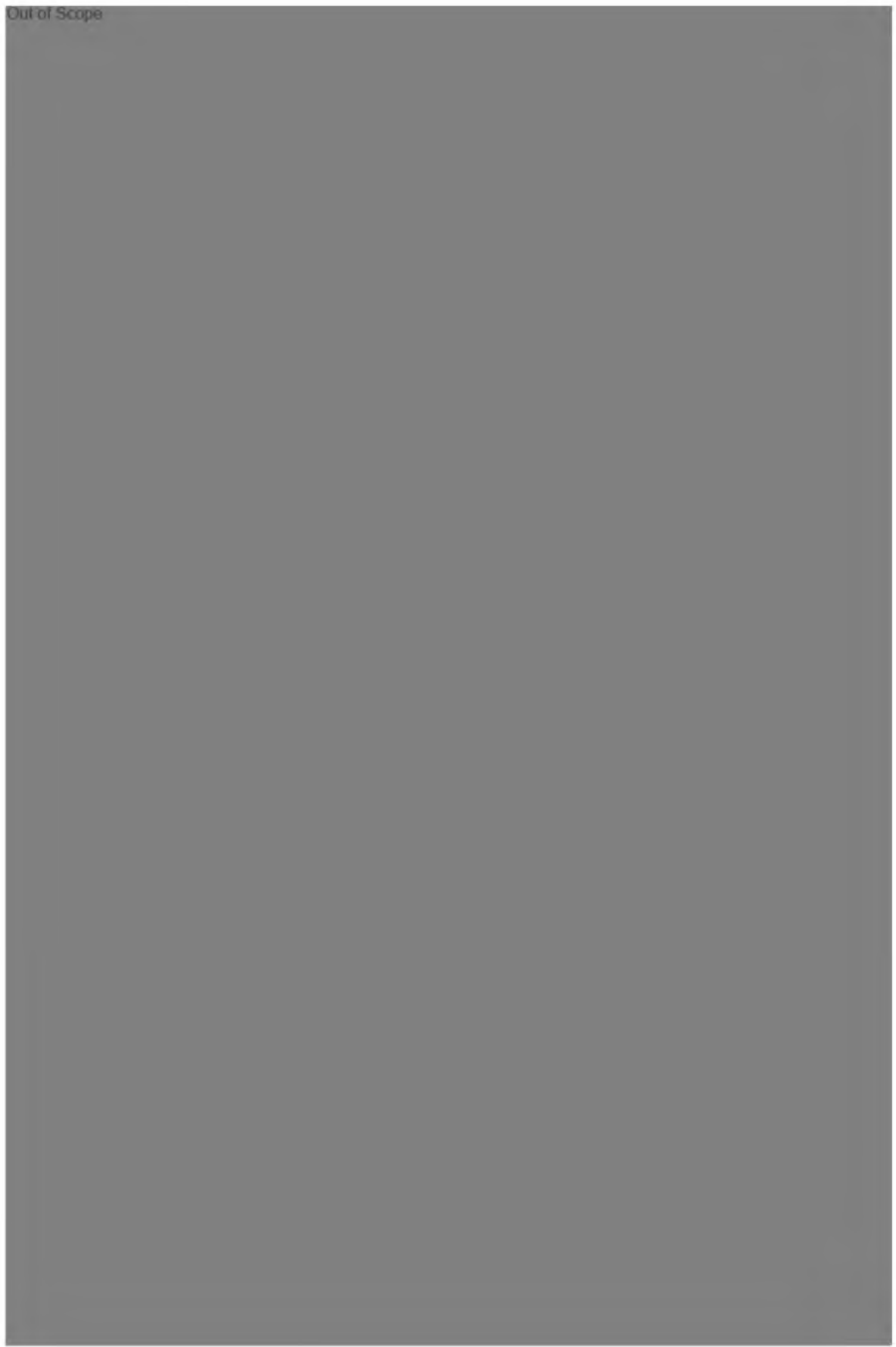
Out of Scope



4.3. Findings



Out of Scope



Out of Scope




5. DIRECT COST OF SUBCONTRACTING

Out of Scope



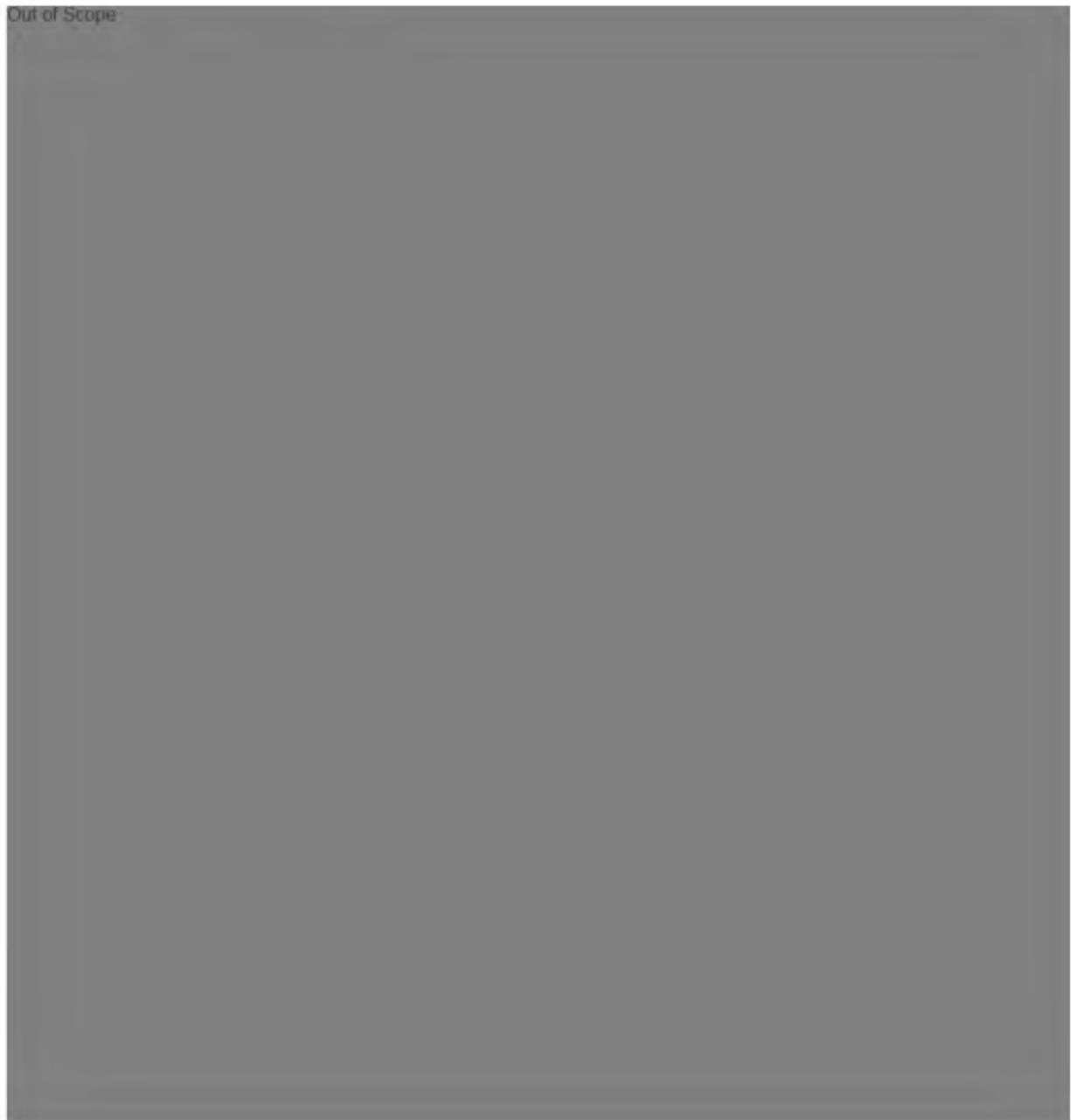
6. OTHER DIRECT COSTS

Out of Scope



6.1. Work performed

Out of Scope




Out of Scope



6.2. Findings

Out of Scope




7. INDIRECT COSTS

Out of Scope




7.1. Work performed

Out of Scope



7.2. Findings

Out of Scope



8. SPECIFIC BUDGET CATEGORIES

Out of Scope



9. RECEIPTS

9.1. Work performed

Out of Scope



9.2. Findings

Out of Scope



10. CONVERSION RATES

Out of Scope



11. COORDINATOR ROLE

11.1. Work performed

The tests were performed according to the following indicative audit programme (version 2.0 – 19 December 2018): <http://europa.eu/!RY33WY>.

11.2. Findings

We have not identified any finding.

12. MSCA ACTION – COSTS FOR THE RECRUITED RESEARCHER

12.1. Work performed

The tests were performed according to the following indicative audit programme (version 2.0 – 19 December 2018): <http://europa.eu/!RY33WY>, for the costs claimed per budget category in Annex 1 to this audit report.

12.2. Findings



13. MSCA ACTION – INSTITUTIONAL COSTS

13.1. Work performed

The tests were performed according to the following indicative audit programme (version 2.0 – 19 December 2018): <http://europa.eu/!RY33WY>, for the costs claimed per budget category in Annex 1 to this audit report.

13.2. Findings

We have not identified any finding.

PART 4 – ANALYSIS OF BENEFICIARY'S COMMENTS



PART 5 - ANNEXES TO THE AUDIT REPORT

ANNEX 1	Costs claimed according to financial statements and audit adjustments
ANNEX 1A	Costs claimed according to financial statements and audit adjustments (MSCA)
ANNEX 2	Analysis of direct personnel costs
ANNEX 3	Beneficiary's comments

ANNEX 1 – COSTS CLAIMED ACCORDING TO FINANCIAL STATEMENTS AND AUDIT ADJUSTMENTS⁴



Out of Scope



Out of Scope

Restricted use



ANNEX 1A – COSTS CLAIMED ACCORDING TO FINANCIAL STATEMENTS AND AUDIT ADJUSTMENTS (MSCA)

Beneficiary's name:

[REDACTED]

Period:

from 01/02/2015 to 31/01/2017

Grant Agreement N°+Action's name:

644373 - PRISAR

Person months:

87

Currency:

EUR

Eligible costs(per budget category)						
A.Costs for seconded staff members		B.Institutional costs				Total costs
		B.1 Research, training and networking costs		B.2 Management and indirect costs		
Unit		Unit		Unit		
Costs per unit	Total a	Costs per unit	Total d	Costs per unit	Total e	
Costs claimed / declared						391 500,00
Costs accepted by F.O.						391 500,00
Costs accepted by Audit						391 500,00
Adjustment against costs accepted by F.O.						0,00
Adjustment against costs claimed / declared						0,00
Amount of systemic or recurrent part of adjustments against costs claimed/declared						0,00
Amount of non-systemic or non-recurrent part of adjustments against costs claimed/declared						0,00

ANNEX 2 – ANALYSIS OF DIRECT PERSONNEL COSTS



Out of Scope



Out of Scope

Out of Scope





Out of Scope



Out of Scope



Out of Scope



ANNEX 3 – BENEFICIARY'S COMMENTS



