



FUEL CELLS AND HYDROGEN
JOINT UNDERTAKING

Coordinators' Day
How to succeed in
H2020 AUDITS

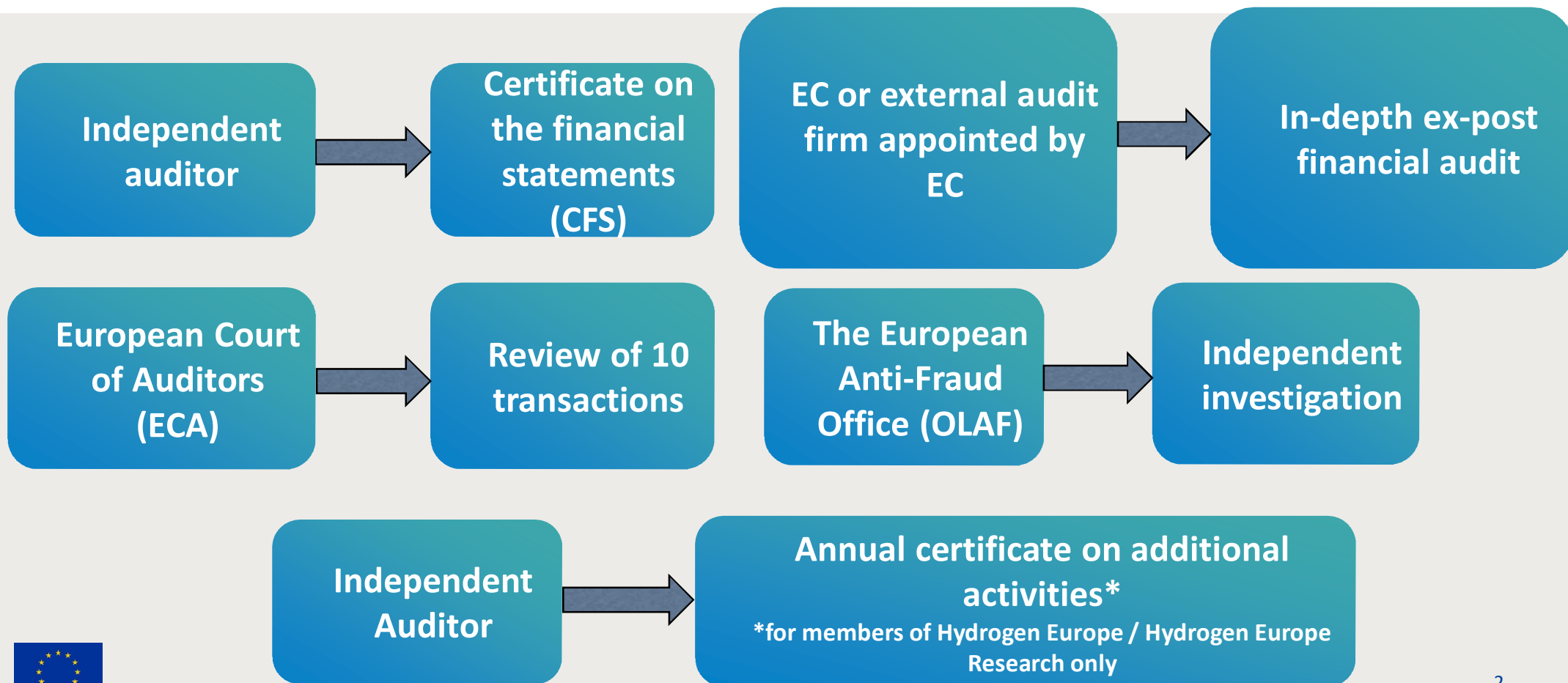
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September 2020



Financial reviews and audits in H2020

Overview



Financial reviews and audits in H2020

Certification on Additional Activities – ONLY FOR MEMBERS OF HYDROGEN EUROPE AND HYDROGEN EUROPE RESEARCH



When? Annually, by 30 April of the year N+1

By whom? An independent qualified external auditor selected by a member

Scope? A simple indicative model audit programme – can also be performed remotely

Procedures? Process is governed by Hydrogen Europe & Hydrogen Europe Research secretariats

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Financial reviews and audits in H2020

Most frequent cases - Certificate on the financial statements - CFS



When? At the time of the final financial report **AND** if the beneficiary/linked third party requests a total financial contribution of EUR 325 000 (or more) as reimbursement for actual direct costs and unit costs

By whom? An independent qualified external auditor appointed by the beneficiary

Scope? Basic cost eligibility review based on supporting evidence

Procedures? Annex 5 of the Grant Agreement
(https://ec.europa.eu/research/participants/data/ref/h2020/mga/gga/h2020-mga-gga-multi_en.pdf)



Financial reviews and audits in H2020

Most frequent cases - Financial ex-post audit – organized by Central Audit Service (CAS) of the EC



When? Anytime after you receive first interim payment until 2 years after last payment

By whom? Independent audit firm or European Commission auditors

Scope? Full scope in-depth audit, including interviews – due to COVID 19, some of the audits were transformed into remote desk-reviews

Procedures? Indicative Model Audit Program
(https://ec.europa.eu/research/participants/data/ref/h2020/other/gm/audit/h2020-iap_en.pdf)



Financial reviews and audits in H2020

Specific cases - OLAF and European Court of Auditors



Beneficiaries may also be subject to OLAF investigations and European Court of Auditors audits, in accordance with the Article 22 and 23 of the GA

In case of fraud suspicions, the European Anti-fraud Office (OLAF) may conduct investigations (e.g. on-the-spot inspections and witness interviews) into EU-funded projects to check that expenditure has been used correctly. OLAF cooperates with national authorities (through information exchange, on-the-spot checks, coordination of forensic audits etc.) OLAF may decide to open an investigation upon receipt of suspicious information by EU bodies or from other sources



Anti-Fraud checks & awareness



1. Please be on guard against phishing messages, promoting commercial services, which look identical to Funding & Tenders Portal notifications but which do not stem from the Funding & Tenders Portal; report any suspicion of a phishing incident to us via: <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/support/helpdesks/contact-form>
2. FCH 2 JU performs advanced data research and checks on **double funding** and **plagiarism** integrated in the e-grants business solution. These checks are supported by **IT tools** allows to analyze potential plagiarism in **deliverables**, **periodic reports**, proposals and grant agreements
3. If a coordinator or beneficiary suspects fraud or other serious irregularities with a potentially negative impact for EU public funds, he/she may report this to us or directly to the European Anti-fraud Office (OLAF): <https://fns.olaf.europa.eu/>



Financial Audits in H2020 – FCH 2 JU statistics

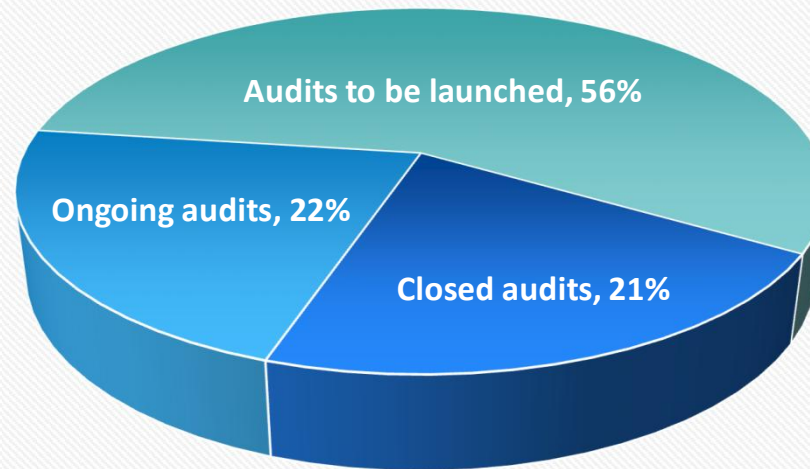
Status as of September 2020



Total number of beneficiaries to foreseen to be audited: **150**

Costs audited (Closed + ongoing)
EUR 125 mil.

FCH 2 JU contribution audited (Closed + ongoing)
EUR 93 mil.



Errors detected at cost level (audits closed + ongoing)
EUR 3.3 mil.

Errors detected at FCH 2 JU contribution (audits closed + ongoing)
EUR 1.6 mil.

[*] Netting of positive and negative



Financial Audits in H2020 – most frequent errors

Tips for sound financial management from lessons learnt



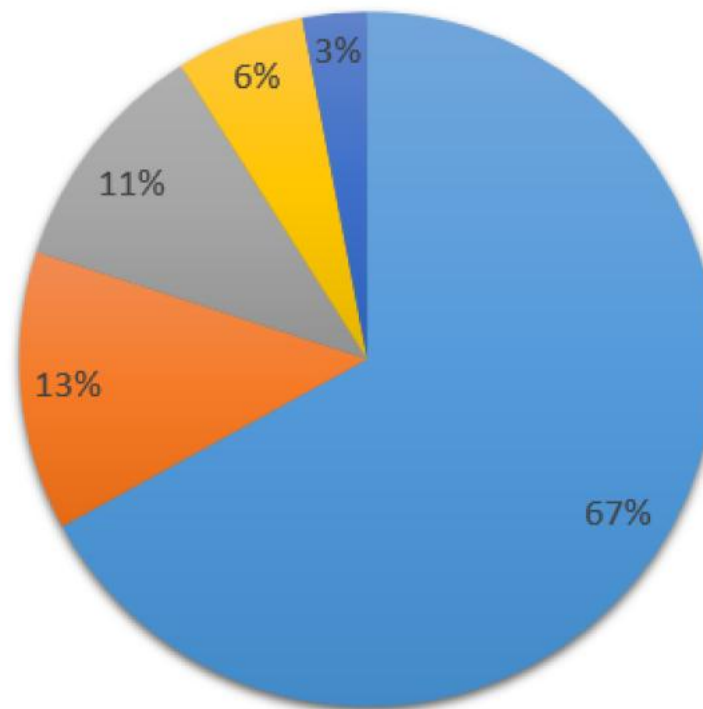
Subcontracting & Other Direct Costs (1/3 of errors)

Best value for money

- Justifications for usual or unique supplier missing

Equipment

- Depreciation vs full price of capitalisation



■ Personnel costs ■ Subcontracting
■ Other Goods and Services ■ Equipment
■ Travel

Personnel Costs (2/3 of errors)

Time-recording

- Absence of timesheets
- Unreliable timesheet

Hourly rate calculation

Incorrect classification of temporary personnel



Best practices in H2020

Tips for sound financial management



Tips

1. **Be diligent and keep evidence** mainly on decisions on suppliers and time records **from the FIRST DAY OF THE PROJECT**
2. Claim actual costs and declare all cost items
3. Follow your usual accounting practice
4. Follow financial webinars and workshops organized by FCH
5. In case of doubts, contact FCH





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