H2020
Main financial errors in personnel cost in Belgium

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Topics on Audit and Errors

- Introduction on Audit
- Background
- Errors on Personnel Cost in Belgium
- Feedback
- Discussion

Disclaimer: Information not legally binding
I, the undersigned Director-General, declare that the information contained in this report gives a true and fair view [1].

I state that I have reasonable assurance […] which is based on my own judgement and on the information at my disposal […]

However the following reservation should be noted:

Reservation concerning the rate of residual errors with regard to the accuracy of financial statements in the Framework Programme

Brussels, 31 March 20XX
"Signed"
The Director-General

[1]→True and fair in this context means a reliable, complete and correct view on the state of affairs in the service.
Errors. Why do they occur?

- Misunderstandings of the rules;
- Lack of attention to the detail of the provisions of the grant agreements.
Reporting on errors

Error Rate

\[
\text{Error Rate} \% = \frac{\sum \text{neg_adj}}{\sum \text{aud_amount}}
\]
## Personnel costs – due to:

<table>
<thead>
<tr>
<th>Category of errors</th>
<th>Error contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incorrect remuneration costs: budgeted, standard, estimated or fixed rates</td>
<td>43.75%</td>
</tr>
<tr>
<td>Incorrect time claimed</td>
<td>26.34%</td>
</tr>
<tr>
<td>Unreliable/missing timesheets, alternative evidence not sufficient</td>
<td>12.91%</td>
</tr>
<tr>
<td>Incorrect productive hours calculation</td>
<td>7.66%</td>
</tr>
<tr>
<td>Double charging, double funding</td>
<td>5.51%</td>
</tr>
<tr>
<td>Not related to the action</td>
<td>3.83%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>
Main feedback

1. You **cannot** declare:
   - ✓ Budgeted time (what you indicated for the budget)
   - ✓ Estimated time (e.g. person 'guessing' at the end of the year)
   - ✓ Time allocation (e.g. x % of the contractual time of the person)

2. Ensure proper TRS
3. Ensure proper PH application
4. Ensure proper HR calculation
5. Participate on the next presentation on PC
Thank you for your attention & participation!