



H2020

Other Direct Costs

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Audit in H2020 – Main detected errors

Other Direct Costs and Subcontracting– due to:

Category of errors	Error contribution	Error within the category
No valid supporting documents (other than timesheets for personnel)	53,18%	88,33%
No value for money	2,15%	3,57%
Not foreseen in Annex I nor agreed by EU services	1,65%	2,75%
No direct measurement of the costs: other	1,61%	2,67%
Not related to the action	1,34%	2,22%
Indirect costs claimed as direct costs	0,25%	0,42%
No direct measurement of the costs: internal invoicing services of central facilities	0,02%	0,03%
Grand Total	60,21%	100,00%

Feedback from audit - Subcontracting

- 1. Underlying documentation exists in proper form;*
 - 2. Costs are recorded and paid;*
 - 3. Costs must be incurred during the project period;*
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- 1. Value for money is respected;*
 - 2. Costs are included in the Annex I;*
 - 3. Accounting practices are respected*

Feedback from audit – Other Direct Costs

- 1. As per prior slide;***
- 2. Breakdown of costs reconciles with Financial Statements;***
- 3. Depreciation policy is applied correctly;***
- 4. Tendering process is applied correctly;***
- 5. Travel policy is applied correctly;***
- 6. Indirect elements are removed***

OTHER DIRECT COSTS

A. General Eligibility conditions



General eligibility conditions respected

Verify if:

1. Claimed costs match breakdown list of Beneficiary;
2. No systematic errors in the calculations;
3. Correct conversion to EUR.

OTHER DIRECT COSTS

B. General Eligibility conditions



Costs were actually incurred

Verify:

1. Claimed amounts vs documents (e.g. invoices)
2. Documents are addressed to you (Beneficiary)
3. Costs are recorded in the accounts (GL)
4. Any discount or rebate is accounted for
5. No altering transaction in 6 months *
6. No re-invoicing by the Beneficiary within 6 months *
7. Costs are paid (or netted off)

OTHER DIRECT COSTS

Depreciation costs



Depreciation is correct and in compliance with the Standards

Verify:

1. Usual accounting practices
2. Depreciation charged is based on Accruals Basis
3. Depreciation charged correspond to the period of action
4. Existence of the Fixed Asset



HORIZON 2020

Thank you

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Innovation*