

H2020 Audit Case Study Overview

Background

You are a Financial/Administrative Manager in an organisation dealing with Research activities. It is your responsibility to prepare the project financial statements and verify the claimed expenditure for: legality, regularity and reasonableness (according to H2020 rules/procedures, local legislation and internal rules).

You are preparing for an upcoming audit and need to be able to justify to the auditors how the personnel costs for each team member, claimed in the Period 1 Financial Statement **1/10/14-31/3/16**, have been calculated.

In doing the above, you need to ensure that the Personnel Costs are soundly supported by underlying documentation and calculated and claimed correctly in accordance with:

- **H2020 financial rules**
- **HI's accountancy rules**
- **local legislation/internal procedures**

for the following staff member, making up the project team:

- **Post Doc**

Based on the profile information for the Post Doc you will need to perform the following 2 tasks.

TASK 1

Identify the documents and information you will need for the calculation of the personnel costs for both profiles below.

TASK 2

Using the information from Task 1, verify the data provided/complete any gaps and re-calculate the Personnel Costs (PC) to be charged to the action using the following steps:

Step 1: Calculate the Hourly Rate (per Financial Year) using the following formula:

$$\text{Annual Personnel Costs} / \text{Annual Productive Hours}$$

Step 2: Identify the hours worked for the action

Step 3: Identify any Additional Remuneration

Step 4: Calculate the Personnel Costs to report for each team member:

$$\text{Hourly rate per financial year} \times \text{ERC project hours per year} + \text{additional remuneration}$$

Note: The financial year in your organisation is from 1st January until 31st December.

PROFILE OF TEAM MEMBER

Gina Genome - Post Doc

Gina Genome is a Post Doc researcher dedicating 90% of her research time on the ERC project and 10% of her time on teaching activities. Her employment contract states she works 40 hours per week (8 hours per day).

As can be seen from her timesheets she often works more than 8 hours per day (the policy of the HI is not to pay overtime). Gina is recording her time spent on the project using the global time recording system. **In light of this, the HI has chosen to use the Individual Annual Productive Hours option for the hourly rate, calculated as follows:**

annual workable hours of the person (according to the employment contract, applicable labour agreement or national law)

plus

overtime worked

minus

absences (such as sick leave and special leave)

The annual workable hours in this case are 1.848

365 days minus 104 days (Sat & Sun) minus 22 days annual leave, minus 8 days public holidays = 231 days x 8 hours per day = 1.848

Post Doc Employment Contract

University of Excellent Science

XXXXXXXX

**Vice Chancellor and Principal
Professor XXXXXXXX**

15 September 2014

PRIVATE & CONFIDENTIAL

Mrs Gina Genome
XXXXXX

XXXXXXXXXX

Dear Mrs Genome,

I am delighted to offer you an appointment as Post-Doctoral Research Associate in the Department of Physics. You will be expected to dedicate 90% of your Research time to the ERC "BLUESKY" project and 10% of your time to teaching activities, working under the supervision of Professor Andrew Atom. The standard working hours are 40 hours per week.

The start date of your employment is 1st October 2014 and it will expire on the 30th September 2019. Your duties and responsibilities are as set out in the vacancy details and job description already provided as part of the recruitment process.

You will be employed in Grade 6, spine point 30 of the University salary.

Please sign and date your acceptance of this employment contract below.

Yours sincerely,

Susan Smith

HR Manager

I hereby agree that I have read, understood and agree to abide by, the terms and conditions of my employment with the University.	
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Employee Signature:	Date:
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BLUESKY SALARY SCALES

Spine Point	Scale	Scale	Base salary as at 1/1/2010
PostDoc			
13		Grade 4	€ 18.340,00
14			€ 18.868,00
15			€ 19.411,00
16			€ 19.972,00
17			€ 20.559,00
18			€ 21.171,00
19	Grade 5		€ 21.802,00
20			€ 22.475,00
21			€ 23.121,00
22			€ 23.811,00
23			€ 24.520,00
24			€ 25.251,00
25			€ 26.004,00
26		Grade 6	€ 26.779,00
27			€ 27.578,00
28			€ 28.401,00
29			€ 29.249,00
30			€ 30.122,00
31			€ 31.020,00
32			€ 31.948,00
33			€ 32.901,00
Professors			
34	Grade 7		€ 33.884,00
35			€ 34.895,00
36			€ 35.938,00
37			€ 37.012,00
38			€ 38.140,00
39			€ 39.257,00
40			€ 40.430,00
41		Grade 8	€ 41.639,00
42			€ 42.883,00
43			€ 44.166,00
44			€ 45.486,00
45			€ 46.846,00
46			€ 48.246,00
47	Grade 9		€ 49.689,00
48			€ 51.175,00
49			€ 52.706,00
50			€ 54.283,00
51			€ 55.908,00
52			€ 57.581,00

