



universität
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Second Level Audit-Experiences University of Vienna

7th UNICA EU Research Liaison Officers Meeting

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Agenda

- **Introduction**
- **Overview of recent Second Level Audits**
- **„Highlights“ of the Audit on the Spot**
- **Main Audit Findings**
- **Successful Strategies to handle the Audit**



Key figures of the University of Vienna

- Oldest university in the German-speaking world founded in 1365
- Largest teaching and research institution in Austria with 15 faculties and 3 centres
- 9,400 employees, 6,700 of whom are scientists and academics
- 91,000 students
- 180 studies

- Net revenues 2011 k€ 509,721
- thereof research revenues 2011 k€ 59,913
- thereof EU revenues 2011 k€ 11,281



Overview of recent Second Level Audits

3 Second Level Audits within 6 months (10/2011 – 03/2012)

- **ERCEA** (European Research Council Executive Agency)
 - 3 ERC-projects, each for 1 reporting period
 - » Production of work, audited costs k€ 317
 - » GEMIS, audited costs k€ 111
 - » Somacca, audited costs k€ 411
- **IMI** (Innovative Medicines Initiative)
 - 1 IMI-project, 1 reporting period
 - » E-Tox, audited costs k€ 68
- **ESPON – Coordination Unit** (structural fund)
 - 1 ESPON-project, 1 reporting period
 - » Demifer, audited costs k€ 27



Overview of recent Second Level Audits

Another recent Second Level Audit (Nov 19-23, 2012)

➤ **REA** (Research Executive Agency)

→ 3 Marie Curie-projects

» SFASDA (IEF), audited costs k€ 154, complete reporting period

» MOTIF (IOF), audited costs k€ 225, complete reporting period

» COSI (ITN), audited costs k€ 335, 1 reporting period



ERC – Second Level Audit - Timeline

Jul 27, 2011	Information of ERCEA on audit Auditor: Lubbock Fine, London, UK
Aug 2011	Agreement of audit dates with auditor
Aug 17, 2011	Financial project details had to be sent to auditors
Oct 7, 2011	Opening meeting questionnaire was sent by auditors → to be completed by Oct 10, 2011
Oct 10-12, 2011	Audit at the premises of UNIVIE
Oct 13, 2011	Confirmation that no details are outstanding by auditor
Dec 12, 2011	Draft audit report (AFTER approval of ERCEA) - Deadline to reply January 6, 2012
Dec 23, 2011	Reply of UNIVIE
Jan 17, 2012	Final audit report



IMI – Second Level Audit - Timeline

Nov 18, 2011	Information of IMI on audit Auditor: TRINAVIS GmbH, Berlin, Germany
Dec 2011	Agreement of audit dates with auditor
Dec 23, 2011	Financial project details had to be sent to auditors
Jan 2, 2012	Required supporting documents were sent by auditors → to be prepared for the audit-on-the-spot
Jan 16, 2012	Audit at the premises of UNIVIE
Mar 12, 2012	Draft audit report (no info, if approved by IMI in advance) - Deadline to reply March 23, 2012
Mar 19, 2012	Reply of UNIVIE
Outstanding	Final audit report



ESPON – Second Level Audit - Timeline

- Jan 17, 2012** Information of ESPON on audit
Auditor: Ernst & Young, Vienna, Austria
- Feb 2012** Agreement of audit dates with auditor, auditor requested financial project details from FLC, not from UNIVIE
- Mar 26, 2012** Audit at the premises of UNIVIE
- May 16, 2012** Draft audit report after the completeness and form checks of the Audit Authority and the Group of Auditors members from Austria
- Deadline to reply June 1, 2012
- May 30, 2012** Reply of UNIVIE
- Aug 22, 2012** Final audit report



Marie Curie – Second Level Audit - Timeline

- Sept 26, 2012** Information of REA on audit only to Project leaders
Auditor: Ernst & Young, Belgium
- Oct 12 2012** Agreement of audit dates with auditor
- Nov 9 2012** Financial project details had to be sent to auditors
- Nov 19-23, 2012** Audit at the premises of UNIVIE



„Highlights“ of the Audit on the Spot – ERC (1/2)

➤ Time recording

- Written ERCEA Information for project leaders (project start 2008, 2009): no time-sheets are required for 100% employed staff

→ Nevertheless time-sheets required by auditor!!!

➤ Personell costs

- A project employee had to explain to the auditor how they do the time recording
- All published scientific papers had to be provided to the auditor (eventhough the scientific reporting was not due at that time!)



„Highlights“ of the Audit on the Spot – ERC (2/2)

➤ Travel details

- Reconciliation with time recording and travels
- All conference details incl. held presentation details had to be provided to the auditor

➤ Assets

- Reported laptops had to be shown to the auditor as „physical test“

➤ Minor findings although one project was audited by FLC already



„Highlights“ of the Audit on the Spot – IMI

- **Time recording**
 - **Originally signed time-sheets had to be shown at audit**

- **Travel details**
 - **Reconciliation with time recording and travels**
 - **All conference details incl. held presentation details had to be provided to the auditor**

- **No further audit procedures were performed**



„Highlights“ of the Audit on the Spot – ESPON CU

- **Proof of payment**
 - For the audit of EUR 300 a sample of over 25 (!) invoices incl. payment confirmations had to be provided

- **Personell costs**
 - Mandatory parts of the salary were not accepted by SLC

- **Audit of FLC was insufficient**
 - e.g. detail of time-recording was accepted by FLC but evaluated as insufficient by SLC

- **National regulations are stricter than EC-regulations**

„Highlights“ of the Audit on the Spot – Marie Curie (1/2)

➤ **Recruiting of Fellows in ITN-projects**

- Project leader had to show the evaluation process of the recruitment

➤ **Timesheets**

- Have a look on formal requirements (date of signature,...)!

➤ **Personell costs**

- Mobility allowance was not the correct amount – although the sum of personell costs was correct - always check the payroll!

„Highlights“ of the Audit on the Spot – Marie Curie (2/2)

➤ Lump Sums

- no additional documents were necessary for reported Lump Sums
- In Cat. F we reported actual direct costs, because the costs for the conference were lower than the lump sum

➤ **Never believe in the information provided by the project officers!**



Main Audit Findings

- Travel costs: minor costs which are ineligible e.g. City tax but accepted by FLC
- Shift between reporting periods (licenses)
- Structural fund: ineligibility of mandatory personell costs (compensation for teaching, payment to obligatory pension fund,...) which are accepted under FP7
- Structural fund: requested details for the calculation basis for indirect costs are not possible to provide due to national rules e.g. time recording for the whole university,...



Successful Strategies to Handle the Audit (1/2)

- Be supportive with the auditor
- Explain in detail the usual practice of the organisation to make the auditor understand how research projects and researchers „work“
- During the audit process ask the auditor questions for clarification and for the expected impact of potential findings
- In the case of errors: bring errors to the attention of the auditor at the start of the audit



Successful strategies to Handle the Audit (2/2)

- Prepare supporting documentation in detail (e.g. papers published, conference presentations, ...)
- Close cooperation with project administration and project leader in advance
- Presence of project leader for the audit on the spot was helpful as technical questions were asked as well
- In case of doubtful decisions: check with your local auditor



... but overall the result of an audit depends strongly on the auditor!

Good luck and thank you for your attention!

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