News

Audit feedback

The Common Audit Service at the EC is now responsible for overseeing their audit programme of European Commission research projects under FP-7 and Horizon 2020. They are in the process of finalising their audit programme and the University will be providing feedback following the most recent audit; the CAS has recently audited five Horizon 2020 projects here.

Their approach now includes:

1. The requirement to interview all staff sampled as part of their testing. The interviews will cover queries regarding what the person does as part of the research project, why and how their timesheets have been completed. If they have undertaken any travel during the reporting period, this will also be discussed.

2. For all staff sampled, we are required to provide HR records showing the annual leave taken during the reporting period. The records need to record annual leave consistent with the timesheets provided during the period.

3. For all travel claims, a full justification of the reason for travel is required as well as proof of attendance at the event. This includes the need to provide signed attendance sheets or alternative evidence such as agendas, the presentation of posters or the programme when the attendee is speaking at an event. In terms of flights and hotel bookings, the booking confirmation does not constitute sufficient evidence. They require the final invoice as well, and failing this a boarding pass for flights. This is to confirm that the booking has not been subsequently cancelled.

4. Proof of tendering is still required for all subcontracted activities and this remains an area with significant scrutiny.
Finally, all staff costs need to be correct at the time of reporting and calculated using the Horizon 2020 methodology. We can no longer rely on amending these costs at the end of the award.

Please be aware of these requirements. In light of these the checklist at reporting stage remains important.

**Checklist**

As a result of the findings above, the EC team here in Research Accounts will be requesting confirmation that the checklist has been reviewed for each reporting period for Horizon 2020 projects. **Submission of a completed checklist will not be required**; however, for each reporting period you will need to provide all staff time records, along with evidence for internal invoice charges and compliance with purchasing policy for subcontracting. These costs cannot be reported without evidence being held on file. You can download the checklist [here](#).

**Facilities and internal invoicing**

Following a significant review of the internal charging by the EC, the guidance has now settled. Internal invoicing is allowed; however, we must ensure that there is no element of profit included in the unit costs. The calculation is essentially the same as FP-7 now, but note the VAT is now an eligible cost when calculating the unit rate. However, please be aware that cost drivers and apportionment of costs should not be extensively used in the calculation.

The costs used to calculate the unit cost must be based on actual costs therefore no overheads can be added into these calculations.

There are a number of internally invoiced costs at the university where an eligible calculation has not been completed, for example, room hire, catering and poster printing. Please note that these costs are not eligible without an eligible unit cost having been calculated and charged. Please contact [Samuel Hannis](#) for more information.

**Complications to personnel calculations: annual leave and sick leave**

The recently updated annotated Model Grant Agreement has included a complication with regards staff using the 100% declaration of effort. The rules are designed to disallow period of time where there is significant sick leave and/or annual leave. Where more than half of the working month has been taken as sick leave, no further time related to this month can be claimed; also, if annual leave in excess of the
pro-rata allowance for annual leave is taken in a given month, no further time related to this month can be claimed.

There are two main circumstances to consider:

1. A staff member includes: July, August, September and October on a 100% declaration of effort. They take 10 days sick leave in September and 15 days annual leave in August. September sickness is less than half of the working days, no adjustment is required August annual leave represents more than the pro-rata annual leave for the period (30 days / 12 x 4 months = 10 days) of 10 days – August cannot be included in the calculations

2. A staff member has completed a 100% declaration of effort for 9 months. They take 15 days of annual leave in one month. The pro-rata annual leave allowance is (30/12 x 9 months = 22.5 days) 22.5 days therefore there is no adjustment required.

To be able to manage this, departments must ensure that there are adequate records maintained regarding annual leave and sick leave on the personnel files of all staff working on Horizon 2020 projects. This is consistent with the Audit Feedback provided at the beginning of this bulletin. For more support and information please contact Research Accounts.

Marie Curie flat rates at P1 reporting staff costs

For all Horizon 2020 Marie Curie fellows, the **awarded flat rates** must always be reported to the EC for every reporting period. This will differ to the reporting completed under FP-7 whereby for fellows active for more than one reporting period (ITNs and Global Fellows), the **actual payments** would be reported in the first period; the change in expectation has recently been identified as the first ITNs financial reporting has been submitted on the new EC portal.

The living and mobility (and where appropriate, family) allowances (total staff payments) must be paid to the fellow in-line with the Euro flat rates awarded following the completion of each reporting period, accounting for the exchange rate and on-costs at this time. The Research Accounts EC team will support the drafting of the cost calculations, so that these can be processed through the payroll where required.

Note that there will be no amendment made to the budget exchange rates at this time and no impact on the subsequent reporting period.

The Research Services EU team will be in touch with departmental HR contacts and fellows to make them aware of this change in procedure, and amend contracts where required over the coming months.

Marie Curie consortium task management: consortium contribution and management/overheads
To ensure the effective management of ITNs under Horizon 2020 the set-up of each project needs to reflect the reporting requirements for management/indirect cost as well as the consortium contribution pot. To ensure that the consortium contribution is reflected and reported correctly these projects should be set up with three sub tasks: one to post all fellow-related costs (living, mobility and training allowance) with no overheads, the second sub task will be just for management and overhead and the third sub task will be the portion of the budget that will be passed onto the coordinator based on the Consortium Agreement. The third sub task budget heading will be labelled “consumables” and the task will be non-chargeable, i.e. the department will not be able to post any costs against this task.

The reporting is managed differently depending on whether Oxford is the coordinator or a beneficiary:

Coordinator

Two projects are set-up: a research project (with three sub tasks as noted above) and a departmental project. The latter will ring fence the total Oxford budget including the shared consortium pot which we administer as agreed in the consortium agreement, this will prevent double reporting of research income.

When reporting to the EC, the Oxford budget must be reported based on the person months and the appropriate flat rates. Therefore Research Accounts will post a journal for the appropriate budget to the research project before completing the reporting process where required. Two invoices will be raised on the departmental project; one for the income for the portion relating to the other partners. The second will be for Oxford’s activities and will be matched against the invoice raised in the research project.

As shown earlier, the management/indirect cost budget will also be accounted for through a separate task. The department will need to confirm the split between management and overheads and Research Accounts will create a burden schedule that will charge overheads in line with management costs posted on the grant. At the end of the reporting period the EC Research Accounts team will liaise with you to ensure that any differences between actuals and numbers reported are reconciled and journaled on the task.

Beneficiary

The research project will be set up with three sub tasks as noted above. At the end of the reporting period, Research Accounts will post journals to ensure that the flat rates are reported to the EC based on budget and accounted for correctly similarly to the above example for a ‘Coordinator’. However, the consortium contribution will be managed differently. The journal posted to the third sub-task ‘consumables’ will then be matched against invoices raised against the same research project. This
enables the project costs to match the reported costs; and ensures that the research income is appropriately matched.

As shown earlier, the management/indirect cost budget will also be accounted for through a separate task. The department will need to confirm the split between management and overheads and Research Accounts will create a burden schedule that will charge overheads in line with management costs posted on the grant. At the end of the reporting period the EC research Accounts team will liaise with you to ensure that any differences between actuals and numbers reported are reconciled and journaled on the task.

**Marie Curie NI and Superannuation percentages for Fellows**

For those in the USS, the percentage of the gross pay, including on-costs, will be 76.56%. For those not in USS, it will be 88.80%.

**Submission of form C/ financial information**

Departments should not submit the form C for authorisation by the FSIGN, this is the responsibility of Research Accounts.