

Horizon Europe/H2020 Master of Finance and EC Audits

# EC Audit Workshop

Kick-off meeting

25-27 SEPTEMBER 2023/BRUSSELS

# **Content**

**1. Introduction of  
Europa Media  
Trainings Ltd.**

**2. Introduction of the  
H2020 ENVIRES  
project**

**3. Introduction of  
our accounting  
principles**

# Europa Media Trainings Ltd. (EMT)

**Overview:** Budapest-based, privately owned not-for-profit SME with 30+ employees. Founded in 1999, has an annual turnover of EUR 1.5 million.

**Mission:** to contribute to the sustainable development and sustainable energy use, and more cost-effective environmental management

**Main activities:** research and development, and innovation activities on environmental protection, renewable energies, GIS/Remote sensing, capacity building, dissemination/communication and vocational training courses on EC programme management

## Europa Media Trainings Ltd. (EMT)

- Currently we are still involved in thirteen H2020 projects, and just started 8 new HE
- Has participated in 28 H2020 projects since 01/01/2014
- 8 of them – including ENVIRES – have been/are Coordinated by EMT
- 30+ employees, CEO: Gabor Kitley



# The ENVIRES Project

**Title:** Monitoring of Mineral Resources Exploitation

**Scope:** ENVIRES has aimed to develop an innovative decision support tool for the sustainable management of critical raw materials (CRM).

- Duration: 01/06/2019 – 31/05/2022
- 2 reporting periods:
  - RP1 – M1-M18 (01/06/2019-30/11/2020)
  - RP2 – M19-M36 (01/12/2020-31/05/2022)
- **Number of partners:** 11
- **Funding scheme:** Innovation Action
- **Achievements:**
  - Web-based decision-support tool developed and tested, and available for public and private bodies responsible for the management of CRMs in 10 EU Member States.
  - Extensive dissemination and exploitation campaigns organised in all 27 Member States.

## ENVIRES

- All reports and deliverables have been approved by the European Commission
- Final payment has already been made by the EU and distributed to the partners
- Final report on the distribution of EU contribution has been submitted and approved by the EC



## ENVIRES BUDGET FROM GA vs. Actual reported costs

BUDGET COMPARISON - ENVIRES PROJECT					
	Estimated budget from GPF	Actual costs for Period 1	Actual Costs For Period 2	Total Actual costs for P1+P2	Deviation from planned Budget
Personnel - 55 PMs	440 000 €	223 258,00 €	241 550,00 €	464 808,00 €	24 808,00 €
Subcontracting	0 €	- €	- €	- €	- €
Other direct costs	40 000 €	14 499 €	49 330 €	63 829,20 €	23 829,20 €
<i>Travel</i>	10 000 €	5 334,00 €	7 443,20 €	12 777,20 €	2 777,20 €
<i>Other and Equipment</i>	30 000 €	9 165,00 €	41 887,00 €	51 052,00 €	21 052,00 €
Indirect Costs	120 000 €	59 439,25 €	72 720,05 €	132 159,30 €	12 159,30 €
<b>Total eligible costs</b>	<b>600 000 €</b>	<b>297 196,25 €</b>	<b>363 600,25 €</b>	<b>660 796,50 €</b>	<b>60 796,50 €</b>

# Personnel costs - reported

- **Ms. Gabriella Lovasz** – project coordinator, senior researcher of EMT, lead researcher, she had a 6-month maternity leave in 2021
- **Ms. Krisztina Toth** – project co-coordinator, research manager of EMT, temporary project coordinator during the absence of Ms. Lovasz
- **Mr. Ömer Ceylan** - senior researcher of EMT, he was full-time/exclusively working on the project in between M5-M13 and M26-M31 )
- **Mr. Bese Pal** – senior IT engineer as in-house consultant, contracted especially to WP3 and WP6 in between M13-M24
- **Ms. Rita Balazs** – graphic designer as in-house consultant, contracted especially for all design works in tools (WP3&6) and in Dissemination (WP9)
- 55 PMs foreseen, slightly over 8000 hours worked and reported



## Other costs

- 5 foreign mission taken and reported as project meetings
- 1 international conference held in M34 at Budapest, 100 participants attended and 400 joined on-line via HOPIN tools
- Extensive dissemination activities: publication, brochures, website, social media, etc.
- One equipment foreseen and reported – a special drone for WP3 activities
- CFS done by KPMG Hungary

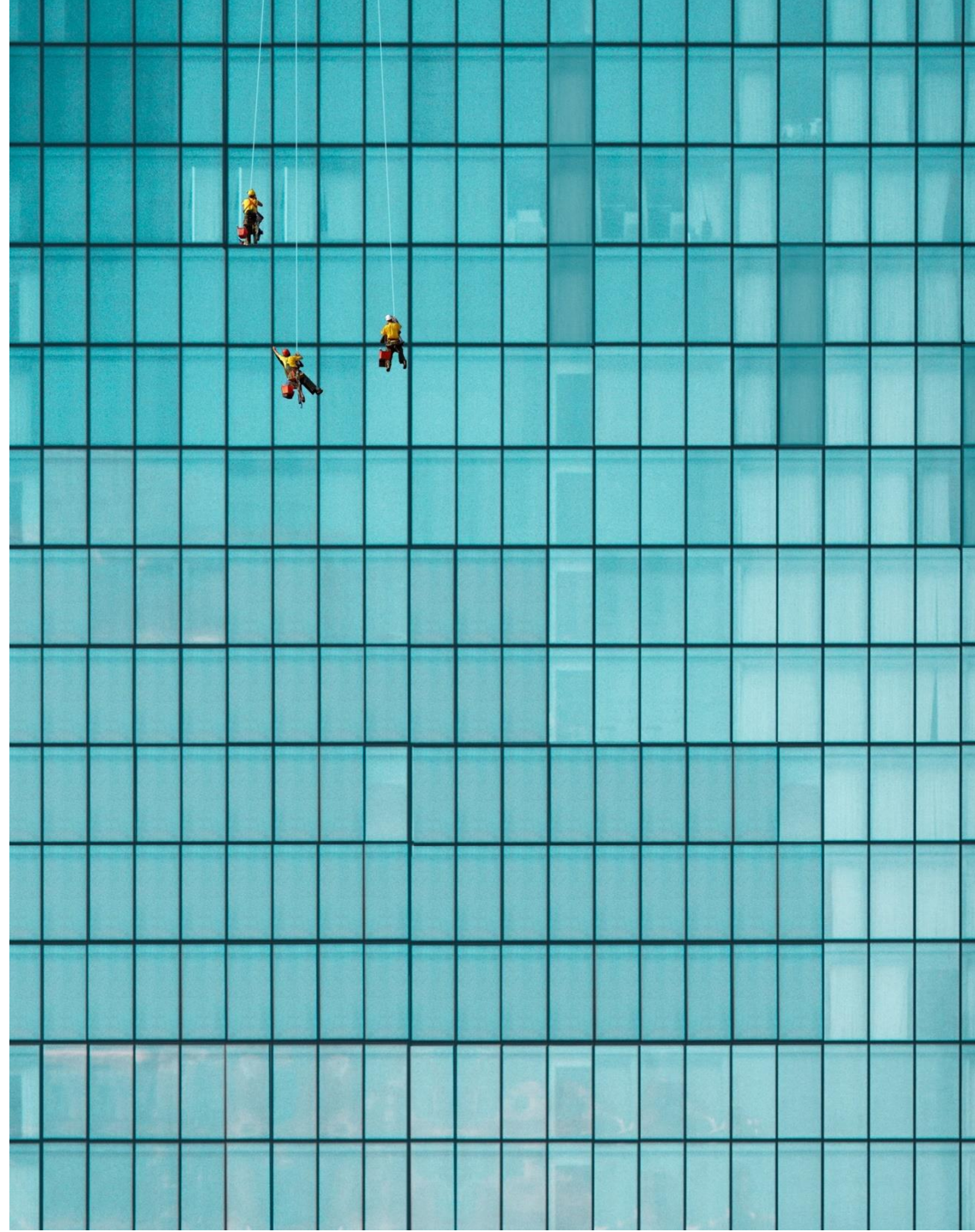
# EMT – Management Principles

- Uses an analytical accounting system able to track all costs and projects separately
- Audited by a chartered accountant annually
- Has an internal accounting office with a full-time accountant, Mr. Arthur Ising, who also approves all timesheets electronically
- Our financial year is January-to-December
- We have our own electronic time-recording system with full-productive hours recorded, no traditional signatures requested
- Uses the financial-year based hourly rate calculation with actual productive hours for personnel costs
- We claim back the VAT from all domestic expenses, but do not from foreign expenses
- Applies no formalized public procurement procedure for selection of subcontractors – best value for money offer selected from at least 4 (four) offers



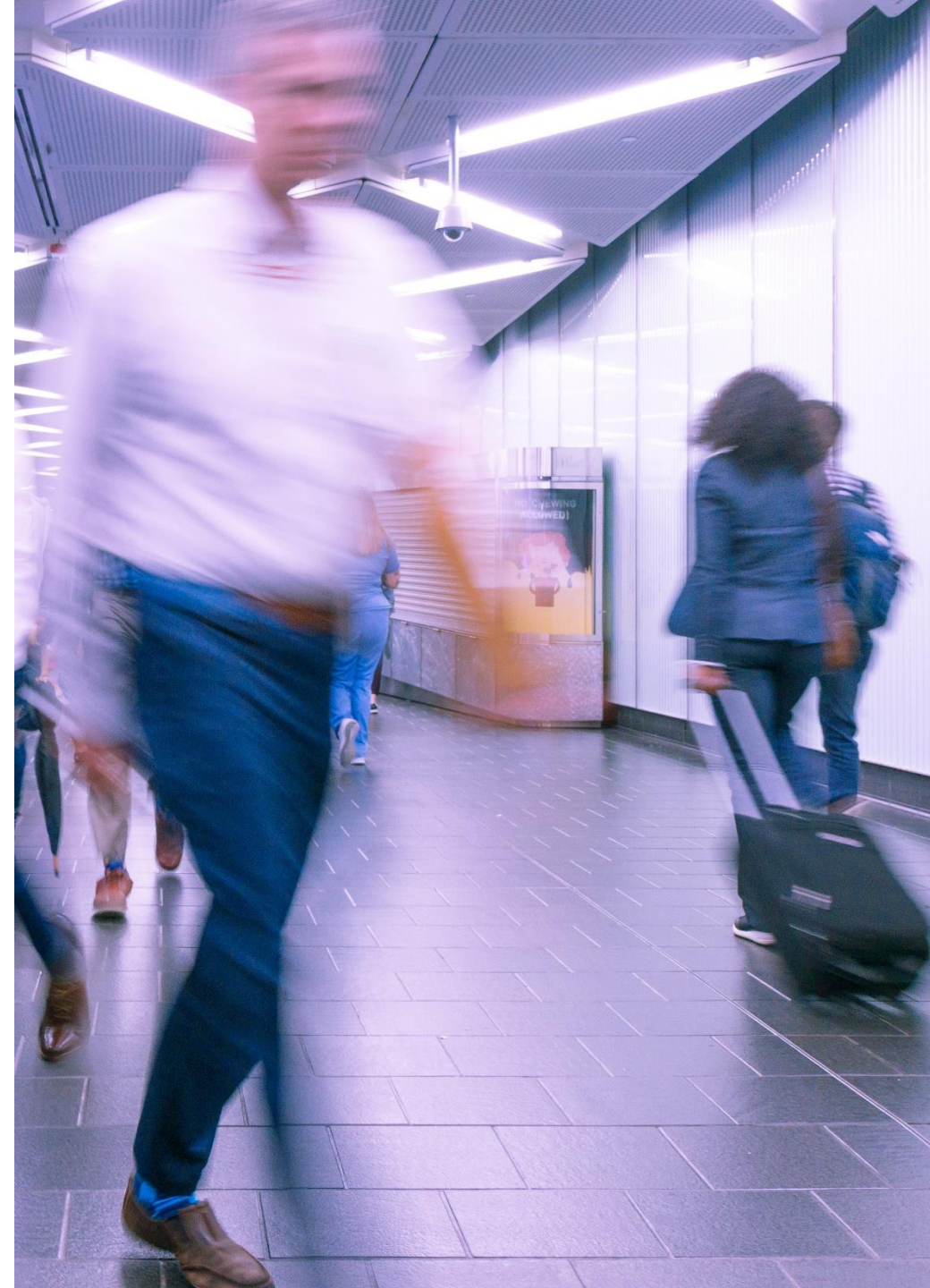
# Depreciation policy

Any items useable for more than 12 months and having a net value over 600 EUR shall be depreciated linearly in 24 months



# Travel policy

- Daily allowance – all employees shall receive a per-diem equal to gross 100 EUR/day spent abroad
- Per-diem shall cover all daily expenses at the place of the mission, including all meals (breakfast, lunch, dinner) and drinks and local transport (public transport, taxi, etc.)
- Per-diem does not cover:
  - Hotel (accommodation only) at the place of the mission
  - travels from-and-to the airport (stations); and
  - the costs for any representative events
- EMT staff members shall travel economy class at all times



# Rules of the Game

- When calculating PERSONNEL costs, **round** all hourly or daily rates after the calculation **to the nearest whole number** (e.g., 55.49 goes as 55.00) – we did the same when reporting cost!
- Every invoice is accounted according to the Beneficiary's national rules and managerial principles – **no tricks there**
- Some of the docs needed are not in your folders – ask for them 😊
- It's a game – but a serious game

# The Audit Workshop

## Agenda

- |               |   |
|---------------|---|
| 09:00 – 09:15 | Kick-off meeting by the EMT representative                          |
| 09:15 – 12:30 | On-the-spot audit   |
| 12:30 – 14:00 | Lunch for those who could...  |
| <b>13:45</b>  | <b>Submission of the adjustment table of the Draft Audit Report</b> |
| 14:00 – 15:30 | Analysis of the DAR; lessons learned                                |



# Good luck!

[www.eutrainingsite.com](http://www.eutrainingsite.com)