



VETERANS

AUDIT REPORT – MID-TERM FINANCIAL AUDIT FOR VETERANS PROJECT (M12)



Project Number: 101129468

VETERANS as a Result of Educational Program
through Educational Innovative Hubs (EduHubs)



TABLE OF CONTENTS



• Introduction	03
• Scope of the Audit	03
• Methodology	04
• Findings and Observations	07
• Recommendations	08
• Conclusion	08

INTRODUCTION

This report outlines the financial verification and evaluation conducted for the VETERANS project as part of the mid-term audit for Month 12 (M12). The audit has been carried out in compliance with the guidelines specified in the Grant Agreement n° 101129468 and the Erasmus+ Programme Guide. The objective of this report is to ensure transparency, accuracy, and compliance in the financial management of the project and to validate the eligibility of expenses incurred by the partners during the implementation of project activities.

The audit process included verifying travel reimbursements, assessing financial documentation, and evaluating the alignment of expenditures with the project's objectives. This audit covers the first year of project implementation, from December 1, 2023, to November 30, 2024.



SCOPE OF THE AUDIT

The audit focused on the following key areas:

1. Verification of Partner Financial Contributions: Assessment of expenses incurred by each partner organization and their alignment with the budget.
2. Evaluation of Supporting Documentation: Verification of travel-related proofs (boarding passes, tickets, invoices, receipts), signed travel reimbursement forms, and evidence of project activities.
3. Compliance with Grant Agreement: Ensuring all financial activities align with the terms specified in the Grant Agreement n° 101129468.
4. Budget Utilization and Resource Allocation: Review of the allocation of resources across work packages and activities.
5. Eligibility of Costs: Ensuring all claimed costs meet eligibility criteria as per Erasmus+ regulations.

METHODOLOGY

The financial audit was conducted by examining the following:

- Google Drive Folders: Each partner's expenses were submitted in designated Google Drive folders, including participant-specific folders for travel reimbursement documentation.
- Travel Reimbursement Forms: Signed and verified forms submitted by partners for all travel-related activities.
- Supporting Documents: Boarding passes, tickets, hotel invoices, city tax receipts, and other travel proofs were cross-verified against claims.
- Currency Exchange Rates: Expenses were checked for accuracy using the InforEuro Exchange Rate Calculator to ensure conversion consistency.
- Budget Allocation Reports: The financial records of each partner were compared with the approved budget and Gantt Chart for compliance.
- Compliance Verification: Cross-checked all expenditures with the Grant Agreement and financial guidelines.

Related Articles followed

Article 1 – Subject

The Coordinator and the Partner commit themselves to carrying out the Work Programme covered by this agreement. This Work Programme comes under the Grant Agreement n° 101129468 concluded between the Coordinator and the European Education and Culture Executive Agency (EACEA).

The total grant of the project for the contractual period referred to by the Grant Agreement n° 101129468 concluded, is a maximum amount of EUR 372.102,00 and shall take the form of unit contributions and reimbursement of eligible costs actually incurred as mentioned in the Grant Agreement n° 101129468.

The final financial contribution shall depend on the evaluation of the quality of the results of the project “VETERANS – A VET Education Program for Energy and Environment Capacities development in the Western Balkans Entrepreneur Learners” pursuant to the rules laid down at Community level, particularly in the Guidelines for Administrative and Financial Management and Reporting, but shall, under no circumstances, give rise to a profit.



This agreement shall regulate relations between the parties, and their respective rights and obligations regarding their participation in the project “VETERANS – A VET Education Program for Energy and Environment Capacities development in the Western Balkans Entrepreneur Learners”, under the Grant Agreement n° 101129468 passed between the European Education and Culture Executive Agency (EACEA) and the Coordinator.

The subject matter of this agreement, the related Work Programme and outputs are detailed in the annexes, which form an integral part of this agreement and that each party declares to have read and approved.

The application form details the Work Programme, outputs and distribution of the budget between partners.

Article 2 – Duration

- The project referred to in Article 1 has duration of 24 months. It starts on 01.12.2023 and ends on 30.11.2025.
- This agreement enters into force on the date of signature by the last of both participating parties to the agreement and terminates at the moment of payment of the balance of the agreement. However, in the event of an audit, the Partner is obliged to co-operate and provide information to fulfil audit requirements.
- The Period of Eligibility of the costs starts on 01.12.2023 and ends on 30.11.2025.

Article 5 – Financing

- The total grant to be committed by the Partner for the period covered by this agreement is maximum EUR 30.474,00.
- Provided that the project is implemented as described and according to the Grant Agreement n° 101129468, the Partner may, when carrying out the action, transfer the funds between project activities. Any budget transfers must be agreed in writing by the Coordinator and adhere to the guidelines detailed in the Grant Agreement n° 101129468.

Article 6 – Payments

- The Coordinator commits their self to making payments, less any expenditure incurred on behalf of the Partner, relating to the subject matter of this agreement to the Partner according to the achievement of the tasks and upon receipt of satisfactory evidence and according to the following schedule and for each activity.



Payment plan:

Payment 1: 30%	1st payment within 30 days after the Kick-off Meeting
Payment 2: 40%	2nd payment after the approval of the Interim Report
Payment 3: 30%	3rd payment after the approval of the Final Report and the final budget instalment by the EACEA to the Coordinator's bank account

Payment of real costs occurred within 20 days of the implementation date and upon the Coordinator has received all necessary documentation (travel invoices, boarding passes, e-tickets, etc.).

Payment of the indirect costs corresponding to each cost incurred per budget line after the approval of the Final Report and the final budget instalment by the EACEA to the Coordinator's bank account.

Claims must be submitted on time in the format requested by the Coordinator. Claims which are submitted in an incorrect format will be returned to the Partner for reformatting and resubmission.

- Costs which could be considered as eligible according to the criteria become ineligible if they are not supported by adequate supporting accounting documents.
- All payments shall be regarded as advances pending explicit approval by the European Education and Culture Executive Agency (EACEA) of the Final Report, the corresponding cost statement and the quality of the results of the project.
- Any revenue shall be declared and communicated to the Coordinator in order for the Coordinator be able to fill out the Interim and Final Reports for the Grant Agreement n° 101129468, concluded with the European Education and Culture Executive Agency (EACEA).
- Payments made are subject to monitoring, evaluation and audit by the European Commission or its representatives, which may be carried out at any time during the project implementation period and up to five years after the final European Commission contribution is paid. This may result in recovery orders being issued by the European Commission, where items of expenditure included in project claims are deemed ineligible. The Partner will be liable to return any monies relating to any cost items claimed by them and for which they have received a contribution from the European Commission that are later deemed ineligible.



FINDINGS AND OBSERVATIONS



1. Documentation Review

- Strengths:
 - Most partners successfully submitted travel reimbursement forms and supporting documents to the Google Drive folders.
 - Most documentation was complete, including boarding passes, tickets, invoices, and receipts.
 - Proper use of the InforEuro Exchange Rate Calculator was observed across all partner submissions.
- Gaps Identified:
 - Two partners initially submitted incomplete folders lacking signed travel reimbursement forms, which were later rectified.
 - Minor discrepancies were found in hotel invoices for two participants, requiring additional clarification.

2. Budget Utilization

- Alignment with Activities:
 - Expenditures were consistent with the budget allocated for activities in the Work Programme.
 - Travel and accommodation costs adhered to the approved budget ceilings.
- Budgetary Control:
 - The Finance Steering Committee (FSC) ensured effective monitoring of budget allocation and utilization.
 - Regular communication between partners and the coordinator contributed to streamlined financial processes.

3. Compliance with Eligibility Criteria

- All expenses claimed by partners were deemed eligible, as they were supported by adequate accounting documents, including:
 - Boarding passes and e-tickets for travel.
 - Hotel invoices and city tax receipts for accommodation.
 - Signed attendance lists and evidence of participation in project activities.

4. Payments

- Payments to partners were made within the stipulated timeframe (20 days after folder completion).
- The Partnership Agreement was signed and adhered to by all partners, ensuring smooth financial disbursements.

RECOMMENDATIONS

1. Improved Documentation Submission

- Partners should submit all travel proofs and reimbursement forms in the required format from the outset to avoid delays.
- Create a checklist for partners to ensure all required documents are included before submission.

2. Continued Use of Financial Tools

- Maintain the use of the shared Excel Budget Chart to facilitate real-time tracking of expenditures and cash flow.
- Regular training for partners on financial management processes to ensure compliance.

CONCLUSION

The mid-term financial audit demonstrates that the VETERANS project is on track with its financial objectives. The Finance Steering Committee, in collaboration with the evaluator, has ensured transparency and compliance in managing the project's resources. While minor gaps in documentation were identified, these were promptly addressed, and all expenditures were verified as eligible.

The audit confirms that the project is effectively utilizing its budget to achieve its objectives, ensuring the financial sustainability of the VETERANS initiative.





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