



MINISTRY OF FINANCE

Experience of Finnish Audit Authority in auditing simplified costs

29.5.2019 Audit Counsellor Kari Rouvinen



Lump Sums

- Guidance on Simplified Cost Options (EGESIF_14-0017)
- Two main elements of the audit:
 - Grant contract
 - Results
- Lump sum projects are typically relatively small and simple
- The grant is paid if the predefined terms of agreement on activities and/or outputs are completed



Grant contract

- Clear activities/outputs/outcomes covered by a lump sum.
- A fair, equitable and verifiable calculation method (e.g. draft detailed budget and comparison to similar projects)
- Basis on which costs will be reduced if the objectives are not reached
- Audits will cover the calculation method and the correct application of the method in the individual projects



Results

- The main purpose of the audits is to verify whether the terms of outputs or results for the reimbursement of costs have been fulfilled
- If the terms of outputs or results are not fulfilled, a full correction of the lump sum is applied
- The "quality" of the outputs or results in the contract is crucial
- No receipts will be audited





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