

Exercise 1: impact of SCO on errors

Type of error	If you use 40% flat rate for all other costs	If you use the 15% flat rate for Indirect costs	Standard scales of unit costs	Lumpsum
no evidence to support the time charged				
Ineligible training participants				
Ineligible direct staff costs				
Absence of separate accounting identifying all expenditure related to the project				
Non-compliance with accreditation rules for training companies				
Incorrect calculation of overhead costs (ratio based on the proportion of the area of the building used by the project)				

Exercise 1: Impact of SCO on errors

Possible irregularity?	If you use 40% flat rate for all other costs	If you use the 15% flat rate for Indirect costs	Standard scales of unit costs	Lumpsum
Transport costs: Missing bus tickets				
Direct staff costs include both those internal experts and of external/outsourced experts				
Failure to give evidence of ESF support to the trainees – lack of compliance to publicity				
Salaries include those of the manager of the project				
Non compliance to equal opportunities				

Exercise 2: new risks when various interpretations of outputs

- **A training project is paid with unit costs of 30 EUR per individual training. An on-the-spot visit to the project finds 5 trainees in the training room. What would you pay?**
- **150 EUR**
- **30 EUR**
- **0 EUR**

Exercise 3: audit of unit cost for ESF+ project

- **Total cost = EUR 155 742**
- **20 trainees**
- **each one being trained for 1600 hours**
- **1 day has 8 hours**
- **Target : 75% of trainees into a job at the end of the training**
- **Devise a unit cost either :**
 - **a) process based**
 - **or b) result based**
- **How to control/audit these unit costs?**

Exercise 4: audit proper application of SCO with art 53.2 CPR on mandatory SCO use?

Project A	€	Reimbursement method chosen
Direct staff costs	100.000	Real costs
Indirect costs	15.000	Flat rate 15%
Other direct costs	75.000	Real costs
Total costs	190.000	

Project B	€	Reimbursement method chosen
Direct staff costs	100.000	Real costs
Indirect costs	15.000	Flat rate 15%
Other direct costs	90.000	Real costs
Total costs	205.000	