UK Research and Innovation

[redacted]

26 June 2026

Dear [redacted]

Freedom of Information request: FOI2026/00464

Thank you for your Freedom of Information request received on the 28 May in which you requested the following:

Your request:

Can you please provide me with a detailed listing of the steps that Innovate UK take to audit the existence of employees whose time costs are being included in grant claims submitted to Innovate UK.

Please also include the full listing of documentary evidence that are obtained to get reasonable assurance that these employees exist.

If you do not trace either individual salary payments or overall net pay from a payroll report to a bank statement please explain why.

Our response:

I can confirm that UK Research and Innovation (UKRI) does hold information relevant to your request. Please see the information below.

During pre-award, Innovate UK's (IUK) checks in relation to directly employed labour costs are focused on ensuring that proposals are credible, reasonable and aligned to project delivery, rather than confirming the existence of individual employees.

This involves:

- Assessing whether the proposed roles, FTE and cost profiles are proportionate to the scope and deliverables of the project
- Benchmarking staff costs against sector norms and organisational context
- Reviewing the methodology used to calculate labour rates (e.g. salary, overhead allocation where applicable)
- Challenging any anomalies or outliers in the proposed costs

At this stage, it would not be practical or proportionate to undertake more detailed checks to confirm the existence of specific individuals. Some roles included in applications are forward-looking and may not yet be recruited and the pre-award process is designed to assess eligibility and reasonableness of forecast costs, rather than validate incurred expenditure

More detailed verification activity, including confirming the existence of employees and validating labour costs claimed, is undertaken post-award as part of the claims and assurance process. Details of IUK's cost eligibility and evidencing guidelines that grant recipients are required to adhere to when claiming are available here[1], with details on labour available on slide 2 and staff costs on slide 3.

[1] https://go.innovateuk.ukri.org/Cost_Guidance

Claimed and evidenced costs are subject to a multi-stage check. Initially, costs are reviewed by the Monitoring Service Provider (MSP) as part of their quarterly review of project progress. They are subsequently reviewed through IUK's internal funding assurance process. Claims are subject to sampling checks, weighted according to the participant's risk rating.

Labour costs may be reviewed where records are available that demonstrate the time worked by each individual or role on the project, alongside the applicable cost rates. These records are considered during both quarterly monitoring and internal assurance processes to assess alignment with project delivery and to identify any anomalies that may require further investigation.

Requests for redacted payroll records, payslips, or evidence of fund defrayment into accounts do not form part of standard evidencing requirements. However, Innovate UK reserves the right to request such information where assurance checks identify unexplained discrepancies.

Your rights

If you have any queries regarding our response please do let us know. If you are dissatisfied with the handling of your request, you have the right to ask for an internal review, explaining which elements of this decision you disagree with and why. Internal review requests should be submitted within 40 working days of the date of our response and should be addressed to:

Head of Information Governance
Email: foi@ukri.org

Please quote the reference number above in any future communications.

If you are still not content with the outcome of the internal review, you may apply to refer the matter to the Information Commissioner for a decision. Generally, the ICO cannot make a decision unless you have exhausted the review procedure provided by UKRI. The Information Commissioner can be contacted at: www.ico.org.uk.

If you wish to raise a complaint regarding the service you have received or the conduct of any UKRI staff in relation to your request, please see UKRI's complaints procedure[2].

Yours sincerely,

[redacted]
Information Governance
Information Rights Team
UK Research and Innovation
foi@ukri.org | dataprotection@ukri.org

[2] https://www.ukri.org/who-we-are/contact-us/make-a-complaint/#skipnav-target