

OPIS PRZEDMIOTU ZAMÓWIENIA

PRZEPROWADZENIE ZEWNĘTRZNEGO AUDYTU FINANSOWEGO GRANTU „RefeNet work plan 2017” WSPÓŁFINANSOWANEGO ZE ŚRODKÓW CEDEFOP

1. Ogólne informacje o projekcie

Instytut Badań Edukacyjnych realizuje grant, który jest współfinansowany ze środków Unii Europejskiej w ramach umowy ramowej podpisanej z CEDEFOP (European Centre for the Development of Vocational Training, Saloniki, Grecja).

Celem projektu ReferNet jest gromadzenie informacji na temat roli, struktury i systemu zarządzania VET, a także zmian i trendów w krajowej polityce w tej dziedzinie oraz prowadzenie pogłębionych analiz wdrażania wytycznych polityki europejskiej. ReferNet wspiera także działalność Cedefop w upowszechnianiu informacji o kształceniu i szkoleniu zawodowym w krajach będących członkami sieci.

Projekt jest realizowany poprzez działania w następujących kategoriach:

- przygotowanie raportu nt. rozwoju polityki edukacyjnej w dziedzinie kształcenia i szkolenia zawodowego,
- opis systemu kształcenia i szkolenia zawodowego w Polsce,
- badanie dot. mobilności uczestników kształcenia i szkolenia zawodowego,
- artykuły tematyczne nt. kształcenia i szkolenia zawodowego,
- prowadzenie polskiej strony internetowej ReferNet i działalność w mediach społecznościowych oraz inne działania upowszechniające wiedzę na temat kształcenia i szkolenia zawodowego.

Liczba osób zatrudnionych jako personel projektu wynosiła 8 (z tego część osób w niepełnym wymiarze czasu pracy, część na zasadzie umowy cywilno-prawnej).

2. Przedmiot zamówienia

- 2.1 Przedmiotem zamówienia jest przeprowadzenie audytu finansowego projektu za okres 01.01.2017 – 31.12.2017 r. oraz sporządzenie raportu z badania w postaci dokumentów *Audit report* i *Auditor's check-list*.
- 2.2 Audyt zewnętrzny powinien dostarczyć Zamawiającemu wystarczającej pewności, że w danym obszarze badania nie występują błędy bądź ujawnione nieprawidłowości mające istotny wpływ na ogólną ocenę realizacji przedmiotowego projektu. Audyt stanowi działanie wspierające prawidłowe rozliczanie projektu.

3. Zakres usługi

3.1 Celem przeprowadzenia audytu projektu jest sprawdzenie przez audytora:

1. Wiarygodności danych liczbowych i opisowych zawartych w dokumentach związanych z realizowanym projektem.
2. Realizacji wydatków i uzyskania założonych efektów związanych z audytowanym projektem, zgodnie z wymaganiami zawartymi w umowie.

3. Poprawności dokumentowania i ujęcia operacji gospodarczych w wyodrębnionej dla danego projektu ewidencji księgowej.

Podczas audytu powinna zostać zweryfikowana próba przynajmniej 70% poniesionych wydatków, pozwalająca wykonawcy audytu zewnętrznego wydać wiążącą opinię i sporządzić raport w tym zakresie.

3.2 Zakres badania obejmuje:

- poprawność dokumentowania i ujęcia operacji gospodarczych w wyodrębnionej ewidencji księgowej za okres objęty audytem,
- zgodność przygotowywanego sprawozdania finansowego z obowiązującymi ramami sprawozdawczości finansowej,
- kompletność danych finansowych zawartych w końcowym sprawozdaniu finansowym w porównaniu do źródłowych dokumentów księgowych,
- poprawność wykorzystania środków finansowych,
- adekwatność poniesionych wydatków.

3.3 Zakres badania, o którym mowa obejmuje jedno końcowe sprawozdanie finansowe Zamawiającego. Sprawozdanie zostało przygotowane w oparciu o ok. 250 dokumentów obejmujących w szczególności dokumenty księgowe, dowody zapłaty, umowy, protokoły odbioru, karty czasu pracy.

3.4 Wykonawca przygotowuje i przekazuje Zamawiającemu raport z audytu w postaci dokumentów *Audit report* i *Auditor's check-list*. W przypadku wydania opinii zawierającej istotne zastrzeżenia albo wydania opinii negatywnej, Wykonawca przygotowuje i przekazuje Zamawiającemu uzasadnienie, wskazujące powody wydania takiej opinii w świetle obowiązujących przepisów oraz rekomendacje dot. działań naprawczych.

3.5 Wzór dokumentów *Audit report* i *Auditor's check-list* jest załącznikiem do wytycznych CEDEFOP dotyczących audytu.

Poświadczenie sprawozdania finansowego (*Audit report*) potwierdza, że koszty zadeklarowane w sprawozdaniu finansowym są rzeczywiste, prawidłowo ujęte oraz kwalifikowane zgodnie z umową ramową i szczegółowym porozumieniem zawartym na realizację grantu „Refernet workplan 2017”.

3.6 Wykonawca przekazuje Zamawiającemu roboczą wersję dokumentów, o których mowa w pkt. 3.4 i 3.5, w formie elektronicznej, sporządzonych w języku angielskim w terminie 3 dni roboczych od podpisania umowy.

3.7 Zamawiający w ciągu 1 dnia roboczego od dnia otrzymania sprawozdania z audytu zaakceptuje go lub zgłosi zastrzeżenia bądź uwagi co do jego treści lub formy. W przypadku braku zgłoszenia zastrzeżeń lub uwag w ww. terminie uznaje się, że Zamawiający zaakceptował sprawozdanie.

Wykonawca w ciągu 1 dnia roboczego uwzględnia wszystkie zastrzeżenia lub uwagi zgłoszone przez Zamawiającego i przekazuje Zamawiającemu poprawioną wersję sprawozdania z audytu lub odnosi się do zastrzeżeń i uwag Zamawiającego w formie pisemnej.

- 3.8 Ostateczne wersje dokumentów, uwzględniające ewentualne uwagi, korekty Zamawiającego, zostaną przekazane Zamawiającemu do 5 dni roboczych od podpisania umowy w formie pisemnej oraz w wersji elektronicznej (w wersji PDF i WORD).
- 3.9 W przypadku nie uwzględnienia przez Wykonawcę zastrzeżeń lub uwag Zamawiającego do sprawozdania z audytu Wykonawca załączy do niego protokół rozbieżności, w którym zostanie w formie tabelarycznej wskazane stanowisko Wykonawcy i Zamawiającego dotyczące zgłoszonych zastrzeżeń do sprawozdania.
- 3.10 Odbiór przedmiotu zamówienia (sprawozdania z audytu) następuje na podstawie protokołu odbioru.

4. Dodatkowe ustalenia:

1. Audyt będzie odbywać się w siedzibie Zamawiającego.
2. Zamawiający udostępni Wykonawcy oryginały lub kopie poświadczone za zgodność z oryginałem dokumentów, niezbędnych do przeprowadzenia audytu na miejscu jego realizacji.
3. Wykonawca zobowiązany jest uwzględnić wszelkie wyjaśnienia i uzupełnienia dokumentacji podlegającej sprawdzeniu i przedstawionej przez Zamawiającego przed zakończeniem audytu i uwzględnić je w przygotowanym sprawozdaniu z audytu.
4. Wykonawca zobowiązuje się do zachowania w tajemnicy wszelkich informacji i danych otrzymanych od Zamawiającego, w związku z wykonaniem zobowiązań wynikających z opisu przedmiotu zamówienia.
5. Przekazanie, ujawnianie oraz wykorzystywanie informacji otrzymanych przez Wykonawcę od Zamawiającego, może nastąpić wyłącznie wobec podmiotów uprawnionych na podstawie przepisów obowiązującego prawa w zakresie określonym przez Zamawiającego.
6. Wykonawca odpowiada za szkodę wyrządzoną Zamawiającemu przez ujawnienie, przekazanie, wykorzystanie, zbycie lub oferowanie do zbycia informacji otrzymanych od Zamawiającego wbrew postanowieniom umowy. Zobowiązanie to wiąże Wykonawcę również po wykonaniu przedmiotu umowy lub jej rozwiązaniu, bez względu na przyczynę i podlega wygaśnięciu według zasad określonych w przepisach dotyczących ochrony informacji niejawnych.



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Guidance notes for the Audit certificate on the Final financial report 2017

February 2018

This document has been prepared in conjunction with Moore Stephens LLP.

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Introduction

These guidance notes have been compiled to guide ReferNet's Partners and external auditors in the preparation of the Audit ⁽¹⁾ certificate on the Final financial report.

⁽¹⁾ The term 'audit' refers to agreed-upon procedures in accordance with the International Standard on Related Services ('ISRS') - 4400 Engagements to perform Agreed upon Procedures regarding Financial Information as promulgated by the IFAC.

The objective of these guidance notes is to give an overview of the requirements and procedures which are of importance in claiming costs for reimbursement and hence in the certification of the Final financial report.

1 Purpose of the audit certificate

In accordance with article II 23.2.d of the Framework partnership agreement and where required by the paragraph on payment of the balance in Article 4.1 of the specific agreement, the final payment request must be accompanied by a certificate on the action's financial report and underlying accounts, produced by an approved auditor or, in case of public bodies, a competent and independent public officer. The certificate shall certify that the costs declared by the Partner in the financial statements on which the request of payment is based are real, accurately recorded and eligible and that all receipts have been declared, in accordance with the framework agreement and the specific agreement.

The purpose of the audit certificate is to provide Cedefop a reasonable assurance that the costs as well as the receipts (including interest generated by the pre-financing and other sources of financing) have been declared in the Final financial report in accordance with the relevant legal and financial provisions of the Framework partnership agreement and the Specific grant agreement. However, the submission of a certificate on the Final financial report does not waive the right of Cedefop or the Court of Auditors to carry out their own audits ⁽²⁾.

Notwithstanding the procedures to be carried out, the Partner remains at all times responsible and accountable for the accuracy of the Final financial report. The auditor has a contractual relationship solely with the Partner. The auditor does not have a contractual relationship with Cedefop and Cedefop will not intervene in any dispute between the auditor and the Partner.

The auditor shall ensure that the work has been undertaken in accordance with the following norms:

- the International Standard on Related Services ('ISRS') - 4400 Engagements to perform Agreed-upon Procedures regarding Financial Information, as promulgated by the IFAC; and
- the Code of Ethics for Professional Accountants, issued by the IFAC. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, Cedefop requires that the auditor is independent from the beneficiary and complies with the independence requirements of the Code of Ethics for Professional Accountants.

2 Auditors eligible

Each Partner is free to choose a qualified external auditor, including its statutory external auditor, provided that the following cumulative requirements are met:

- the external auditor must be **independent** from the Partner; and
- the external auditor must be qualified to carry out statutory audits of accounting documents in accordance with national legislation.

In accordance with Article 23.2.d of the Framework partnership agreement, public bodies have the choice between an external auditor and a competent public officer. A preliminary condition is that this competent public officer was not involved in any way in drawing up the Final

⁽²⁾ 'The Partner agrees that Cedefop may have an audit of the use made of the grants awarded carried out either directly by its own staff or by any other outside body authorised to do so on its behalf. Such audits may be carried out throughout the period of implementation of the specific agreements until their balances are paid and for a period of five years from the date of payment of the balance for the corresponding actions. Where appropriate, the audit findings may lead to recovery decisions by Cedefop.' (Article II.27.1 of the Framework partnership agreement).

financial report and that they are not hierarchically dependent from the officer responsible for the Final financial report.

In choosing an auditor for establishing the Certificate on the Final financial report, the Partner must also ensure that no conflict of interest exists between the chosen auditor and the Partner. A conflict of interest arises when the auditor's objectivity to establish the Certificate is compromised in fact or in appearance, where the auditor for instance:

- was involved in the preparation of the Final financial report;
- stands to benefit directly should the Certificate be accepted;
- has a close relationship with any person representing the Partner;
- is a director, or trustee of the Partner; and
- is in any other situation that compromises their independence or ability to establish the Report impartially.

3 Reimbursement of the costs of the certification

The cost of the certification and the production of the certificate on the Final financial report is an eligible cost in the Specific grant agreement for which the certification is submitted (Article II. 19.1 of the Framework partnership agreement).

The cost of the certification is a direct cost and is charged in the budget heading 'Other direct costs' of the detailed financial tables of the Financial report.

The price charged for a certification is subject to the general eligibility criteria of the Specific grant agreement and should consider relevant market prices for similar services. Excessive or reckless audit expenditure will be rejected.

4 Period covered by the audit certificate

The audit certificate should cover the period of the Specific grant agreement as stipulated in article 2 of the SGA.

5 Guidelines for the Partner and essential background documents

In order to avoid delays in the submission of the Certificate, the Partner should select and contract the auditor well in advance. The Partner is expected to sign an engagement letter together with the auditor.

As a first step it is essential that the auditor fully understands the requirements of the certification and that the auditor is provided with a complete set of the documents necessary for the certification.

5.1 Auditor's role

The auditor's role is limited to reporting only factual findings as opposed to forming an independent opinion on the eligibility of costs. In this context, it is crucial that Cedefop specifies in detail the procedures to be undertaken, and the auditor reports the factual findings observed as a result of performing those procedures, including exceptions, since these will be the basis for Cedefop's acceptance of the Partner's Final financial report.

5.2 Supporting documents to perform the audit

In addition to the normal supporting documents needed to perform the required testing procedures, the following documents serve as a basis for certification (the list is not exhaustive):

- Framework partnership agreement signed between the Partner and Cedefop;
- Specific grant agreement signed between the Partner and Cedefop and the Annexes i.e. 'Description of the Action and' 'Budget', etc.; and
- the present guidance notes.

6 Submission of the Audit certificate

The Partner is required to submit to Cedefop a Certificate on the Final financial report produced by an auditor in support of the payment request under Article II. 23.2.d of the Framework partnership agreement.

The certificate should assist Cedefop in evaluating that the costs claimed by the Partner in the Final financial report have been incurred in accordance with the provisions of the Framework partnership agreement and Specific grant agreement.

The Certificate on the Final financial report is composed of two separate documents:

- the auditor's report to be issued on the auditor's letterhead and dated, stamped and signed by the auditor (or competent public officer); and
- the audit checklist compiled by the auditor (see annex 2):

The report format to be used by the external auditor or competent public officer can be found in Annex 1.

The Certificate on the Final financial report must be written in English.

7 General audit procedures

These audit procedures are proposed in order to obtain standardised and comparable reports from all auditors, who are expected to carry out the procedures.

Where the auditor is not able to carry out or complete a procedure or where the auditor's findings are not consistent with the Final financial report or the provisions of the Specific grant agreement, then an exception should be reported. Cedefop will consider each exception in the context of the report as a whole and any other evidence at its disposal. Consequently, the Authorising officer responsible will make eligibility decisions on a case-by-case basis using the evidence provided.

7.1 Terms and conditions of the Specific grant agreement

The auditor obtains an understanding of the terms and conditions of the Specific grant agreement by reviewing:

- a signed copy of the Specific grant agreement, its annexes and other relevant information; and
- the Final implementation report (which includes an activity and a financial section).

7.2 Final implementation report for the Specific grant agreement

- The Final implementation report must conform to the model provided by Cedefop; and
- The Final implementation report should cover the Action or the Work plan as a whole, regardless of which part of it is financed by Cedefop.

7.3 Internal control, accounting and record keeping

- The auditor verifies that the internal control systems of the Partner is working efficiently for the purpose of the project;
- the auditor examines whether the Partner has complied with the rules for accounting and record keeping in accordance with the last paragraph of Article II.20.1 of the Framework partnership agreement;
- the accounts kept by the beneficiary for the implementation of the Action must be accurate, up-to-date and exhaustive (including all expenditure and income);
- the auditor examines whether the beneficiary has a double-entry book-keeping system;
- the income and expenditure relating to the Action must be easily identifiable and verifiable; and
- the accounts must provide details of interest accrued on funds paid by Cedefop.

7.4 Partner's legal and VAT status

The auditor confirms the legal status of the Partner, and accordingly this will determine the treatment of VAT which should fall into one of these two categories:

- Partners not entitled to recover VAT: VAT eligible; and
- Partners entitled to recover VAT: VAT ineligible.

7.5 Exchange rates

The auditor verifies that amounts of expenditure incurred in a currency other than the Euro have been converted in accordance with the provisions of the circular issued by Cedefop.

7.6 Verification evidence

The Partner will allow the auditor to carry out verifications on the basis of supporting documents for the accounts, accounting documents and any other document relevant to the financing of the Action.

The Partner gives access to all documents concerning the technical and financial management of the Action. It should be noted further that it is the Partner's responsibility to obtain the accounting documents necessary to enable the auditor to verify costs incurred by the co-beneficiaries / project partners. Supporting documentation must be available in the form of original documents for the beneficiary (or certified copies of originals for the co-beneficiaries) rather than photocopies or facsimiles.

In order to reach a reasonable assurance on the Final financial report, the auditor is expected to verify a representative sample of expenditure. Cedefop expects the auditor to verify at least 70 % of the total amount of expenditure reported (and at least 10 % of each budget line) by the Partner in the Final financial report. If the auditor finds exception of more than 10 % of the total amount of expenditure verified, the auditor will extend the verification procedures until at least 85 % of the total amount of expenditure.

7.7 Eligibility of costs

The auditor verifies, for each expenditure item selected, that the eligibility criteria set out below have been met.

- **Costs actually incurred (Article II.19.1.a, FPA):**

The auditor verifies that the expenditure for a selected item was actually incurred by and pertains to the Partner. For this purpose the auditor examines supporting documentation (e.g. invoices, contracts) and proof of payment. The auditor also examines proof of work done, goods received or services rendered and verifies the existence of assets if applicable.

The auditor verifies that the monetary value of a selected expenditure item agrees with underlying documents (e.g. invoices, payroll documents) and that correct exchange rates are used where applicable.

- **Necessary (Article II.19.1.c, FPA):**

The auditor verifies whether it is plausible that the expenditure for a selected item was necessary for the implementation of the Action and that it had to be incurred for the contracted activities of the Action by examining the nature of the expenditure with supporting documents.

- **Sound financial management / economy (Article II.19.1.f, FPA):**

The auditor verifies for a selected item that the price paid for the good/service does not represent expenditure that has been incurred excessively or recklessly, e.g. if the beneficiary is using business class flights for the project whereas its normal policy is for employees to fly economy.

- **Compliance with subcontracting and procurement rules:**

Where applicable the auditor examines which procurement rules apply for a certain expenditure item. The auditor verifies whether the expenditure was incurred in accordance with such rules by examining the underlying documents of the procurement and purchase process, e.g. tenders/quotes. Where the auditor finds issues of non-compliance with procurement rules, the nature of such events as well as their financial impact in terms of ineligible expenditure should be reported as an exception.

8 Specific audit procedures

8.1 Staff costs

The auditor verifies the daily rate and the number of working days reported in the Final financial report.

The salary includes the basic salary, sickness, pension and social contributions as well as any kind of allowances or benefits granted to the employees. The notion of 'normal' implies that those are the standards commonly applied by the beneficiary and co-beneficiaries.

In order to verify the elements of the salaries, the auditor should verify employment contracts and pay slips for the staff included in the final financial report.

Staff working time is the time actually spent on direct work on the Action. Staff working time has to be clearly justified and should match the underlying time records.

Staff working time:

- should exclude annual leave, public holidays,
- should be calculated according to the Partner's normal practice and may vary depending on the personnel category, industry sector, unions, contracts and national legislation.

However, a figure of 220 working days per year can be considered to be a reasonable benchmark for a full-time member of staff in most cases.

Example:

Total days in a year	365
Weekends	-104
Annual holidays	-21
Statutory holidays	<u>-20</u>
Workable days in a year	220

8.2 Travel and subsistence

The auditor verifies the link between activities, travel dates and accommodation, including lists of participants to meetings.

The costs of travel claimed must be agreed to the below supporting documentation:

- Travel by air: travel agent's invoices, and tickets. Ensure travel is not in business class (unless specifically approved);
- Travel by train: train tickets; and
- Travel by car: a calculation of the distance covered in km, multiplied by the usual reimbursement rate per km according to the normal policy of the organisation. Estimate whether the total charged costs are less than the return train ticket in first class, and reject any excessive amounts.

Subsistence costs must be supported by original hotel and/or restaurant invoices.

Costs of travel and related subsistence allowances are eligible, provided that these costs are in line with the Partner's usual practices on travel.

8.3 Costs of purchasing equipment

The auditor verifies that costs agree to invoices (premises lease, equipment hire, purchase invoices). The auditor verifies that invoices are charged in conformity with the applicable VAT rules.

When depreciation costs are claimed, the auditor verifies that the assets have not been fully depreciated during the project period. Only the portion of the equipment's depreciation corresponding to the period of eligibility for funding covered by the Specific grant agreement may be taken into account by Cedefop, except where its nature and/or use justifies different treatment by Cedefop.

The auditor verifies whether assets should have been bought/leased following competitive procurement procedures.

8.4 Costs of consumables and supplies

The auditor verifies that costs claimed agree to invoices. The auditor verifies that invoices are charged in conformity with the applicable VAT rules.

The auditor verifies that no 'Indirect costs' are included in the Heading 'Consumables & Supplies' (e.g. telephone bills).

8.5 Costs entailed by other implementation contracts

The auditor verifies how subcontracting was authorised and considers whether costs should have been subcontracted following competitive procurement procedures.

The auditor verifies the details of arrangements and transfers between project Partners (Partnership agreements (formal or informal), invoices, payments or advances) – essentially to explain how Partners' costs were agreed and verify that payments to Partners were indeed made.

8.6 Other direct costs

The auditor verifies that costs claimed agree to invoices. The auditor verifies that invoices are charged in conformity with the applicable VAT rules.

The auditor considers whether activities should have been subcontracted following competitive procurement procedures.

The auditor verifies that costs claimed agree to supporting invoices, or other proof of liability. For meetings, conferences, etc., ensure that these are consistent with evidence of number of participants and dates of participation (i.e. attendance/participation lists, boarding passes / tickets).

8.7 Indirect costs

The auditor verifies that the indirect costs to cover the administrative overheads do not exceed 7 % of the total amount of eligible direct costs of the Action.

8.8 Contributions in kind

If contributions in kind are foreseen they must be indicated and valued in the Action budget and/or in the Specific grant agreement.

The auditor verifies that any contribution in kind included in the initial budget has been delivered to the beneficiary and that the values declared in the Final financial report match the values entered in the initial budget.

The auditor verifies that the values entered for the contributions in kind in the Final financial report are correct.

8.9 Revenues

The auditor examines whether revenues which should be attributed to the Action (including inter alia grants and funding received from other donors, revenue generated by the Action, contributions in kind, interest earned on pre-financing) have been allocated to the Action and disclosed in the Final financial report. For this purpose the auditor inquires with the beneficiary and examines documentation obtained from the beneficiary, e.g. income accounts in the General Ledger.

Annex 1: Compulsory Audit report format

To be printed on letterhead paper of the auditor

Independent Report on costs claimed for the ReferNet 2017 action under a Specific grant agreement

<Name of contact person(s)>, < Position>

< Partner's name>

<Address>

<dd Month yyyy>

1. I, the undersigned, [auditor's name and contact details], in my capacity as an auditor / independent public officer, declare that I have examined the Final financial report and request for a grant balance payment based on total eligible costs amounting to EUR [total eligible costs in euros] (exchange rate: first month of the eligibility period) for the following period [insert period covered by the Final implementation report] and the documents provided in support of this request, produced by the Partner [Partner] under the terms of the grant agreement, ref. [Specific grant agreement reference no.] for the ReferNet programme [year].
2. On the basis of the audit that I have carried out in accordance with generally accepted professional standards ⁽³⁾, I believe that the audit provides a reasonable basis for my opinion.
3. In my opinion, this request for payment gives a true and fair view of the operation's financial and operational activities, supported by the financial statements drawn up in accordance with the applicable accounting rules and principles and with the provisions of the grant agreement, subject to any corrections made, as referred to below.
4. The financial statements relating to the operation, audited and, where necessary, corrected as a result of the audit, are annexed to this report. [The following corrections have been introduced: (specify amounts involved and reason for the correction)]
5. In particular, I hereby provide reasonable assurance that the eligible costs declared under the operation for which the grant was awarded are genuine and derive from the general accounts of the organisation audited, that they correspond to the performance of the operation and satisfy the eligibility requirements laid down in the grant agreement. All documentation and accounting information to enable us to carry out these procedures has been provided to us by the beneficiary. The attached checklist summarises the procedures carried out to reach my conclusions.
6. In addition, I confirm that I am independent from the operation's activities and that I am competent to carry out audits of requests for payment being based upon knowledge of the relevant accounting principles and audit techniques.

[legal name of the audit firm]

[name and function of an authorised representative]

<dd Month yyyy>, <Signature of the auditor>

⁽³⁾ The International Standard on Related Services ('ISRS') - 4400 Engagements to perform Agreed upon Procedures regarding Financial Information, as promulgated by the IFAC.

Annex 2: Auditor's checklist

To be printed on letterhead paper of the auditor

This checklist must be compiled and signed by the auditor and must accompany the audit report.

Checks	Yes No N/A	Comments and verifications carried out ⁽⁴⁾
1. Does the auditor / public officer satisfy the requirement of competence? (<i>the auditor / public officer should be competent in applying generally accepted audit standards, procedures and techniques as well as proficient in accounting principles</i>)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
2. Does the auditor / public officer satisfy the requirement of independence vis-à-vis the operation?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
3. Is there an internal control system reasonably capable of guaranteeing that the organisation is complying with Cedefop legal and financial obligations (<i>cf. Art. FR 25a and Art. IR 11</i>) ⁽⁵⁾ (Art 30 new FR)?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
4. Are specific accounts kept for the operation, linked in with the accounts of the organisation?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
5. Are there any mechanisms for avoiding more than one request for Cedefop / the European Community assistance for the same expenditure/operations?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	

⁽⁴⁾ Audit tests must be briefly described.

⁽⁵⁾ **FR Article 25a**

The budget shall be implemented in compliance with effective and efficient internal control as appropriate in each management mode, and in accordance with the relevant sector-specific Regulations.

IR Article 11

Effective internal control shall be based on best international practices and include in particular the following:

- (a) segregation of tasks;
- (b) an appropriate risk management and control strategy including controls at beneficiary level;
- (c) avoidance of conflicts of interests;
- (d) adequate audit trails and data integrity in data systems;
- (e) procedures for monitoring of performance and for follow-up of identified internal control weaknesses and exceptions;
- (f) periodic assessment of the sound functioning of the control system.

Checks	Yes No N/A	Comments and verifications carried out ⁽⁴⁾
<p>6. Is the Partner able to recover VAT paid?</p> <ul style="list-style-type: none"> • Public body: entitled or not to recover VAT; • Private entity entitled to recover VAT (including the percentage that the entity is entitled to recover); • Private entity not entitled to recover VAT. 	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
<p>7. Does the breakdown of total expenditure at the final date of the action by category of expenditure</p>		
<p>a) correspond to a correct attribution of expenditure?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
<p>b) include only incurred expenditure?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Please indicate the expenditure items that were incurred but not yet paid: ...	
<p>8. Have the provisions of Art. 3 of the SGA been applied to calculate the final grant amount?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
<p>9. Eligibility of expenditure:</p> <p>a) Further to the checks made on the accounting documents, is all the expenditure in the statement of expenditure eligible? (i.e. are the costs eligible with respect to Art.II.19 of the Framework partnership agreement?)</p> <p>In particular:</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
<p>b) Has all expenditure incurred before the starting date of the action or after the approved end date of the operation been excluded? (<i>cf. Art. 2 of the Specific grant agreement</i>)</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
<p>c) Is every item directly linked to the operation/action?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
<p>d) Has any expenditure been considered ineligible?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A If yes, please clarify: ...	
<p>e) Are staff costs justified at actual cost?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	

Checks	Yes No N/A	Comments and verifications carried out (*)
f) Are staff costs evidenced by a time-recording system (timesheets, resource planning system)?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A If yes, please clarify: ...	
g) Have indirect costs been calculated correctly? (i.e. in accordance with the grant agreement provisions detailed in Art. II.19.3 of the Framework partnership agreement, 7 % of the eligible costs)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
10. Have the public procurement rules of the organisation, of the country concerned and of the European Union been respected?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
11. Is operation income correctly entered into the accounts?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
12. Have all contributions been reported?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
13. Have country specific requirements for expenditure and for financial control been followed?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	

[legal name of the audit firm]

[name and function of an authorised representative]

<dd Month yyyy>, <Signature of the auditor>