

6.7- ANNEX 7: PROPOSED MODEL FOR AN AUDIT CERTIFICATE Proposed model for an audit certificate provided by an external auditor

Option 1: one contractor / no third party(ies) => one single audit certificate

Addressed to

[full name and the address of the contractor concerned³¹⁵]

We *[legal name of the audit firm]*, established in *[full address/city/state/province/country]* represented for signature of this audit certificate by *[[name and function of an authorised representative]]*, hereby certify that:

- we have conducted an audit relating to some information declared in your Financial Statement(s) per Activity attached to this audit certificate and presented to the Commission of the European Communities under contract *[EC contract reference: title, acronym, number]* for the following period(s) *[insert period(s) covered by the Financial Statement(s) per Activity]*.
- We confirm that our audit was carried out in accordance with generally accepted auditing standards respecting ethical rules and on the basis of the relevant provisions of the above-referenced contract and its annexes.

The above mentioned Financial Statement(s) per Activity was(were) examined and all tests of the supporting documentation and accounting records deemed necessary were carried out in order to obtain reasonable assurance³¹⁶ that, in our opinion, based on our audit:

- the amount of the total eligible costs (*[insert amount in number]* (*[insert amount in words³¹⁷]*)) you declared in the Box 2 of the attached Financial Statement(s) per Activity is complying with the following cumulative conditions³¹⁸:

are actual³¹⁹ and answers to your economic environment³²⁰;

are determined in accordance with your usual accounting principles³²¹;

y have been incurred during the periods covered by the Financial Statement(s) per Activity concerned by this audit certificate³²²;

³¹⁵ See head of the core-contract (if the contractor is the coordinator) or the second paragraph of article 1 of the core-contract.

³¹⁶ Reasonable assurance is an accounting expression meaning a high degree of confidence that information is valid and unaltered.

³¹⁷ In EURO.

³¹⁸ In cases where a part of the amount of the total eligible costs are qualified, modify the sentence and mention only the amount of the total eligible costs that are unqualified. The purpose of the audit certificate is to certify unqualified eligible costs. The auditor should clearly identify any amounts for which he/she cannot give reasonable assurances that the cost meet the criteria

³¹⁹ Eligible costs are actual. They are not budgeted costs. Where actual costs are not available at the time of establishment of the audit certificate, the closest possible estimate can be declared as actual if this is in conformity with the accounting principles of the contractor. This must be mentioned in the financial statement. Any necessary adjustments to these claims must be reported in the Financial Statement for the subsequent reporting period. For the last reporting period, only actual costs can be declared.

³²⁰ Article II. 19. 1.a)

³²¹ Article II. 19. 1.b)

³²² Article II. 19. 1.c)

[they also include the eligible costs incurred in drawing up the final reports referred to in Article II.7.4 of this contract, which may be incurred up to 45 calendar days after the end of the project;]³²³

are recorded in your accounts at the date of the establishment of this audit certificate³²⁴;

are exclusive of any non-eligible costs which are, as established in the second paragraph of article II.19 of your above mentioned contract with the Commission of the European Communities:

- ◆ any identifiable indirect taxes, including VAT or duties;
- ◆ interest owed;
- ◆ provisions for possible future losses or charges;
- ◆ exchange losses;
- ◆ costs declared, incurred or reimbursed in respect of another Community project;
- ◆ return on capital;
- ◆ debt and debt service charges;
- ◆ excessive or reckless expenditure;
- ◆ any cost which does not meet the conditions established in Article II. 19.1. of your contract with the Commission of the European Communities.

are represented according to the following cost reporting model [*insert the relevant cost reporting model*] you are eligible to use according to article II.22 of your above mentioned contract with the Commission of the European Communities;

[As such, they are also exclusive of any additional direct eligible costs covered by contributions from third parties defined in indents a) and b) of Article II.23 of your contract with the Commission of the European Communities]³²⁵.

are represented according to the following cost reporting model [*insert the relevant cost reporting model*] you are eligible to use for your involvement in the specific activities aiming to provide transnational access according to article III. 13 of the above mentioned contract with the Commission of the European Communities;³²⁶

[As such, they are also exclusive of any additional direct eligible costs covered by contributions from third parties defined in indents a) and b) of Article II.23 of the contract with the Commission of the European Communities]³²⁷.

S [they are represented according to the following basis for the conversion rate used of EURO:

³²³ If relevant, to be inserted only for the last audit certificate provided for this contract.

³²⁴ Article II. 19. 1.d)

³²⁵ To be added only for contractors using the additional cost reporting model (AC).

³²⁶ To be added only for contractors involved in the specific activities aiming to provide transitional access in an Integrated Infrastructures Initiative contract or a Specific Support Action contract.

³²⁷ To be added only for contractors using the additional cost reporting model (AC) involved in the specific activities aiming to provide transitional access in an Integrated Infrastructures Initiative contract or a Specific Support Action contract.

- ◆ the conversion rate of the date where the actual costs were incurred
- ◆ the rate applicable on the first day of the month following the end of reporting period]³²⁸

as declared in the Box 3 of the attached Financial Statement(s) per Activity, the total amount of receipts³²⁹ for the periods covered by this(those) Financial Statement(s) per Activity is equal to (*[insert amount in number]* (*[insert amount in words*³³⁰]);

- [as declared in the Box 4 of the attached Financial Statement(s) per Activity, the total amount of interests yielded by the pre-financing³³¹ you received by the Commission of the European Communities for the periods covered by this(those) Financial Statement(s) per Activity is equal to (*[insert amount in number]* (*[insert amount in words*³³²]])]³³³;
- accounting procedures used in the recording of your eligible costs and receipts respect the accounting rules of the State in which you are established as well as permit the direct reconciliation between the costs and receipts incurred for the implementation of the project covered by the EC contract above mentioned and the overall statement of accounts relating to your overall business activity³³⁴;
- our company is qualified to deliver this audit certificate in full compliance with the second and third paragraphs of article II.26 of the contract;
[Relevant information establishing this qualification are attached to this audit certificate;]³³⁵
- as declared in the Box 6 of the attached Financial Statement(s) per Activity, you have paid for this audit certificate a price equal to (*[insert amount in number]* (*[insert amount in words*³³⁶]) in which VAT is equal to (*[insert amount in number]* (*[insert amount in words*³³⁷]).

Date, Signature and Stamp of the audit firm

⁸ To be inserted only if some costs have not been incurred in EURO.

²⁹ As defined in article II.23 of the Annex II (General conditions) of the FP6 model contract (except for actions to promote human resources and mobility).

³⁰ In EURO.

³¹ As defined in article II.27 of the Annex II (General conditions) of the FP6 model contract (except for actions to promote human resources and mobility).

³² In EURO.

³³ To be inserted only for the coordinator.

³⁴ Article II. 19. 1.d)

³⁵ To be inserted only for the first audit certificate provided for this contract.

³⁶ In EURO.

³⁷ In EURO.