

# EXTERNAL ACTION OF THE EUROPEAN UNION

## ‘CONTRACTUAL EXPENDITURE VERIFICATION’

### TERMS OF REFERENCE FOR AN AGREED-UPON PROCEDURES (AUP) ENGAGEMENT FOR A GRANT CONTRACT

- **How to use this terms of reference MODEL**
  - **(also applies to Annex 1)**
- **insert** the information requested between the <...>
- **choose** the optional text between [...] highlighted in grey when applicable or delete
- **delete** all yellow instructions and the present text box

The present terms of reference apply to the inspection of expenditure declared in financial reports under the following contracts:

1) Grant Contract<sup>1</sup> number and title of the action: <...>

[2) Grant Contract<sup>2</sup> number and title of the action: <...>]

<Repeat contracts/reports as applicable>

Detailed information is provided at the cover page of Annex 1

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<sup>1</sup> Contract in relation to which the financial report subject to agreed-upon procedures is issued. The contract established with the Practitioner will be identified as "Agreed-Upon Procedures Engagement Contract".

<sup>2</sup> Contract in relation to which the financial report subject to agreed-upon procedures is issued. The contract established with the Practitioner will be identified as "Agreed-Upon Procedures Engagement Contract".

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## Table of Contents

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|          |                                                                                     |           |
|----------|-------------------------------------------------------------------------------------|-----------|
| <b>1</b> | <b>INTRODUCTION</b>                                                                 | <b>3</b>  |
| <b>2</b> | <b>OBJECTIVES AND CONTEXT</b>                                                       | <b>3</b>  |
| <b>3</b> | <b>STANDARDS AND ETHICS</b>                                                         | <b>3</b>  |
| <b>4</b> | <b>REQUIREMENTS FOR THE PRACTITIONER</b>                                            | <b>4</b>  |
| <b>5</b> | <b>SCOPE</b>                                                                        | <b>5</b>  |
| <b>6</b> | <b>AGREED-UPON PROCEDURE PROCESS AND METHODOLOGY</b>                                | <b>5</b>  |
| <b>7</b> | <b>OTHER MATTERS</b>                                                                | <b>7</b>  |
| <b>8</b> | <b>ANNEXES</b>                                                                      | <b>7</b>  |
|          | <b>ANNEX 1: ENGAGEMENT CONTEXT / KEY INFORMATION</b>                                | <b>8</b>  |
|          | <b>ANNEX 2: DETERMINATION OF THE SAMPLE AND EXPENDITURE AGREED- UPON PROCEDURES</b> | <b>12</b> |
|          | <b>ANNEX 3: MODEL FOR AGREED-UPON PROCEDURES REPORT</b>                             | <b>16</b> |
|          | <b>GUIDELINES FOR APPLICATION OF AGREED-UPON PROCEDURES FOR GRANTS</b>              | <b>27</b> |

## 1 Introduction

The present document and the Annexes listed in Section 8 are the terms of reference ('ToR') on which the Coordinator (The term "Coordinator" refers to the Beneficiary identified as the Coordinator in the Special Conditions) agrees to engage 'the Practitioner'<sup>3</sup> to perform an agreed-upon procedures engagement on reported expenditure.

Where in these ToR the 'Contracting Authority' is mentioned, this refers to the < European Commission or name of another contracting authority>, which has signed the Grant Contract with the Beneficiary and is providing the grant funding. The Contracting Authority is not party to this agreement.

These ToR are an integral part of the contract concluded between the Coordinator and the Practitioner.

They apply to engagements contracted by the Coordinator and cover the agreed-upon procedures on expenditure incurred under the EU financed contract(s) on the cover sheet.

## 2 Objectives and context

The objective of the Agreed-Upon Procedures (AUP) is to provide the Contracting Authority with factual findings to be able to assess that the costs and revenue declared by the Coordinator in the financial report on which the payment request is based are real, accurately recorded and eligible in accordance with the grant agreement.

The Practitioner is expected:

- to carry out the agreed-upon procedures listed in Annex 2, and
- to issue AUP reports based on the template in Annex 3.

The Contracting Authority will use the AUP report in order to draw their own conclusions from the work performed by the Practitioner on the eligibility of the reported expenditure and eventually decide on the approval of the respective payment request.

The Practitioner is not expected to provide an audit opinion.

The AUP engagement will be performed as fieldwork at the location indicated in Annex 1. <A desk review shall be performed in exceptional and duly justified circumstances only. The reasons to conduct a desk-review shall be stated in the AUP report.>

## 3 Standards and Ethics

The Practitioner shall undertake this engagement in accordance with:

- the International Standard on Related Services ('ISRS') 4400 (Revised) Agreed-Upon Procedures Engagements as promulgated by the IFAC;
- the IFAC International Code of Ethics for Professional Accountants (including International Independence Standards), developed and issued by IFAC's International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, professional behaviour ("IESBA Code").

Although ISRS 4400 (Revised) provides that independence is not a requirement for AUP engagements, the Coordinator requires that the Practitioner is independent from the Coordinator and complies with the independence requirements of the IESBA Code.

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<sup>3</sup> Any reference to the term 'practitioner' in the present Terms of Reference shall be understood as corresponding to the term 'auditor' for the purpose of Annex II to the grant contract subject to agreed-upon procedures.

## 4 Requirements for the Practitioner

### 4.1. General Requirements

By agreeing these ToR, the Practitioner confirms meeting at least one of the following conditions:

- The Practitioner is a member of a national accounting or auditing body or institution which in turn is a member of the International Federation of Accountants (IFAC).
- The Practitioner is a member of a national accounting or auditing body or institution. Although this organisation is not member of the IFAC, the Practitioner commits to undertake this engagement in accordance with the IFAC standards and ethics set out in these ToR.
- The Practitioner is registered as a statutory auditor in the public register of a public oversight body in an EU member state in accordance with the principles of public oversight set out in Directive 2006/43/EC of the European Parliament and of the Council (this applies to auditors and audit firms based in an EU member state)<sup>4</sup>.
- The Practitioner is registered as a statutory auditor in the public register of a public oversight body in a third country and this register is subject to principles of public oversight as set out in the legislation of the country concerned (this applies to auditors and audit firms based in a third country).

### 4.2. Qualifications and experience

- The Practitioner will engage staff with appropriate professional qualifications and suitable experience with IFAC standards and with experience in verifying financial information of entities comparable in size and complexity to the Coordinator. In addition, the engagement team leader<sup>5</sup> should have a minimum experience of 5 years in audit, agreed-upon procedures and /or assurance engagements.
- Experience with programmes and projects related to External Relations funded by national and/or international donors and institutions. Experience with EU funded External Aid actions is desirable.
- Experience with audits/verifications/ AUP of grants contracts is desirable.
- Sufficient knowledge of relevant laws, regulations and rules in the country concerned. This includes but is not limited to taxation, social security and labour regulations, accounting, and reporting.
- Fluency in [language of the Coordinator] and [when supporting documentation of the expenditures is in a different language, fluency in that language should also be a requirement].

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<sup>4</sup> Directive 2006/43 of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253 EEC.

<sup>5</sup> The team leader is in charge of the coordination and performance of the fieldwork

## **5 Scope**

### **5.1 Contracts and Financial Reports covered by these ToR**

The Contract(s) and Financial Reports subject to this AUP engagement on expenditure are indicated on the cover sheet and in Annex 1.

The AUP report shall cover all expenditure not covered by any previous expenditure verification report.

## **6 Agreed-Upon Procedure Process and Methodology**

### **6.1 Preparation of the agreed-upon procedures engagement**

The Practitioner shall prepare the AUP engagement and agree on the timing of the fieldwork. The Practitioner will then also confirm with the Coordinator the location(s) indicated in Annex 1 and ensure that relevant supporting documents as well as key staff will be available during the engagement.

### **6.2 Preparatory Meeting, Fieldwork, Desk Review**

[The Coordinator foresees a preparatory meeting with the Practitioner which will be held [<Choose either one or both> by conference call or at <name and address of the meeting place should be clearly stated>].

The fieldwork shall commence as soon as possible and not later than <number> calendar days after the signature of the AUP engagement contract or the date of availability of the Financial Report (i.e. financial report, supporting documents and other relevant information).

#### **6.2.1 Sampling**

The sample size and composition will be determined by applying the sampling instructions provided in Annex 2 of these Terms of Reference.

#### **6.2.2 Fieldwork**

The main task during the fieldwork is to perform the agreed-upon procedures (Annex 2, Section 2).

Key information about the agreed-upon procedures process must be provided in the AUP Report (Annex 3– Model for Agreed-Upon Procedures Report, Section 4).

#### **6.2.3 Debriefing Memo and Closing Meeting**

At the end of the fieldwork the Practitioner should organize a closing meeting with the Coordinator to present the findings, obtain its initial comments and agree on additional information to be provided at a later date.

#### **6.2.4 Documentation and Agreed-upon procedures evidence**

The evidence to be used for performing the procedures in Annex 2 is all financial and non-financial information which makes it possible to examine the expenditure declared in the Financial Report.

The Practitioner documents evidence to support the AUP report and establishment of findings, and evidence that the work was carried out in accordance with ISRS 4400 (Revised) and these ToR.

## **6.3 Reporting**

### **6.3.1 Structure and Content of the Report**

The deliverable consists of the Agreed-Upon Procedure Report (AUP report) and the following Annexes:

Annex 3.1: Financial reports provided by the Coordinator;

Annex 3.2: Table of transactions - provided as Excel file;

Annex 3.3: Table of differences - provided as Excel file.

The use of the template for AUP report and its Annexes (Annex 3 of these ToR), is **compulsory**.

If the agreed-upon procedures scope covers Financial Reports related to different Contracts, a separate and specific AUP report should be issued for each Contract.

The report should be presented in <language>. When the reporting language is not English, a summary of the findings in English should be presented.

The Practitioner will submit within <number of working days to be indicated by the Coordinator> working days of the conclusion of the field work a draft report to the Coordinator for comments to be received within < number of working days to be indicated by the Coordinator>working days. Following expiration of this deadline, the Practitioner will provide the final report to the Coordinator within < number of working days to be indicated by the Coordinator>working days from the receipt of the comments (if any).

Given that the report is part of the Coordinator's payment request, its content shall be scrutinised by the Contracting Authority in terms of accuracy, completeness and quality. Failing to report as per the above instructions could imply the rejection of the report by the Contracting Authority, suspension or rejection of the payment request and re-performance of agreed-upon procedures if needed.

### **6.3.2 Findings and Recommendations**

The findings shall be reported in accordance with the formats and criteria specified in the AUP report template (Annex 3). The description of findings will include the criteria applied (e.g. art. xx of the General Conditions of the Contract), the facts and the findings of the Practitioner.

The AUP report should include all financial findings made by the Practitioner, regardless of the amount involved. Changes in the findings occurring between the draft and final report as a result of the consultation procedure should be clearly and sequentially reported.

## **7 Other Matters**

### **7.1 Subcontracting**

The Practitioner shall not subcontract without prior written authorisation from the Coordinator and the Contracting Authority.

### **7.2 *List of links to the EC and DG INTPA financial framework and related training tools***

[EU Financial Regulation \(europa.eu\)](http://europa.eu)

ePRAG - [EXACT External Wiki - EN - EC Public Wiki \(europa.eu\)](http://europa.eu)

eCompanion - [EXACT External Wiki - EN - EC Public Wiki \(europa.eu\)](http://europa.eu)

[EU International Partnerships Academy \(europa.eu\)](http://europa.eu)

[INTPA Academy courses](http://europa.eu)

## **8 Annexes**

Annex 1 - Engagement Context / Key Information

Annex 2 – Guidelines for the sampling and Agreed-Upon Procedures

Annex 3 - Model for Agreed-Upon Procedures Report

Annex 4 – Guidelines for application of Agreed-Upon Procedures

## Annex 1: Engagement Context / Key Information

### Contract<sup>6</sup> and report summary

*[Annex to be completed by the Coordinator]*

| Information about the Grant Contract                                        |                                                                                                                                                                                            |
|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reference number and date of the Grant Contract                             | < Contracting Authority's reference for the Grant Contract>                                                                                                                                |
| Grant contract title                                                        |                                                                                                                                                                                            |
| Country of implementation                                                   |                                                                                                                                                                                            |
| Coordinator                                                                 | < full name and address of the Coordinator as per the Grant Contract>                                                                                                                      |
| Beneficiary(ies) and affiliated entity(ies)                                 | < full name and address of the Beneficiary(ies) and related affiliated entity(ies) as per the Grant Contract>                                                                              |
| Start date of the implementation period of the Action                       |                                                                                                                                                                                            |
| End date of the implementation period of the Action                         |                                                                                                                                                                                            |
| Financial Report(s) subject to agreed upon procedures:                      | <DD/MM/YYYY-DD/MM/YYYY><br><DD/MM/YYYY-DD/MM/YYYY><br><DD/MM/YYYY-DD/MM/YYYY>                                                                                                              |
| Total amount received to date by the Coordinator from Contracting Authority | < Total amount received as per dd.mm.yyyy>                                                                                                                                                 |
| Total amount of the payment request                                         | < provide the total amount requested for payment as per Annex V to the Special Conditions for Grant Contracts (Payment Request for a grant contract for European Union external actions) > |
| Contracting Authority                                                       | [<Provide the name, position/title, phone and E-mail of the contact person at the Contracting Authority>. (To be completed only if the Contracting Authority is not the Commission.)]      |
| Practitioner                                                                | < Name and address of the audit firm and names/positions of the auditors>                                                                                                                  |

<sup>6</sup> Contract in relation to which the financial report subject to verification is issued. The contract established with the Practitioner will be identified as "Agreed-Upon Procedures Engagement Contract"



| <b>A Logistics</b> |                                                                                                                             |              |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------|--------------|
| <b>Issue</b>       | <b>Question</b>                                                                                                             | <b>Reply</b> |
| Locations          | 1. Where do the Coordinator and other Beneficiary(ies) and affiliated entity(ies) retain the accounting records?            |              |
|                    | 2. Where do the Coordinator and other Beneficiary(ies) and affiliated entity(ies) retain the original supporting documents? |              |
|                    | 3. Where were contractual activities carried out?                                                                           |              |
|                    | 4. Where are key project staff available to provide information and explanations?                                           |              |
| Languages          | 5. Which is the contractual language?                                                                                       |              |
|                    | 6. Which is the language of the accounting records?                                                                         |              |
|                    | 7. Which are the languages of supporting documents?                                                                         |              |
|                    | 8. Which languages are spoken by key project staff?                                                                         |              |

| <b>B Contractual Conditions</b> |                                                                         |                   |
|---------------------------------|-------------------------------------------------------------------------|-------------------|
| Contract amount                 | 9. What is the total amount of the contract?                            |                   |
| EC contribution                 | 10. What is the amount of the EC contribution?                          |                   |
| Other contributions             | 11. Which are the other sources of funding (including the Coordinator)? | Source 1 / amount |
|                                 |                                                                         | Source 2 / amount |
|                                 |                                                                         | Source 3 / amount |
|                                 |                                                                         | Source 4 / amount |
|                                 |                                                                         | Source 5 / amount |

| <b>C Financial Report (enclosed as Annex 1.1)</b> |                                                                                                                                              |                           |
|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| Financial report                                  | 12. Approximately how many expense transactions have been reported / are expected to be reported in the Financial Report?                    |                           |
|                                                   | 13. What is the distribution of these transactions (e.g. capital expenditure, operating expenditure, fees, simplified costs, per diem, etc.) |                           |
|                                                   |                                                                                                                                              | <b>Budget Heading</b>     |
|                                                   |                                                                                                                                              | <b>N° of transactions</b> |
|                                                   |                                                                                                                                              | Human Resources           |
|                                                   |                                                                                                                                              | Travel                    |
|                                                   |                                                                                                                                              | Equipment and supplies    |

Local Office

Etc...

14. To what extent have Project transactions been carried out in cash? **[high, medium, low]**

15. In which currencies has expenditure been incurred?

16. What is the reporting currency?

17. How many other Financial Reports have already been presented by the Coordinator under this contract?

## **D Procurement**

|             |                                                                                                                                                            |  |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Procurement | 18. How many procurement procedures have been undertaken during the period covered by the Financial Report?                                                |  |
|             | 19. Was the EC involved in any of the procurement procedures referred to in question 18 (e.g. ex-ante verifications or derogations to the rule of origin)? |  |
|             | 20. Are works done and supplies delivered under the contract located centrally or are they dispersed?                                                      |  |

## **E Subcontracting**

|                |                                                             |  |
|----------------|-------------------------------------------------------------|--|
| Subcontracting | 21. Have any of the Action's activities been subcontracted? |  |
|----------------|-------------------------------------------------------------|--|

## **F Financial support to third parties**

|                                    |                                                              |  |
|------------------------------------|--------------------------------------------------------------|--|
| Financial support to third parties | 22. Has any financial support been awarded to third parties? |  |
|------------------------------------|--------------------------------------------------------------|--|

## **G In-kind contributions**

|                       |                                                   |  |
|-----------------------|---------------------------------------------------|--|
| In-Kind Contributions | 23. Have any in-kind contributions been declared? |  |
|-----------------------|---------------------------------------------------|--|

## **E Previous contracts verifications, audits or monitoring**

|                                              |                                                                                                                                                                        |
|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Previous verifications, audits or monitoring | 24. Which previous experience did the Entity have with EC contracts and associated regulations?                                                                        |
|                                              | 25. How many of the previously presented Financial Reports (if any) have been subject to audit/verification/AUP by external consultants contracted by the Coordinator? |
|                                              | 26. Have any verification, audit or monitoring exercises other than those referred to under numeral 25 been carried out with regard to the                             |

contract or the Coordinator that are relevant for the scope of the current AUP?

27. Have any significant findings been raised under the exercises referred to in questions 25 and 26? If so, what are they?

28. Have any instances of fraud or irregularities been previously identified in dealings with the particular Entity?

## **F Contact Details**

**Coordinator: <full name of the entity subject to audit>**

|                    |  |         |  |
|--------------------|--|---------|--|
| Address            |  | Country |  |
| Phone              |  | Fax     |  |
| Website            |  |         |  |
| <i>Key contact</i> |  |         |  |

Annex 1.1: Financial Report(s) to be verified

Annex 1.2: Breakdown of expenditures (detailed list of transactions)

Annex 1.3: Narrative reports

Annex 1.4: Contract and riders, including all relevant Annexes

Annex 1.5: Previous reports, if any (audit, verifications, AUP)

## **Annex 2: Determination of the sample and Expenditure agreed- upon procedures**

### **1. DETERMINATION OF THE SAMPLE**

The Practitioner shall follow the following sampling instructions for the determination of the size and composition of the sample:

#### **1. Human Resources**

At least 20 transactions shall be selected or 10% of the total expenditures declared for this budget line, whichever number is the highest.

#### **2. Travel**

Full coverage is required if the population is below 5 transactions. Otherwise at least 5 transactions shall be selected or 10% of the total expenditures declared for this budget line, whichever number is the highest.

Full coverage is required if the population is below 5 transactions.

#### **3. Equipment**

Full coverage is required if the population is below 5 transactions. Otherwise at least 5 transactions shall be selected or 20% of the total expenditures declared for this budget line, whichever number is the highest.

Full coverage is required if the population is below 5 transactions.

#### **4. Local Office**

At least 20 transactions shall be selected or 10% of the total expenditures declared for this budget line, whichever number is the highest.

#### **5. Other costs, services**

At least 10 transactions shall be selected or 10% of the total expenditures declared for this budget line, whichever number is the highest.

#### **6. Other**

At least 15 transactions shall be selected or 20% of the total expenditures declared for this budget line, whichever number is the highest.

## 2. EXPENDITURE Agreed-Upon PROCEDURES

The following procedures must be performed by the Practitioner unless they are irrelevant in relation to the eligibility criteria applicable to the contract type. Therefore, the Practitioner in consultation and agreement with the Coordinator, is required to gain appropriate understanding of such requirements in order to carry out only the relevant checks and properly apply the relevant eligibility requirements.

|                                             |                                                                                                                                                                   |
|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A</b>                                    | <b>Financial Report</b>                                                                                                                                           |
| A.1                                         | The financial report reconciles with the breakdown of expenditures                                                                                                |
| <b>B</b>                                    | <b>Budget</b>                                                                                                                                                     |
| B.1                                         | For variations between budget headings above 25% formal authorisations have been requested and obtained from the Contracting Authority.                           |
| <b>C</b>                                    | <b>Eligibility of expenditures</b>                                                                                                                                |
| C.1.1                                       | The expenditure was incurred by and pertains to the Coordinator and other Beneficiary(ies) and affiliated Entity(ies).                                            |
| C.1.2                                       | The expenditure was incurred during the contractual eligibility period.                                                                                           |
| C.1.3                                       | The expenditure is necessary for the implementation of the contractual activities, reasonable and justified.                                                      |
| C.1.4                                       | The expenditure is identifiable and verifiable (backed up by sufficient supporting documentation)                                                                 |
| C.1.4                                       | The expenditure is recorded in the accounting system of the Coordinator and other Beneficiary(ies) and affiliated Entity(ies).                                    |
| C.1.5                                       | Expenditure complies with the requirements of applicable tax and social legislation.                                                                              |
| C.2.1                                       | The expenditure is indicated contractual estimated budget.                                                                                                        |
| C.2.2                                       | The expenditure is recorded in the correct budget line                                                                                                            |
| C.3<br>C.4                                  | Personnel related expenditures comply with the eligibility criteria set out in the general conditions.                                                            |
| C.5<br>C.6                                  | Travel related expenditures comply with the eligibility criteria set out in the general conditions.                                                               |
| C.7                                         | Equipment costs related expenditures comply with the eligibility criteria set out in the general conditions.                                                      |
| C.8<br>C.9                                  | Local office related expenditures comply with the eligibility criteria set out in the general conditions.                                                         |
| C.10                                        | Service, supply and works contracts related expenditures comply with the eligibility criteria set out in the general conditions.                                  |
| C.11                                        | Subcontracting related expenditures comply with the criteria set out in the general conditions.                                                                   |
| C.7.1<br>C.8.1<br>C.9.1<br>C.10.1<br>C.11.1 | For the expenditure items concerned, the Coordinator has complied with the contractual requirements for procurement as set out in Annex IV of the Grant Contract. |

|          |                                                                                                                                                                                                                                                       |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| C.12     | The financial support to third parties (sub-granting) is provided for by the contractual conditions, its amount does not exceed the contractual limits and the expenditure incurred by the third parties meets the relevant eligibility requirements. |
| C.13     | The volunteers' work comply with the criteria set out in the general conditions.                                                                                                                                                                      |
| C.14     | Expenditure declared under the simplified cost options respects the contractual requirements.                                                                                                                                                         |
| <b>D</b> | <b>Non-eligible costs</b>                                                                                                                                                                                                                             |
| D.1      | Duties, taxes and charges, (e.g. VAT) included in the financial report cannot be recovered by the Entity unless otherwise provided for in the contractual conditions (accepted costs system).                                                         |
| D.2      | Expenditure specifically considered ineligible by the contractual conditions is not included in the financial report.                                                                                                                                 |
| <b>E</b> | <b>Ex-change rates</b>                                                                                                                                                                                                                                |
| E.1      | The correct exchange rates are used where applicable according to the contractual conditions.                                                                                                                                                         |
| <b>F</b> | <b>Contingency reserve</b>                                                                                                                                                                                                                            |
| F.1      | The contingency reserve has been established in accordance to the contractual conditions and its use authorised by the Contracting Authority.                                                                                                         |
| <b>G</b> | <b>Indirect costs</b>                                                                                                                                                                                                                                 |
| G.1      | The indirect costs do not exceed the maximum contractual percentage of the eligible direct costs and do not include ineligible expenses or expenses already declared as direct ones.                                                                  |
| <b>H</b> | <b>Contributions in-kind</b>                                                                                                                                                                                                                          |
| H.1      | Contributions in-kind are not included in the financial report, unless otherwise provided for in the contractual conditions.                                                                                                                          |
| <b>I</b> | <b>Revenues</b>                                                                                                                                                                                                                                       |
| I.1      | The revenues generated by the Coordinator in the execution of the contract are disclosed in the financial report and deducted from the declared expenditure, unless otherwise provided for in the contractual conditions.                             |
| <b>J</b> | <b>Systemic Findings</b>                                                                                                                                                                                                                              |
| J.1      | The errors identified as a result of the application of procedures <b>A</b> to <b>I</b> are systemic according to the definition provided in the Guidelines for application of agreed-upon procedures.                                                |

A detailed guideline on how to apply the above procedures is provided as Annex 4 of this Terms of Reference. The Practitioner should apply this guideline to tailor working papers as appropriate.

### **Annex 3: Model for Agreed-Upon Procedures Report**

**<To be printed on Practitioner's letterhead>**

#### ***‘CONTRACTUAL EXPENDITURE VERIFICATION’***

#### **Agreed-Upon Procedures Report for a Grant Contract External Actions of the European Union**

## <Title of and number of the grant contract >

[...]

### How this model should be completed by the Practitioner

- **insert** the information requested between the <...>
- **choose** the optional text between [...] highlighted in grey when applicable or delete
- **delete** all yellow instructions and the present text box



# 1. Objectives of the Agreed upon Procedures

## Purpose of this Agreed-Upon Procedures Report

Our report is solely for the purpose of assisting <the Coordinator> in determining whether the expenditures declared in the financial report for the period from <XX/XX/XXXX to XX/XX/XXXX> are eligible as per provisions of the Grant Contract <contract reference and signature date>.

## Responsibilities of the Engaging Party and the Responsible Party

<The Coordinator> has acknowledge that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Practitioner, as identified by <the Coordinator>, is responsible for the subject matter on which the agreed-upon-procedures are performed.

## Practitioner's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the international Standard on Related Services (ISRS) 4400 (Revised), Agreed-Upon Procedures Engagements.

An agreed-upon procedures engagement involves our performing the procedures that have been agreed with <the Coordinator>, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no presentation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

## Professional Ethics and Quality Control

We have complied with the ethical requirements in the IFAC International Code of Ethics for Professional Accountants (including International Independence Standards), developed and issued by IFAC's International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, professional behaviour ("IESBA Code").

For the purpose of this engagement, although ISRS 4400 (Revised) provides that independence is not a requirement for AUP engagements, the Coordinator requires that the Practitioner is independent from the Coordinator and complies with the independence requirements of the IESBA Code.

Our firm applies International Standard on Quality Management (ISQM) 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly, maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Restriction on use and distribution

Our report is solely for the purpose set out in the first paragraph of this report and is restricted to those parties that have agreed to the procedures being performed.

## 2. Background information

### 2.1. Short description of the action subject to verification (as provided by the Coordinator)

|                                                                          |                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Contract number and title:</b>                                        | <To insert>                                                                                                                                                                                                                          |
| <b>Contract type</b>                                                     | Grant Contract                                                                                                                                                                                                                       |
| Financial Report(s) subject to inspection                                | <DD/MM/YYYY-DD/MM/YYYY><br><DD/MM/YYYY-DD/MM/YYYY><br><DD/MM/YYYY-DD/MM/YYYY>                                                                                                                                                        |
| Coordinator and other Beneficiary(ies) and affiliated entity(ies)        | <Identify the Coordinator and other Beneficiary(ies) and affiliated entity(ies) and provide key information about their legal form, nationality, size, main field(s) of activity and other elements deemed relevant – max 200 words> |
| <b>Location(s) where the Contract is implemented</b>                     | <To insert>                                                                                                                                                                                                                          |
| <b>Contract execution period</b>                                         | <To insert>                                                                                                                                                                                                                          |
| <b>Contract implementation status</b>                                    | < indicate on-going or completed >                                                                                                                                                                                                   |
| <b>General and specific objectives of the Contract</b>                   | <As per Annex I of the Grant Contract>                                                                                                                                                                                               |
| <b>Synthetic description of the activities, outputs and target group</b> | <As per Annex I of the Grant Contract and narrative reports (if available)><br><max 300 words>                                                                                                                                       |

## 2.2. Basic financial information of the Contract (at the time of the fieldwork)

### 2.2.1 Expenditure

| Budget Headings                                             | Budgeted Expenditure<br>(amount) | Reported Expenditure<br>(amount) |
|-------------------------------------------------------------|----------------------------------|----------------------------------|
| 1. "..."                                                    |                                  |                                  |
| 2. "..."                                                    |                                  |                                  |
| 3. "..."                                                    |                                  |                                  |
| 4. "..."                                                    |                                  |                                  |
| 5. "..."                                                    |                                  |                                  |
| 6. "..."                                                    |                                  |                                  |
| <b>Total direct eligible costs</b>                          |                                  |                                  |
| Indirect costs                                              |                                  |                                  |
| <b>Total eligible costs (excluding contingency reserve)</b> |                                  |                                  |
| Contingency reserve                                         |                                  |                                  |
| <b>Total eligible costs</b>                                 |                                  |                                  |

### 2.2.2 Contributions

| Source of Contribution                            | Budgeted Contribution<br>(amount) | Actual Contribution<br>(amount) |
|---------------------------------------------------|-----------------------------------|---------------------------------|
| EU                                                |                                   |                                 |
| Coordinator                                       |                                   |                                 |
| Other Beneficiary(ies) and affiliated entity(ies) |                                   |                                 |
| Other Donor 1                                     |                                   |                                 |
| <b>Total</b>                                      |                                   |                                 |

### 2.2.3 Revenues

| Revenue Types | Budgeted Revenues<br>(amount) | Actual Revenues<br>(amount) |
|---------------|-------------------------------|-----------------------------|
| Type "..."    |                               |                             |
| Type "..."    |                               |                             |
| ...           |                               |                             |
| <b>Total</b>  |                               |                             |

### 2.3. Financial Reports subject to agreed-upon procedures

See Annex 1.

## 3. Sample

The sample has been selected following the instructions provided in Annex 2 of the Terms of Reference. An overview of the population of transactions and the sample is presented below:

| Report/invoice: <indicate the report/invoice number and cut-off dates> |            |                                        |
|------------------------------------------------------------------------|------------|----------------------------------------|
|                                                                        | Population | Inspected sample<br>Value (% coverage) |
| Number of transactions                                                 |            |                                        |
| Value of transactions EUR                                              |            |                                        |

[If more than one financial report/invoice is inspected, repeat as applicable]

A complete list of the transactions included in the population is included in Annex 3.

## 4. Substantive testing

### Short description of the testing process

<Confirm that the agreed-upon procedures established in the Annex 2 to the Terms of Reference were fully performed or disclose any scope limitation. Also confirm that the agreed-upon procedures were executed in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), "Engagements to Perform Agreed-upon Procedures Regarding Financial Information".>

<Provide the key information about the testing process. E.g:

- describe if the inspection work took place at the implementing partner's premises or as a desk review. If the latter took place, please state the reasons for undertaking the AUP as a desk review;
- whether qualified representatives of the auditee were present, if they were cooperative;
- if the supporting documentation was available in full, if additional documents had to be received after the fieldwork;
- if there were any scope limitations, etc. (max. 300 words)>

## **Procedures performed**

### **A. Financial report**

[No findings have been identified] or The following finding(s) has/have been identified:

|                                                                                                                                                                                                                              |             |                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------|
| <b>Finding</b><br><number>                                                                                                                                                                                                   | <b>No.:</b> | <b>Title:</b>                                                                                           |
| <Cluster A.X.X>                                                                                                                                                                                                              |             | <b>Procedure performed:</b> <Procedure as per the Guidelines for application of agreed-upon procedures> |
| <b>Description of the finding:</b><br><Reference to the contractual conditions (article(s) from the contract) not being complied with must be indicated here>.<br><Include a detailed description of the identified finding> |             |                                                                                                         |
| <b>Amount (EUR):</b> <Finding value>                                                                                                                                                                                         |             |                                                                                                         |
| <b>Systemic finding:</b> <Indicate if the finding is potentially systemic in nature or not according to procedure J>                                                                                                         |             |                                                                                                         |
| <b>Root cause of the finding:</b> <describe what caused the error>                                                                                                                                                           |             |                                                                                                         |

### **B. Budget**

[No findings have been identified] or The following finding(s) has/have been identified:

|                                                                                                                                                                                                                              |             |                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------|
| <b>Finding</b><br><number>                                                                                                                                                                                                   | <b>No.:</b> | <b>Title:</b>                                                                                           |
| <Cluster B.1.1>                                                                                                                                                                                                              |             | <b>Procedure performed:</b> <Procedure as per the Guidelines for application of agreed-upon procedures> |
| <b>Description of the finding:</b><br><Reference to the contractual conditions (article(s) from the contract) not being complied with must be indicated here>.<br><Include a detailed description of the identified finding> |             |                                                                                                         |
| <b>Amount (EUR):</b> <Finding value>                                                                                                                                                                                         |             |                                                                                                         |
| <b>Systemic finding:</b> <Indicate if the finding is potentially systemic in nature or not according to procedure J>                                                                                                         |             |                                                                                                         |
| <b>Root cause of the finding:</b> <describe what caused the error>                                                                                                                                                           |             |                                                                                                         |

### C. Eligibility of expenditures

[No findings have been identified] or The following finding(s) has/have been identified:

|                                                                                                                                                                                                                              |             |                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------|
| <b>Finding</b><br><number>                                                                                                                                                                                                   | <b>No.:</b> | <b>Title:</b>                                                                                           |
| <Cluster C.X.X>                                                                                                                                                                                                              |             | <b>Procedure performed:</b> <Procedure as per the Guidelines for application of agreed-upon procedures> |
| <b>Description of the finding:</b><br><Reference to the contractual conditions (article(s) from the contract) not being complied with must be indicated here>.<br><Include a detailed description of the identified finding> |             |                                                                                                         |
| <b>Amount (EUR):</b> <Finding value>                                                                                                                                                                                         |             |                                                                                                         |
| <b>Systemic finding:</b> <Indicate if the finding is potentially systemic in nature or not according to procedure J>                                                                                                         |             |                                                                                                         |
| <b>Root cause of the finding:</b> <describe what caused the error>                                                                                                                                                           |             |                                                                                                         |

<The Practitioner shall describe here any key allocations used by the Coordinator and/or affiliated entity(ies) to apportioned costs such as staff costs, office costs (e.g. rent, supplies, electricity, telecommunications, etc.), vehicle costs (e.g. fuel consumption), etc.>

< The Practitioner shall indicate here the number and type of procurement procedures carried out by the Coordinator and/or affiliated entity(ies) other than direct purchases/contracts>

### D. Non-eligible costs

[No findings have been identified] or The following finding(s) has/have been identified:

|                                                                                                                                                                                                                              |             |                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------|
| <b>Finding</b><br><number>                                                                                                                                                                                                   | <b>No.:</b> | <b>Title:</b>                                                                                           |
| <Cluster D.X.X>                                                                                                                                                                                                              |             | <b>Procedure performed:</b> <Procedure as per the Guidelines for application of agreed-upon procedures> |
| <b>Description of the finding:</b><br><Reference to the contractual conditions (article(s) from the contract) not being complied with must be indicated here>.<br><Include a detailed description of the identified finding> |             |                                                                                                         |
| <b>Amount (EUR):</b> <Finding value>                                                                                                                                                                                         |             |                                                                                                         |
| <b>Systemic finding:</b> <Indicate if the finding is potentially systemic in nature or not according to procedure J>                                                                                                         |             |                                                                                                         |
| <b>Root cause of the finding:</b> <describe what caused the error>                                                                                                                                                           |             |                                                                                                         |

## E. Ex-change rate

[No findings have been identified] or The following finding(s) has/have been identified:

|                                                                                                                                                                                                                              |             |                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------|
| <b>Finding</b><br><number>                                                                                                                                                                                                   | <b>No.:</b> | <b>Title:</b>                                                                                           |
| <Cluster E.X.X>                                                                                                                                                                                                              |             | <b>Procedure performed:</b> <Procedure as per the Guidelines for application of agreed-upon procedures> |
| <b>Description of the finding:</b><br><Reference to the contractual conditions (article(s) from the contract) not being complied with must be indicated here>.<br><Include a detailed description of the identified finding> |             |                                                                                                         |
| <b>Amount (EUR):</b> <Finding value>                                                                                                                                                                                         |             |                                                                                                         |
| <b>Systemic finding:</b> <Indicate if the finding is potentially systemic in nature or not according to procedure J>                                                                                                         |             |                                                                                                         |
| <b>Root cause of the finding:</b> <describe what caused the error>                                                                                                                                                           |             |                                                                                                         |

<The Practitioner shall describe here the ex-change rate methodology applied by the Coordinator and affiliated entity(ies) and confirm compliance with contractual conditions>

## F. Contingency reserve

[No findings have been identified] or The following finding(s) has/have been identified:

|                                                                                                                                                                                                                              |             |                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------|
| <b>Finding</b><br><number>                                                                                                                                                                                                   | <b>No.:</b> | <b>Title:</b>                                                                                           |
| <Cluster F.X.X>                                                                                                                                                                                                              |             | <b>Procedure performed:</b> <Procedure as per the Guidelines for application of agreed-upon procedures> |
| <b>Description of the finding:</b><br><Reference to the contractual conditions (article(s) from the contract) not being complied with must be indicated here>.<br><Include a detailed description of the identified finding> |             |                                                                                                         |
| <b>Amount (EUR):</b> <Finding value>                                                                                                                                                                                         |             |                                                                                                         |
| <b>Systemic finding:</b> <Indicate if the finding is potentially systemic in nature or not according to procedure J>                                                                                                         |             |                                                                                                         |
| <b>Root cause of the finding:</b> <describe what caused the error>                                                                                                                                                           |             |                                                                                                         |

## G. Indirect costs

[No findings have been identified] or The following finding(s) has/have been identified:

|                                                                                                                                                                                                                              |             |                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------|
| <b>Finding</b><br><number>                                                                                                                                                                                                   | <b>No.:</b> | <b>Title:</b>                                                                                           |
| <Cluster G.X.X>                                                                                                                                                                                                              |             | <b>Procedure performed:</b> <Procedure as per the Guidelines for application of agreed-upon procedures> |
| <b>Description of the finding:</b><br><Reference to the contractual conditions (article(s) from the contract) not being complied with must be indicated here>.<br><Include a detailed description of the identified finding> |             |                                                                                                         |
| <b>Amount (EUR):</b> <Finding value>                                                                                                                                                                                         |             |                                                                                                         |
| <b>Systemic finding:</b> <Indicate if the finding is potentially systemic in nature or not according to procedure J>                                                                                                         |             |                                                                                                         |
| <b>Root cause of the finding:</b> <describe what caused the error>                                                                                                                                                           |             |                                                                                                         |

## H. Contributions in-kind

[No findings have been identified] or The following finding(s) has/have been identified:

|                                                                                                                                                                                                                              |             |                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------|
| <b>Finding</b><br><number>                                                                                                                                                                                                   | <b>No.:</b> | <b>Title:</b>                                                                                           |
| <Cluster H.X.X>                                                                                                                                                                                                              |             | <b>Procedure performed:</b> <Procedure as per the Guidelines for application of agreed-upon procedures> |
| <b>Description of the finding:</b><br><Reference to the contractual conditions (article(s) from the contract) not being complied with must be indicated here>.<br><Include a detailed description of the identified finding> |             |                                                                                                         |
| <b>Amount (EUR):</b> <Finding value>                                                                                                                                                                                         |             |                                                                                                         |
| <b>Systemic finding:</b> <Indicate if the finding is potentially systemic in nature or not according to procedure J>                                                                                                         |             |                                                                                                         |
| <b>Root cause of the finding:</b> <describe what caused the error>                                                                                                                                                           |             |                                                                                                         |



## I. Revenues

[No findings have been identified] or The following finding(s) has/have been identified:

|                                                                                                                                                                                                                              |             |                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------|
| <b>Finding</b><br><number>                                                                                                                                                                                                   | <b>No.:</b> | <b>Title:</b>                                                                                           |
| <b>&lt;Cluster I.X.X&gt;</b>                                                                                                                                                                                                 |             | <b>Procedure performed:</b> <Procedure as per the Guidelines for application of agreed-upon procedures> |
| <b>Description of the finding:</b><br><Reference to the contractual conditions (article(s) from the contract) not being complied with must be indicated here>.<br><Include a detailed description of the identified finding> |             |                                                                                                         |
| <b>Amount (EUR):</b> <Finding value>                                                                                                                                                                                         |             |                                                                                                         |
| <b>Systemic finding:</b> <Indicate if the finding is potentially systemic in nature or not according to procedure J>                                                                                                         |             |                                                                                                         |
| <b>Root cause of the finding:</b> <describe what caused the error>                                                                                                                                                           |             |                                                                                                         |

## I. Systemic findings

[None of the findings identified is considered systemic] or [Finding(s) n° X, X and X reported above has/have been identified as systemic].

## 5. Summary of findings

| Reference    | Procedure                   | N° of findings | Value EUR | N° of systemic findings |
|--------------|-----------------------------|----------------|-----------|-------------------------|
| A            | Financial Report            |                |           |                         |
| B            | Budget                      |                |           |                         |
| C            | Eligibility of expenditures |                |           |                         |
| D            | Non-eligible costs          |                |           |                         |
| E            | Ex-change rate              |                |           |                         |
| F            | Contingency reserve         |                |           |                         |
| G            | Indirect costs              |                |           |                         |
| H            | Contributions in-kind       |                |           |                         |
| I            | Revenues                    |                |           |                         |
| <b>Total</b> |                             |                |           |                         |

## 6. Engagement team

<List names the engagement team members for this report.>

<Name and signature of the Practitioner>

<Practitioner's address: office having responsibility for the agreed-upon procedures>

[for final reports <Date of signature> the date when the **final** report is signed]

**Annex 3.1: Financial reports provided by the Coordinator**

**Annex 3.2: Table of transactions - provided as Excel file**

**Annex 3.3: Table of differences - provided as Excel file**

**Annex 3.4: Procedures performed - provided as Excel file**

## GUIDELINES FOR APPLICATION OF AGREED-UPON PROCEDURES FOR GRANTS

### Procedures to be followed

The engagement should be undertaken on the basis of inquiry and analysis, (re)computation, comparison, other accuracy checks, observation, inspection of records and documents and by interviewing the participant (and the persons working for them).



The **reference document for the confirmation of standard findings** is the Grant Agreement (including its Annexes) and the rules set out therein.

The European Commission reserves the right to

- i) provide the Practitioner with additional guidance regarding the procedures to be followed or the facts to be ascertained and the way in which to present them (this may include sample coverage and findings) or to
- ii) change the procedures, by notifying the Coordinator in writing. The procedures carried out by the Practitioner to confirm the standard finding are listed in the table below.

If this AUP report relates to an Affiliated Entity, any reference here below to 'the Coordinator' is to be considered as a reference to 'the Affiliated Entity'.

| Grant Agreement Article | Cluster  | Procedures                                                                                                                                                                                                                                                                            | Documentation                                                                                                                                                                                                                                                                                  |
|-------------------------|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                         | <b>A</b> | <b>FINANCIAL REPORT</b>                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                |
|                         | A.1      | <p>The Practitioner obtained the Financial Report subject to agreed-upon procedures and the corresponding breakdown of expenditures and checked:</p> <p>A.1.1. The breakdown of expenditures reconciles with the amounts declared in the Financial Report at each budget heading;</p> | <p>For the transactions included in the sample, the Practitioner shall obtain and check the following documents:</p> <ul style="list-style-type: none"> <li>- Annex III (Estimated Budget) of the Grant Agreement;</li> <li>- Financial Report</li> <li>- Breakdown of expenditures</li> </ul> |

| Grant Agreement Article | Cluster  | Procedures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Documentation                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                         | <b>B</b> | <b>BUDGET</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                         | B.1      | <p>The Practitioner obtained the Financial Report subject to agreed-upon procedures and the corresponding breakdown of expenditures and checked:</p> <p>B.1.1. Where the total expenditures claimed in each main budget heading exceeds the estimated budget with a variation of 25% or less, the Coordinator has informed in writing to the Contracting Authority;</p> <p>B.1.2. Where the total expenditures claimed in each main budget heading exceeds the estimated budget with a variation above 25%, the Coordinator formally requested and obtained an amendment of the budget.</p> | <p>For the transactions included in the sample, the Practitioner shall obtain and check the following documents:</p> <ul style="list-style-type: none"> <li>- Annex III (Estimated Budget) of the Grant Agreement;</li> <li>- Financial Report</li> <li>- Breakdown of expenditures</li> <li>- Communication of budget modifications due to variations in budget headings below 25%.</li> <li>- Request of budget amendment for variations in budget heading above 25%.</li> </ul> |

| Grant Agreement Article | Cluster | Procedures | Documentation                    |
|-------------------------|---------|------------|----------------------------------|
|                         |         |            | - Approval of budget amendments. |

| Grant Agreement Article | Cluster  | Procedures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Documentation                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Article 14.1</b>     | <b>C</b> | <b>ELIGIBILITY OF EXPENDITURES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                         | C.1      | <p>For all the transactions in the sample, the practitioner checked that the costs declared in the financial statements fulfil the following general eligibility conditions for actual costs:</p> <p>C.1.1. The costs are actually incurred by the Coordinator;</p> <p>C.1.2. The costs are incurred in the period set out in Article 2 of the Special Conditions of the Grant Agreement, (with the exception of costs relating to the submission of the final periodic report, which may be incurred afterwards; (see Article 14.1 of Annex II (General Conditions) of the Grant Agreement);</p> <p>C.1.3. The costs are necessary for the implementation of the action;</p> <p>C.1.4. The costs are identifiable and verifiable, in particular recorded in the beneficiary's accounts in accordance with the beneficiary's usual cost accounting practices;</p> <p>C.1.5. The costs comply with the applicable national law on taxes, labour and social security;</p> | <p>For the transactions included in the sample, the Practitioner shall obtain and check the following documents:</p> <ul style="list-style-type: none"> <li>- Special Conditions of the Grant Agreement;</li> <li>- Annex II (General Conditions) of the Grant Agreement;</li> <li>- Annex III (Estimated Budget) of the Grant Agreement;</li> <li>- Supporting evidence of expenditures as detailed in Article 16.9 of Annex II (General Conditions) of the Grant Agreement;</li> </ul> |

| Grant Agreement Article | Cluster | Procedures                                                                                                                                                                                                                                                  | Documentation                                                                                                                                                                                                                 |
|-------------------------|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Article 14.1            | C       | <b>ELIGIBILITY OF EXPENDITURES</b>                                                                                                                                                                                                                          |                                                                                                                                                                                                                               |
|                         | C.2     | <p>For all the transactions in the sample, the Practitioner checked that:</p> <p>C.2.1. Each transaction is foreseen in the Annex III (Estimated Budget) of the Grant Agreement;</p> <p>C.2.2. Each transaction is recorded in the correct budget line.</p> | <p>For the transactions included in the sample, the Practitioner shall obtain and check the following documents:</p> <ul style="list-style-type: none"> <li>- Annex III (Estimated Budget) of the Grant Agreement;</li> </ul> |

| Grant Agreement Article | Cluster | Procedures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Documents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Article 14.2            | C       | <b>ELIGIBILITY OF EXPENDITURES – PERSONNEL COSTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                         |         | The Practitioner draws a sample of at least 20 transactions or 10% of the total expenditures declared for this budget line, whichever number is the highest.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Article 14.2.a)         | C.3     | <p><u>For the persons included in the sample and working under an employment contract or equivalent appointing act (general procedures for individual actual personnel costs and personnel costs declared as unit costs) the Practitioner checked that:</u></p> <p>C.3.1. The persons worked for the beneficiary on the basis of an employment contract or equivalent appointing act;</p> <p>C.3.2. The employment contracts or equivalent appointing acts were in force at the time the staff costs claimed were incurred;</p> <p>C.3.3. The staff costs claimed correspond to actual gross salaries, including social security charges and other remuneration-related costs (excluding performance-based bonuses);</p> <p>C.3.4. Salaries claimed do not exceed those foreseen in the employment contracts and the Beneficiary's salary policy, otherwise there is supported justification for the difference;</p> <p>C.3.5. Where gross salaries have been claimed, evidence that any taxes or social security contributions withheld to the employee have been duly paid to the Tax and Social Security Authorities and are in line with applicable national law on taxes, labour and social security;</p> <p>C.3.6. The staff costs claimed are based on actual dedication of the employee to the Action; in case of partial dedication there are timesheets/monthly declarations or an objective key allocation that allows to reconcile the salaries claimed;</p> | <p>For the transactions included in the sample, the Practitioner shall check the following documents:</p> <ul style="list-style-type: none"> <li>- Employment contract or appointing act in force at the time the expenditure was incurred.</li> <li>- Beneficiary's usual policy regarding payroll matters (e.g. salary policy, overtime policy, variable pay);</li> <li>- Applicable national law on taxes, labour and social security</li> <li>- Payslips</li> <li>- Proof of payment of salaries to employees</li> <li>- Proof of payment of withheld taxes and social security charges</li> <li>- Breakdown of the expenditures claimed (basic salary, additional compensations, taxes, social charges, insurance, etc)</li> <li>- Timesheets/monthly declarations or key allocation used to apportion costs declared</li> </ul> |

|                        |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Article 14.2.a)</b> | C.4      | <p><u>For natural persons included in the sample and working with the Beneficiary under a direct contract other than an employment contract, such as consultants (no subcontractors) the Practitioner checked that:</u></p> <p>C.4.1. A competitive procurement/selection process was carried out as per the Coordinator's procurement rules or the applicable Practical Guide;</p> <p>C.4.2. A procurement/selection file is available and complete;</p> <p>C.4.3. A service contract has been signed between the Coordinator and the consultant stating the description of the services, the value of the contract and the deliverables or results to be remitted by the consultant;</p> <p>C.4.4. The consultant issued invoices as per provisions of the service contract signed;</p> <p>C.4.5. There is evidence that the consultant carried out the activities foreseen in the service contract (timesheets, monthly declarations, deliverables, etc.);</p> <p>C.4.6. Where the costs of the consultant are not fully claimed to the Action, there is an objective key allocation to apportion the costs to the Action.</p> | <p>For the transactions included in the sample, the Practitioner shall obtain and check the following documents:</p> <ul style="list-style-type: none"> <li>- Coordinator's procurement/selection policy</li> <li>- Procurement/selection file</li> <li>- Service contract</li> <li>- Invoices</li> <li>- Proof of payment to contractors</li> <li>- Proof of payment of withheld taxes (if any)</li> <li>- Timesheets/monthly declarations/deliverables to be remitted by the contractor as per the service contract signed.</li> <li>- Key allocation used to apportion costs declared (if applicable).</li> </ul> |
| <b>Article 14.2</b>    | <b>C</b> | <b>ELIGIBILITY OF EXPENDITURES – TRAVEL COSTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                        |          | <p>The Practitioner draws a sample of at least 5 transactions or 10% of the total expenditures declared for this budget line, whichever number is the highest.</p> <p>Full coverage is required if the population is below 5 transactions.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>14.2.b)</b>         | C.5      | <p><u>For costs related to travel costs (transport and accommodation) included in the sample the Practitioner checked that:</u></p> <p>C.5.1. travel costs are consistent with the Coordinator's usual policy for travel (e.g. travel authorisation, authorised travel class).</p> <p>C.5.2. travel costs are duly justified by supporting documents showing the that the journey from the authorised origin to the authorised destination effectively took place;</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>For the transactions included in the sample, the Practitioner shall obtain and check the following documents:</p> <ul style="list-style-type: none"> <li>- Coordinator's travel policy</li> <li>- Travel authorisation request</li> <li>- Invoices</li> <li>- Proofs of payment</li> </ul>                                                                                                                                                                                                                                                                                                                        |



|                                             |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                             |          | C.5.3. travel costs are correctly allocated to the action (e.g. trips are directly linked to the action) by examining relevant supporting documents such as minutes of meetings, workshops or conferences, their registration in the correct project account, their consistency with time records or with the dates/duration of the workshop/conference.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>- Supporting evidence of the travel such as: boarding passes, invitations/agenda meetings.</li> </ul>                                                                                                                                                                                                                                                                                |
| <b>Article 14.2.b)</b>                      | C.6      | <p><u>For costs related to per diems included in the sample the Practitioner checked that:</u></p> <p>C.6.1. Per diem costs are consistent with the Beneficiary's usual policy for travel (e.g. travel authorisation, value).</p> <p>C.6.2. When per diem costs have been claimed based on actual costs, there are invoices/receipts of the expenses incurred by the traveller;</p> <p>C.6.3. When per diem costs have been claimed based on flat rates, these are in line with the Coordinator's usual policy for travel and in any case do not exceed the per diem rates published by the European Commission at the time of contract signature (<a href="#">Per diem rates (europa.eu)</a>)</p> <p>C.6.4. Per diem costs are correctly allocated to the action (e.g. trips are directly linked to the action) by examining relevant supporting documents such as minutes of meetings, workshops or conferences, their registration in the correct project account, their consistency with time records or with the dates/duration of the workshop/conference.</p> | <p>For the transactions included in the sample, the Practitioner shall obtain and check the following documents:</p> <ul style="list-style-type: none"> <li>- Coordinator's travel policy</li> <li>- Travel authorisation request</li> <li>- Invoices/receipts</li> <li>- Proofs of payment to the traveller</li> <li>- Supporting evidence of the travel such as: boarding passes, invitations/agenda meetings.</li> </ul> |
| <b>Article 14.2</b>                         | <b>C</b> | <b>ELIGIBILITY OF EXPENDITURES – EQUIPMENT COSTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                             |          | <p>The Practitioner draws a sample of at least 5 transactions or 20% of the total expenditures declared for this budget line, whichever number is the highest.</p> <p>Full coverage is required if the population is below 5 transactions.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Article 14.2.c), 14.2.d) and 14.2.f)</b> | C.7      | <p><u>For costs related to equipment included in the sample the Practitioner checked that:</u></p> <p>C.7.1. the assets were acquired in conformity with the Coordinator's internal procurement procedures or the applicable Practical Guide;</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>For the transactions included in the sample, the Practitioner shall obtain and check the following documents:</p> <ul style="list-style-type: none"> <li>- Coordinator's procurement policy</li> </ul>                                                                                                                                                                                                                   |

|                        |            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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|                        |            | <p>C.7.2. they were correctly allocated to the action (with supporting documents such as delivery note invoice or any other proof demonstrating the link to the action);</p> <p>C.7.3. they were entered in the accounting system;</p> <p>C.7.4. they were paid by the Coordinator;</p> <p>C.7.5. the asset exists and it is the same asset purchased;</p> <p>C.7.6. where consumables are only partially allocated, there is an objective key allocation to apportion the part of the expenditure corresponding to the Action;</p> <p>C.7.7. where the ownership of the assets is NOT transferred at the end of the action as required by article 7.5 of the Annex II (General Conditions) of the Grant Agreement, the (cumulative) cost of depreciation is to be claimed (on a pro-rata basis if applicable). In that case, the Practitioner recalculated the depreciation costs and checked that they were in line with the applicable rules in the Coordinator's country and with the Coordinator's usual accounting policy (e.g. depreciation calculated on the acquisition value). The depreciation costs calculated for the implementation period according to the rate of use for the project and do not exceed the equipment purchase price. Eligible depreciation of an asset begins when it is available for use in the action;</p> <p>C.7.8. Where the cost of purchase of the asset is claimed, the ownership of the assets is transferred at the end of the action to the final beneficiaries if required by article 7.5 of the Annex II (General Conditions) of the Grant Agreement;</p> | <ul style="list-style-type: none"> <li>- Coordinator's usual accounting policy</li> <li>- Procurement file (if applicable).</li> <li>- Invoice</li> <li>- Proof of payment</li> <li>- Key allocation used to apportion consumable costs declared (if applicable).</li> <li>- Calculation of the depreciation made by the Coordinator (if available)</li> <li>- Certificate on transfer of assets fully signed by the Coordinator and the beneficiary receiving the asset.</li> </ul> |
| <b>Article 14.2</b>    | <b>C</b>   | <b>ELIGIBILITY OF EXPENDITURES – LOCAL OFFICE COSTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                        |            | The Practitioner draws a sample of at least 20 transactions or 5% of the total expenditures declared for this budget line, whichever number is the highest.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Article 14.2.e)</b> | <b>C.8</b> | <p><u>For costs related to office rent included in the sample the Practitioner checked that:</u></p> <p>C.8.1. the costs of office rent is described in Annex I (Description of the Action) and foreseen in the Special Conditions of the Grant Agreement.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p>For the transactions included in the sample, the Practitioner shall obtain and check the following documents:</p> <ul style="list-style-type: none"> <li>- Annex I (Description of the Action) if the Grant Agreement</li> </ul>                                                                                                                                                                                                                                                  |

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|                        |          | <p>C.8.2. there is a lease agreement or equivalent stating the conditions and value of the rent;</p> <p>C.8.3. where the rent costs are only partially allocated to the action, there is an objective key allocation.</p>                                                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>- Lease contract</li> <li>- Invoice</li> <li>- Proof of payment</li> <li>- Key allocation used to apportion rent costs declared (if applicable).</li> </ul>                                                                                                                                                                                      |
| <b>Article 14.2.e)</b> | C.9      | <p><u>For costs related to consumables included in the sample the Practitioner checked that:</u></p> <p>C.9.1. the consumables were purchased in conformity with the Coordinator's internal procurement procedures or the applicable Practical Guide</p> <p>C.9.2. where the costs are only partially allocated to the action, there is an objective key allocation.</p> <p>C.9.3. there is evidence of delivery for consumables (delivery notes)</p>                                                                                                             | <p>For the transactions included in the sample, the Practitioner shall obtain and check the following documents:</p> <ul style="list-style-type: none"> <li>- Coordinator's procurement policy</li> <li>- Invoice</li> <li>- Proof of payment</li> <li>- Key allocation used to apportion costs declared (if applicable).</li> </ul>                                                    |
| <b>Article 14.2</b>    | <b>C</b> | <b>ELIGIBILITY OF EXPENDITURES – SERVICE, SUPPLY AND WORK CONTRACTS COSTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                         |
|                        |          | <p>The Practitioner draws a sample of at least <b>10 transactions or 10% of the total expenditures</b> declared for the budget line <b>"5. Other costs, services"</b> and a sample of at least <b>15 transactions or 20% of the total expenditures</b> declared for the budget line <b>"6. Other costs"</b> whichever numbers are the highest.</p>                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Article 14.2.g)</b> | C.10     | <p><u>For costs related to service, supply and work contracts included in the sample the Practitioner checked that:</u></p> <p>C.10.1. the contracts were awarded in conformity with the Coordinator's internal procurement procedures or the applicable Practical Guide;</p> <p>C.10.2. there is a signed contract between the Coordinator and the contractor indicating the objective of the contract, the value and deliverables to be remitted by the contractor;</p> <p>C.10.3. there is evidence that services, supplies and/or works were carried out.</p> | <p>For the transactions included in the sample, the Practitioner shall obtain and check the following documents:</p> <ul style="list-style-type: none"> <li>- Coordinator's procurement policy</li> <li>- Invoice</li> <li>- Proof of payment</li> <li>- Evidence of service/supplies/works (deliverables, delivery notes, works progress reports, reception of works, etc.)</li> </ul> |

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| <b>Article 10</b>   | <b>C</b>    | <b>ELIGIBILITY OF EXPENDITURES - COSTS OF SUBCONTRACTING</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                     |             | <p>No specific sample would be draw for selection of subcontracting related transactions.</p> <p>The following procedures shall be applied to any transaction selected in the sample for Cost Category E.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Article 10.4</b> | <b>C.11</b> | <p><u>For subcontracting costs included in the sample the Practitioner checked the following:</u></p> <p>C.11.1. subcontracting does not cover core tasks of the Action;</p> <p>C.11.2. recourse to subcontracting is provided for in Annex I (Description of the Action) of the Grant Agreement, otherwise there is a formal approval from the Contracting Authority;</p> <p>C.11.3. the estimated costs of subcontracting are clearly identifiable in the estimated budget set out in Annex III of the Grant Agreement;</p> <p>C.11.4. in order to subcontract the third party, a competitive procurement process has been carried out by the Coordinator in accordance with the applicable procurement thresholds for service contracts (the Beneficiary may apply their own internal procurement rules or the applicable Practical Guide as per Annex IV of the Grant Agreement)</p> <p>C.11.5. there is a signed agreement between the Coordinator and the subcontractor indicating the objective of the contract, the value and deliverables to be remitted by the subcontractor;</p> <p>C.11.6. there is supporting evidence that the services were provided by the subcontractor.</p> | <p>For the transactions included in the sample, the Practitioner shall obtain and check the following documents:</p> <ul style="list-style-type: none"> <li>- Annex I of the Grant Agreement</li> <li>- Annex III of the Grant Agreement</li> <li>- Coordinator's procurement policy</li> <li>- Procurement file</li> <li>- Contract signed</li> <li>- Invoices</li> <li>- Proof of payments</li> <li>- Evidence of delivery of the services/supplies/works to be rendered by the contractor as per the contract signed.</li> </ul> |
| <b>Article 10</b>   | <b>C</b>    | <b>ELIGIBILITY OF EXPENDITURES - COSTS OF FINANCIAL SUPPORT TO THIRD PARTIES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                     |             | <p>No specific sample would be draw for selection of subcontracting related transactions.</p> <p>The following procedures shall be applied to any transaction selected in the sample for Cost Categories A to E.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

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| <b>Article 10.5 to 10.9</b> | C.12     | <p><u>For costs related to financial support to third parties included in the sample the Practitioner checked that:</u></p> <p>C.12.1. Recourse to financial support to third parties is foreseen in Annex I (Description of the Action) of the Grant Agreement;</p> <p>C.12.2. The Coordinator selected the third parties through the application of the selection criteria defined in the Annex I (Description of the Action) of the Grant Agreement;</p> <p>C.12.3. The third parties comply with the criteria defined and the activities to be carried out by them corresponds to the type of activities foreseen in Annex I (Description of the Action) of the Grant Agreement;</p> <p>C.12.4. The maximum amount of financial support does not exceed EUR 60,000 per third party unless otherwise provided for in the Special Conditions of the Grant Agreement;</p> <p>C.12.5. There is a signed agreement between the Beneficiary and the third party;</p> <p>C.12.6. there is evidence that the third party carried out the activities for which financial support was awarded for.</p> <p>C.12.7. There is supporting documentation for the expenditures incurred by the third party</p> | <p>For the transactions included in the sample, the Practitioner shall obtain and check the following documents:</p> <ul style="list-style-type: none"> <li>- Annex I of the Grant Agreement</li> <li>- Selection process file</li> <li>- Agreement signed</li> <li>- Invoices/financial reports submitted by the third party together with the supporting evidence of expenditures incurred</li> <li>- Proof of payments to the third party</li> <li>- Evidence of delivery of the activities to be carried out as per the agreement signed.</li> </ul> |
| <b>Article 14</b>           | <b>C</b> | <b>ELIGIBILITY OF EXPENDITURES – VOLUNTEER’S WORKS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                             |          | <p>No specific sample would be draw for selection of subcontracting related transactions.</p> <p>The following procedures shall be applied to any transaction selected in the sample for Cost Categories A to E.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Article 14.10</b>        | C.13     | <p><u>For volunteers’ work-related transactions the Practitioner checked that:</u></p> <p>C.13.1. The Coordinator declared personnel costs for the work carried out by volunteers on the basis of unit costs authorised in accordance with Article 14.4 of Annex II (General Conditions) of the Grant Agreement and following;</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>For volunteers’ work-related transactions included in the sample, the Practitioner shall obtain and check the following documents:</p>                                                                                                                                                                                                                                                                                                                                                                                                                |

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|                     |             | <p>C.13.2. The unit costs applied by the Coordinator are in line with those determined by the Commission;</p> <p>C.13.4. These costs were presented separately from other eligible costs in the Annex III (Estimated Budget) of the Grant Agreement.</p> <p>C.13.5. The value of the volunteers' work has been excluded from the calculation of indirect costs;</p> <p>C.13.6. Volunteers' work comprised up to 50 % of the co-financing, the latter corresponding to the part not financed by the EU contribution.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>- Annex II (General Conditions) and Annex III (Estimated Budget) of the Grant Agreement;</li> <li>- Unit costs determined by the Commission;</li> <li>- Timesheets/monthly declarations from volunteers;</li> <li>- Breakdown of sources of funding of the Action.</li> </ul>                                                                                                                                                                                                                                                                                                                                     |
| <b>Article 14</b>   | <b>C</b>    | <b>ELIGIBILITY OF EXPENDITURES – SIMPLIFIED COSTS OPTIONS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                     |             | <p>No specific sample would be draw for selection of subcontracting related transactions.</p> <p>The following procedures shall be applied to any transaction selected in the sample for Cost Categories A to E.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Article 14.5</b> | <b>C.14</b> | <p><u>For transactions included in the sample claimed through Simplified Cost Options the Practitioner checked that:</u></p> <p>C.14.1. The methods used by the Coordinator to determine unit costs, lump sums, flat-rates are clearly described and substantiated in Annex I (Description of the Action) and Annex III (Estimated Budget) of the Grant Agreement and comply with the principle of co-financing and no double funding;</p> <p>C.14.2. Costs declared under simplified cost options meet the eligibility criteria set out in Articles 14.1 and 14.2 of Annex II (General Conditions) of the Grant Agreement and where applicable, the conditions for reimbursement established in Annex I, III and Annex K to the Guidelines for grant applicants are met;</p> <p>C.14.3. These costs do not include ineligible costs as referred to in Article 14.11 of Annex II (General Conditions) of the Grant Agreement or costs already declared under another costs item or heading of the budget of this contract;</p> | <p>For transactions included in the sample claimed through Simplified Cost Options the Practitioner shall obtain and check the following documents:</p> <ul style="list-style-type: none"> <li>- Annex I (Description of the Action), Annex II (General Conditions) and Annex III (Estimated Budget) of the Grant Agreement;</li> <li>- Annexes I, III and K of the Guidelines for Grant Applicants;</li> <li>- Description of the methodology applied by the Coordinator;</li> <li>- Underlying documentation to check eligibility and non-eligibility criteria set out in Articles 14.1, 14.2 and 14.11 of Annex II of the Grant Agreement.</li> </ul> |



| Grant Agreement Article | Cluster | Procedures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Documentation                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| Article 14.1            | D       | <b>NON-ELIGIBLE COSTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                         | D.1     | <p>For all the transactions in the sample, the practitioner checked that the costs declared in the financial statements do not include:</p> <p>D.1.1. Debts and debt service charges (interest);</p> <p>D.1.2. Provisions for losses, debts or potential future liabilities;</p> <p>D.1.3. Costs declared by the Beneficiary(ies) and financed by another action receiving a European Union grant (including through the European Development Fund);</p> <p>D.1.4. Costs declared by the Beneficiary(ies) and financed by other donor or source of contribution;</p> <p>D.1.5. Purchases of land or buildings, except where necessary for the direct implementation of the action and according to the conditions specified in the special conditions; in all cases the ownership shall be transferred in accordance with article 7.5 at the latest at the end of the action;</p> <p>D.1.6. Currency exchange losses;</p> <p>D.1.7. Credits to third parties, unless otherwise specified in the special conditions;</p> <p>D.1.8. In-kind contributions (Except for volunteers' work).</p> <p>D.1.9. Salary costs of the personnel of national administrations, unless otherwise specified in the special conditions and only to the extent that they relate to the cost of activities which the relevant public authority would not carry out if the action were not undertaken;</p> <p>D.1.10. Performance-based bonuses included in costs of staff.</p> | <p>For the transactions included in the sample, the Practitioner shall obtain and check the following documents:</p> <ul style="list-style-type: none"> <li>- Special Conditions of the Grant Agreement;</li> <li>- Annex II (General Conditions) of the Grant Agreement;</li> <li>- Annex III (Estimated Budget) of the Grant Agreement;</li> <li>- Supporting evidence of expenditures as detailed in Article 16.9 of Annex II (General Conditions) of the Grant Agreement;</li> </ul> |



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|  | D.2 | <p>For the sample of transactions, the practitioner checked that the costs declared in the financial statements:</p> <p>D.2.1. Do not include duties, taxes and charges, including VAT when these are recoverable by the Beneficiary.</p> | <p>For the transactions included in the sample, the Practitioner shall obtain and check the following documents:</p> <ul style="list-style-type: none"> <li>- Invoices</li> <li>- Certificates on Tax exemption (if applicable)</li> <li>- Certificates on Withheld Taxes (if applicable)</li> <li>- Evidence of taxes being paid to Local Tax Authorities</li> <li>- Any other document supporting the Coordinator tax status</li> </ul> |
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| Grant Agreement Article | Cluster | Procedures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Documents                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| Article 15              | E       | <b>USE OF EXCHANGE RATES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Article 15.9            | E.1     | <p><u>For exchange rates applied by Beneficiaries with accounts established in a currency other than euros the Practitioner checked that:</u></p> <p>E.1.1. for the purpose of reporting, expenditures have been converted to euros using the rate of exchange at which each contracting authority's contribution is recorded in the Coordinator's accounts (rate to apply = EUR received / currency recorded in Coordinator's account) unless otherwise provided for in the Special Conditions or in Article 15.9 and 15.10 of Annex II (General Conditions) of the Grant Agreement.</p> <p>E.1.2. If at the end of the action, a part of the expenses is pre-financed by the Coordinator (or by other donors), the conversion rate applied to this balance is the one set in the special condition according to the Coordinator's usual accounting practice. If no specific provision is foreseen in the special conditions, the exchange rate of the last instalment received from the contracting authority is applied.</p> <p>E.1.3. costs incurred in a currency (ies) different than the operating currency of the Coordinator shall be converted into euro by applying the Coordinator's usual</p> | <p>For all the transactions included in the sample, the Practitioner shall obtain and check the following documents:</p> <ul style="list-style-type: none"> <li>- Bank statements for the instalments received from the Contracting Authority;</li> <li>- Accounting records for the instalments received from the Contracting Authority;</li> <li>- Coordinator's accounting policies (more specifically, conversion policies)</li> </ul> |

| Grant Agreement Article | Cluster | Procedures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Documents                                                                                                                                                                                                                                               |
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| Article 15              | E       | <b>USE OF EXCHANGE RATES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                         |
|                         |         | accounting practices provided they respect the following basic requirements: (i) they are written down as an accounting rule, i.e. they are a standard practice of the beneficiary, (ii) they are applied consistently, (iii) they give equal treatment to all types of transactions and funding sources, (iv) the system can be demonstrated and the exchange rates are easily accessible for verifications.                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                         |
| <b>Article 15.10</b>    | E.2     | <p><u>For exchange rates applied by Beneficiaries with accounts established in euros the Practitioner checked that:</u></p> <p>E.2.1. costs incurred in a currency (ies) shall be converted into euro by applying the Coordinator's usual accounting practices provided they respect the following basic requirements: (i) they are written down as an accounting rule, i.e. they are a standard practice of the beneficiary, (ii) they are applied consistently, (iii) they give equal treatment to all types of transactions and funding sources, (iv) the system can be demonstrated and the exchange rates are easily accessible for verifications</p> | <p>For all the transactions included in the sample, the Practitioner shall obtain and check the following documents:</p> <ul style="list-style-type: none"> <li>- Coordinator's accounting policies (more specifically, conversion policies)</li> </ul> |

| Grant Agreement Article | Cluster | Procedures                                                 | Documents                                                                                                                                   |
|-------------------------|---------|------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Article 14.7            | F       | <b>CONTINGENCY RESERVE</b>                                 |                                                                                                                                             |
| <b>Article 14.7</b>     | F.1     | For the Contingency Reserve the Practitioner checked that: | For transactions included in the sample claimed in the Contingency Reserve the Practitioner shall obtain and check the following documents: |

| Grant Agreement Article | Cluster | Procedures                                                                                                                                                                                                                                                                                  | Documents                                                                                               |
|-------------------------|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Article 14.7            | F       | <b>CONTINGENCY RESERVE</b>                                                                                                                                                                                                                                                                  |                                                                                                         |
|                         |         | <p>F.1.1. The Coordinator obtained prior written authorisation from the Contracting Authority for the use of the reserve;</p> <p>F.1.2. The total amount of the contingency reserve and/or possible fluctuations in exchange rates do not exceed 5% of the total direct eligible costs;</p> | <ul style="list-style-type: none"> <li>- Written Authorisation of the Contracting Authority.</li> </ul> |

| Grant Agreement Article | Cluster | Procedures                                                                                                                                                                                                                                                                                                         | Documents                                                                                                                                                                                                             |
|-------------------------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Article 14.8            | G       | <b>INDIRECT COSTS</b>                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                       |
| Article 14.8            | G.1     | <p>For Indirect costs the Practitioner checked that:</p> <p>G.1.1. The total amount claimed as indirect costs is a fixed percentage of the total amount of direct eligible costs of the action which does not exceed the percentage laid down in Article 3.3 of the Special Conditions of the Grant Agreement;</p> | <p>For indirect costs the Practitioner shall obtain and check the following documents:</p> <ul style="list-style-type: none"> <li>- Special Conditions of the Grant Agreement.</li> <li>- Financial Report</li> </ul> |

| Grant Agreement Article | Cluster | Procedures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Documents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Article 14.9            | H       | <b>CONTRIBUTIONS IN-KIND</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                         |         | <p>No specific sample would be draw for selection of subcontracting related transactions.</p> <p>The following procedures shall be applied to any transaction selected in the sample for Cost Categories A to E.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Article 14.9            | H.1     | <p><u>For in-kind contributions related transactions the Practitioner checked that:</u></p> <p>H.1.1. in-kind contributions have not been claimed as actual eligible costs (except for volunteers' work);</p> <p>H.1.2. in-kind contributions have been accepted in the Special Conditions of the Grant Agreement as con-financing by the beneficiary(ies);</p> <p>H.1.3. in-kind contributions are listed separately in Annex III (Estimated Budget) of the Grant Agreement;</p> <p>H.1.4. in-kind contribution complies with national tax and social security rules;</p> <p>H.1.5. the value of the in-kind contribution is supported by underlying documentation.</p> | <p>For in-kind contribution transactions included in the sample, the Practitioner shall obtain and check the following documents:</p> <ul style="list-style-type: none"> <li>- Special Conditions of the Grant Agreement;</li> <li>- Annex III (Estimated Budget) of the Grant Agreement;</li> <li>- Calculation of the amounts claimed as in-kind contribution;</li> <li>- Underlying documentation to validate the calculation of the amounts claimed as in-kind contribution.</li> </ul> |

| Grant Agreement Article | Cluster | Procedures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Documents                                                                                                                                                                                                                                                             |
|-------------------------|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Article 17              | I       | <b>REVENUES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                       |
| Article 17.3 and 17.4   | I.1     | <p><u>The Practitioner checked that:</u></p> <p>I.1.1. The Action did not produce profit for the Coordinator, unless otherwise specified in Article 7 of the Special Conditions (profit is defined as a surplus of the receipts over the eligible costs approved by the contracting authority when the request for payment of the balance is made);</p> <p>I.1.2. Where the Action has produced profit, this has been declared in the financial report under section “2. Revenues from the Action” of the “Expected sources of funding &amp; Summary of estimated costs.”</p> <p>I.1.3. Where the Action has produced profit, it has been deducted from the declared expenditure, unless otherwise provided for in the contractual conditions</p> | <p>The Practitioner shall obtain and check the following documents:</p> <ul style="list-style-type: none"> <li>- Special Conditions of the Grant Agreement;</li> <li>- Expected sources of funding &amp; Summary of estimated costs”;</li> <li>- Receipts.</li> </ul> |

| Grant Agreement Article | Cluster | Procedures                                                                                                                                                                                                                                                                                                                                                                                    | Documents |
|-------------------------|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| -                       | J       | <b>IDENTIFICATION OF SYSTEMIC FINDINGS</b>                                                                                                                                                                                                                                                                                                                                                    |           |
| -                       | J.1     | <p><u>The Practitioner checked if:</u></p> <p>I.1.1. The errors identified as a result of the application of procedures <b>A</b> to <b>I</b> are systemic according to the following definition: “<i>Systemic errors are findings found in the revised population that have an impact in the other expenditures of the Action which occur in well-defined and similar circumstances</i>”.</p> |           |

