

ANNEX VII

MODEL TERMS OF REFERENCE FOR THE AUDIT CERTIFICATE ON THE FINANCIAL STATEMENTS

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(ONLY FOR BENEFICIARIES WITH THE STATUS OF NON-PUBLIC BODIES
- IF APPLICABLE)

Addressed to

[full name and the address of the Beneficiary concerned¹]

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

- we have conducted an audit relating to the cost declared in the Financial Statement(s) per Activity of *[name of Beneficiary]* hereinafter referred to as Beneficiary, and the documents provided in support of the Financial statement (i.e. cost claim, request for payment, Financial independence form) to which this audit certificate is attached, and which is to be presented to the Executive Agency for Health and Consumers under Grant Agreement *[grant agreement reference: title, acronym, number]* for the following period(s) covered by the Grant Agreement *[insert period(s) covered by the Financial Statement(s) per Activity]*.
- We confirm that our audit was carried out in accordance with generally accepted auditing standards respecting ethical rules and on the basis of the relevant provisions of the Grant Agreement and its annexes.
The above mentioned Financial Statement(s) per Activity and the Financial independence form were examined and all tests of the supporting documentation and accounting records deemed necessary were carried out in order to obtain reasonable assurance² that, in our opinion, based on our audit:
 - the amount of the total eligible costs (*[insert amount in number]* (*[insert amount in words³]*)) declared in the attached Financial Statement(s) per Activity is complying with the following cumulative conditions⁴:
 - ✓ they are actual and reflect the beneficiary's economic environment;
 - ✓ they are determined in accordance with the beneficiary's accounting principles;
 - ✓ they have been incurred during the periods covered by the Financial Statement(s) per Activity concerned by this audit certificate;

¹ See preamble of the Grant Agreement (if the beneficiary is the coordinator).

² Reasonable assurance is an accounting expression meaning a high degree of confidence that information is valid and unaltered.

³ In EUR.

⁴ Article II.19.1 Eligible costs are actual. They are not budgeted costs. Where actual costs are not available at the time of establishment of the audit certificate, the closest possible estimate can be declared as actual if this is in conformity with the accounting principles of the contractor. This must be mentioned in the Financial Statement. Any necessary adjustments to these claims must be reported in the Financial Statement for the subsequent reporting period. For the last reporting period, only actual costs can be declared.

[they also include the eligible costs incurred in drawing up the final reports referred to in Article II.19.1 of this grant agreement, which may be incurred up to two calendar months after the end of the project;]

- ✓ they are recorded in the accounts of the beneficiary at the date of the establishment of this audit certificate;
- ✓ they are exclusive of any non-eligible costs identified below which are established in Article II.19.4 of the above mentioned Grant Agreement:
 - return on capital;
 - debt and debt service charges;
 - provisions for losses;
 - interest owed;
 - doubtful debts;
 - exchange losses;
 - cost transfers from the Executive Agency charged by the bank of a beneficiary;
 - costs declared by a beneficiary in the framework of another action receiving a grant financed from the Union budget (including grants awarded by a Member State and financed from the Union budget and grants awarded by other bodies than the Executive Agency for the purpose of implementing the Union budget); in particular, indirect costs shall not be eligible under a grant for an action awarded to a beneficiary who already receives an operating grant financed from the Union budget during the period in question;
 - contributions in kind from third parties;
 - excessive or reckless expenditure;
 - deductible VAT.
- ✓ [they are claimed according to the conversion rate indicated in Article I.10 of the Grant Agreement:
 - as declared in the attached Financial Statement(s) per Activity, the total amount of receipts for the periods covered by this(those) Financial Statement(s) per Activity is equal to (*insert amount in number*) (*insert amount in words*⁵);
 - as declared in the attached request for payment, the total amount of interest yielded by the pre-financing received from the Executive Agency for the periods covered by this(those) Financial Statement(s) per Activity is equal to (*insert amount in number*) (*insert amount in words*⁶);
 - as declared in the Financial independence form attached, we confirm that the beneficiary's organisation did not receive more than 20 % of their core funding from private sector organisations⁷ representing a conflicting interest, or from other sources representing a conflicting interest during the financial year(s) covered by the grant agreement;
 - accounting procedures used in the recording of eligible costs and receipts respect the accounting rules of the State in which the beneficiary is established and permit the direct reconciliation between the costs and receipts incurred for the implementation of the

⁵ In EUR.

⁶ In EUR.

⁷ The term 'private sector' covers 'for-profit' companies/enterprises/corporations, business organisations or other entities irrespective of their legal nature (registered/not registered), ownership (wholly or partially privately owned/state owned) or size (large/small), if they are not controlled by the public.

project covered by the Grant Agreement and the overall statement of accounts relating to the beneficiary's overall business activity⁸;

- based on our audit, we can conclude that the financial management of the project was carried out in an acceptable manner and in compliance with the requirements of the Grant agreement;
- our company [organisation – for competent public officers] is qualified to deliver this audit certificate in full compliance with the Article I.4 of the Grant Agreement; [Relevant information establishing this qualification is included with this audit certificate;]⁹
- as declared in the attached Financial Statement(s) per Activity, the beneficiary paid for this audit certificate a price equal to *[insert amount in number] [insert amount in words¹⁰]* in which VAT is equal to *[insert amount in number] [insert amount in words¹¹]*.

Date, signature and stamp of the audit firm

⁸ Article II.19.1.

⁹ If the auditor is not known internationally or for a competent public officer whose competence to provide an audit certificate has not been attested to by its national authorities.

¹⁰ In EUR.

¹¹ In EUR.

