

directly hired (staff)

Statutory staff, having either a permanent or a temporary employment contract with the beneficiary/co-beneficiaries. The costs of directly hired staff should be processed through the organisation's payroll.

#### **EXCESSIVE OR RECKLESS EXPENDITURE**

Excessive expenditure should be understood as paying significantly more for products, services or personnel than the prevailing market rates, resulting in an avoidable financial loss/charge to the Action. Reckless expenditure means failing to exercise care in the selection of products, services or personnel, resulting in an avoidable financial loss/charge to the Action.

#### **Exception/(s)**

Matters to be reported by the auditor in the Report under the heading 'Exceptions', including the following:

- Error or exception:
  - Any fact detected by the auditor while performing a procedure which indicates deviation from the correct application of the contractual provisions (Grant Agreement, General or Specific Conditions, Annexes).
- Scope limitation:
  - Any fact or event which impedes the auditor in performing any of the procedures. For instance, if the beneficiary states that there is no time recording, the related procedure (verification of the time recorded) cannot be carried out. Such scope limitation should thus be reported as an exception in the auditor's report.

- **EXPENDITURE INCURRED**

- Expenditure committed and paid by the beneficiary and co-beneficiaries in the framework of the Action.

- **FINAL FINANCIAL REPORT**

- Refers to the form (Annex to the Grant Agreement) which the beneficiary is required to use to declare costs to the Agency in accordance with the Grant Agreement. It should be noted that in the article dealing with 'Submission of reports', the Grant Agreement refers to the 'Final Financial Report' as the 'Financial Statement'.

- **FINANCIAL STATEMENTS**

In the context of these guidance notes, Financial Statements refers to the statutory accounts of the beneficiary which are composed of:

1. Statement of Financial Position (also referred to as 'Balance Sheet');
2. Statement of Comprehensive Income (also referred to as 'Profit and Loss Statement' or 'P&L');
3. Statement of Changes in Equity;
4. Statement of Cash Flows; and
5. Notes to the Financial Statements.

#### **GENERAL LEDGER**

The general ledger corresponds to double-entry accounting in which financial movements are recorded at the level of each individual account. It presents the chart of accounts of the beneficiary and provides

information on the debit and credit entries made in the individual accounts. The general ledger is the primary source from which the statutory financial statements (or equivalent) are prepared.

#### **NORMAL ACCOUNTING POLICY**

Standards and criteria used by the beneficiary to prepare its statutory financial statements (or equivalent). Generally, the accounting policy applied by the beneficiary for EU Grant Agreements should not differ from its normal accounting policy.

However, for the purposes of the preparation of the Final Financial Report for the Agency, there may be cases where adjustments are necessary in order to comply with the eligibility criteria of the Grant Agreement; these should be duly documented and reconciled to the accounting records. The normal accounting policy may never be adapted ad-hoc in order to charge the EU Grant more than would be the case with the normal practice of the beneficiary and co-beneficiaries.

#### **NORMAL employment costs**

Refers to all cost components related to personnel. These include the basic salary, sickness, pension and social security contributions as well as any kind of allowances or benefits granted to the employees. The notion of 'normal' implies that those are the standards commonly applied by the beneficiary and co-beneficiaries.

#### **staff working time (working days)**

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

Staff working time:

- should exclude annual leave, public holidays, training and sick leave;
- should be calculated according to the beneficiary's and/or co-beneficiaries' normal practice and may vary depending on the personnel category, industry sector, unions, contracts and national legislation.

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

#### ***Example:***

Total days in a year	365
Weekends	-104
Annual holidays	-21
Statutory holidays	-10
<u>Illness/Others</u>	<u>-10</u>
Workable days in a year	220

- Engagement Letter for the Report of Factual Findings on the Final Financial Report

The engagement letter is composed of the following documents:

Cover letter (see mandatory text below);

Annex 1 – Information about the Grant Agreement;

Annex 2 – List of specific procedures to be performed;

Annex 3 – Compulsory report format and procedures to be performed.

When drafting the engagement letter, the auditor and the beneficiary should use the text and the annexes below. The auditor and the beneficiary are free to add further arrangements under the section ‘Other terms’ of the mandatory format. These provisions may not in any event be contradictory to these guidance notes.

### Cover letter

The following are the conditions on which *<name of the beneficiary>* ‘the beneficiary’ agrees to engage *<name of the audit firm>* ‘the auditor’ to provide an independent report of factual findings on the Final Financial Report prepared by the beneficiary in connection with a European Union financed Grant Agreement concerning *<title of the Action and number of the grant contract>* (the ‘Grant Agreement’). Where in this letter the ‘Agency’ is mentioned this refers to the Agency in its capacity as signatory of the Grant Agreement with the beneficiary, providing the grant funding. The Agency is not a party to this agreement.

#### 1) Responsibilities of the parties to the engagement

‘**The beneficiary**’ refers to the organisation that is receiving the grant funding and that has signed the Grant Agreement with the Agency.

- The beneficiary is responsible for providing the Agency with a Final Financial Report for the Action financed by the Grant Agreement which complies with the terms and conditions of the Grant Agreement and for ensuring that this Final Financial Report can be reconciled to the beneficiary’s accounting and bookkeeping system and to the underlying accounts and records. The beneficiary is responsible for providing sufficient and adequate information, both financial and non-financial, in support of the Final Financial Report. Notwithstanding the procedures to be carried out, the beneficiary remains at all times responsible and liable for the accuracy of the Final Financial Report.
- The beneficiary accepts that the ability of the auditor to perform the procedures required by this engagement effectively depends upon the beneficiary, and as the case may be its partners / co-beneficiaries, providing full and free access to the beneficiary’s staff and its accounting and bookkeeping system and underlying accounts and records.
- ‘**The auditor**’ refers to the auditor responsible for performing the agreed-upon procedures as specified in this letter, and for submitting an independent Report of Factual Findings – Type II to the beneficiary.
- The auditor must be independent from the beneficiary. By agreeing to this engagement the auditor confirms that at least the following condition/(s) has/have been met:
  - [Option 1: delete if not applicable] The auditor is qualified to carry out statutory audits of accounting documents in accordance with Directive 2006/43/EC 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 or similar national regulations.

- [Option 2: delete if not applicable] The auditor is a Competent Public Officer for which the relevant national authorities have established the legal capacity to audit the beneficiary and is not involved in the preparation of the Final Financial Report.
- The procedures to be performed are specified by the Agency and the auditor is not responsible for the suitability and appropriateness of these procedures.

## 2) Subject of the engagement

- The subject of this engagement is the Final Financial Report in connection with the Grant Agreement <Agreement reference number> for the period covering <dd Month yyyy to dd Month yyyy> and the Action entitled <title of the Action>, the 'Action'. Annex 1 to this letter contains information about the Grant Agreement.

## 3) Reason for the engagement

The beneficiary is required to submit to the Agency a Report of Factual Findings on the Final Financial Report in the form of an independent certification produced by an auditor in support of the payment requested by the beneficiary in accordance with Article 1.4.1 of the Grant Agreement. The Agency's Authorising Officer responsible requires this report as a condition for the final payment requested by the beneficiary.

## 4) Engagement type and objective

This constitutes an engagement to perform specific agreed-upon procedures regarding an independent certification of costs claimed under the Grant Agreement. The objective of this expenditure verification is for the auditor to carry out the specific procedures listed in Annex 2 to this letter and to submit to the beneficiary a Report of Factual Findings – Type II with regard to the specific verification procedures performed. Verification means that the auditor examines the factual information in the Final Financial Report of the beneficiary and compares it with the terms and conditions of the Grant Agreement.

As this engagement is not an assurance engagement, the auditor does not provide an audit opinion and expresses no assurance. The Agency assesses for itself the factual findings reported by the auditor and draws its own conclusions from these factual findings on the Final Financial Report and the payment request of the beneficiary relating thereto.

The auditor shall include in his/her report the amount of the fee received for providing the Report of Factual Findings – Type II and shall certify that no conflict of interest exists between him/her and the beneficiary in establishing the report.

## 5) Standards and ethics

The auditor shall undertake this engagement in accordance with:

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

## 6) Procedures, evidence and documentation

The auditor plans the work so that effective expenditure verification can be performed. The auditor performs the procedures listed in Annex 2 and applies the related guidelines ('List of specific procedures to be performed'). 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 claimed by the beneficiary in the Final Financial Report. The auditor uses the evidence obtained from these procedures as the basis for the Report of Factual Findings – Type II. The auditor documents matters which are important in providing

evidence to support the Report of Factual Findings – Type II and evidence that the work was carried out in accordance with ISRS 4400 and the specific guidance provided by the Agency.

**7) Reporting**

The report on this expenditure verification should describe the purpose, the agreed-upon procedures and the factual findings in sufficient detail to enable the beneficiary and the Agency to understand the nature and extent of the procedures performed by the auditor.

The use of the reporting template attached hereto (Annex 3 - Compulsory report format and procedures to be performed) is mandatory. This report must be provided by the auditor to <name of the beneficiary> within <xx; number of working days to be indicated by the beneficiary> working days after the day of signature of this engagement.

**8) Other terms**

*[The beneficiary and the auditor may use this section to agree other specific terms such as auditor's fees, out of pocket expenses, liability, applicable law, etc.]*

Signature beneficiary

Signature auditor

## Annex 1 – Information about the Grant Agreement

*[Annex to be completed by the beneficiary]*

Information about the Grant Agreement	
Reference number and date of the Grant Agreement	<Agency's reference of the Grant Agreement >
Programme	
Grant Agreement subject	
Country	
Beneficiary	< full name and address of the beneficiary as indicated in the Grant Agreement>
Start date of the Action	
End date of the Action	
Total cost of the Action	<amount in Art. I.XX of the Special Conditions of the Grant Agreement>
Grant maximum amount	<amount in Art. I.XX of the Special Conditions of the Grant Agreement>
Total amount received to date by the beneficiary from Agency	<Total amount received as of dd.mm.yyyy>
Total amount of the payment request	
Auditor	<Name and address of the audit firm and names/positions of the auditors>

## Annex 2 - List of specific procedures to be performed

- *General procedures*

- Terms and Conditions of the Grant Agreement

1. The auditor obtains an understanding of the terms and conditions of the Grant Agreement by reviewing:

- a signed copy of the Grant Agreement, its annexes and other relevant information. Particular attention should be paid to the Description of the Action and the Budget;
- the Final Financial Report (which includes a narrative and a financial section).

- Beneficiary's and co-beneficiaries' legal and VAT status

- The auditor confirms the legal status of the beneficiary and co-beneficiaries, and thus determines the treatment of VAT, which should fall into one of the following three categories:
  - Public body: entitled or not to recover VAT;
  - Private entity entitled to recover VAT (including the percentage that the entity is entitled to recover);
  - Private entity not entitled to recover VAT.
- In the framework of his/her work, the auditor is expected to verify the necessary supporting documents provided by the beneficiary and clearly confirm their status.

Specific rules contained in Articles I.11.8 (only for the 2011 projects) and II.19.4 of the Grant Agreement on VAT apply.

- Final Financial Report and the Grant Agreement

- The Final Financial Report must conform to the model in Annex IV of the Grant Agreement;
- The Final Financial Report should cover the Action as a whole, regardless of which part of it is financed by the Agency.

- Rules for Accounting and Record Keeping

- The auditor examines whether the beneficiary has complied with the rules for accounting and record keeping in accordance with Article II.19 of the General Conditions of the Grant Agreement;
- The accounts kept by the beneficiary for the implementation of the Action must be accurate, up-to-date and exhaustive (including all expenditure and income);
- The auditor examines whether the beneficiary has a double-entry book-keeping system;
- The income and expenditure relating to the Action must be easily identifiable and verifiable;
- The accounts must provide details of interest accrued on funds paid by the Agency.

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- Exchange Rates

The auditor verifies that amounts of expenditure incurred in a currency other than the euro have been converted in accordance with the provisions of Article I.10.2 of the Grant Agreement. Where the beneficiary is required to use the website of the Commission, this refers to InforEuro.

- *Verification evidence*

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

The beneficiary will allow the auditor access to all documents and databases concerning the technical and financial management of the Action (Article II.27 of the General Conditions). **It should also be noted that it is the beneficiary's responsibility to obtain the accounting documents necessary to enable the auditor to verify costs incurred by co-beneficiaries / project partners.**

Supporting documentation must be available in the form of original documents for the beneficiary (or certified copies of originals for the co-beneficiaries) rather than photocopies or facsimiles.

1. The Guidelines for the Use of the Grant provide a list of the types and nature of evidence that the auditor will often find in expenditure verifications.
2. If the auditor finds that the above criteria for evidence are not sufficiently met, this should be reported as an exception.

- *Procedures to verify the conformity of expenditure with the budget and analytical review*

- The auditor carries out a substantive review of the expenditure headings in the Final Financial Report;
- The auditor verifies whether there have been amendments to the budget of the Grant Agreement;
- The auditor verifies that the budget in the Final Financial Report corresponds to the budget of the Grant Agreement (authenticity and authorisation of the initial budget) and that the expenditure incurred was indicated in the budget of the Grant Agreement;
- The auditor verifies any transfers between budget headings by comparing the initial budget with the budget in the Final Financial Report and checks that the provisions of Article I.8 of the Grant Agreement have been complied with.

- **Selecting expenditure for verification and Expenditure Coverage**

3. The expenditure claimed by the beneficiary in the Final Financial Report is presented under the following expenditure headings:

- 4. I. Staff costs
- 5. II. Travel costs
- 6. III. Equipment
- 7. IV. Printing & Publishing
- 8. V. Other costs

9. Expenditure headings I to V represent the direct costs of the Action. Expenditure headings can be broken down into expenditure subheadings. Expenditure subheadings can be broken down into individual expenditure items or classes of expenditure items with the same or similar characteristics.

- **What percentage of expenditure needs to be verified by the auditor?**

10. The Expenditure Coverage Ratio ('ECR') represents the total amount of expenditure verified by the auditor expressed as a percentage of the total amount of expenditure reported by the beneficiary in the Final Financial Report (i.e. funded from EU funds and other sources).

11. The auditor ensures that the overall ECR is at least 70%. If the exception rate is less than 10% of the total amount of expenditure verified (i.e. 7% of total expenditure), the auditor finalises the verification procedures and continues with reporting.

12. If the exception rate is greater than 10%, the auditor is required to extend the verification procedures until the ECR is at least 85%.

13. In addition to reaching the minimum coverage of total expenditure stated in the previous two paragraphs, the auditor must ensure that the ECR for each expenditure heading in the Final Financial Report is at least 10%.

- **On what basis should expenditure items be selected for verification?**

14. In order to both meet the minimum ECR above and ensure that the expenditure verification is systematic and representative:

- value should be the principal factor used by the auditor, i.e. an appropriate number of high value expenditure items should be selected; and
- otherwise, the population selected for testing should be selected on a random basis in order to produce a representative sample.

- **Procedures to verify selected expenditure**

- Eligibility of costs

- The auditor verifies, for each expenditure item selected, that the eligibility criteria set out below have been met.
  - Costs actually incurred (Article II.19.1):
    - The auditor verifies that the expenditure for a selected item was actually incurred by and pertains to the beneficiary. For this purpose the auditor examines supporting documentation (e.g. invoices, contracts) and proof of payment. The auditor also examines proof of work done, goods received or services rendered and verifies the existence of assets if applicable.
    - The auditor verifies that the monetary value of a selected expenditure item is in line with underlying documents (e.g. invoices, payroll documents) and that correct exchange rates are used where applicable.

- Cut-off - Implementation period (Article I.2):
  - The auditor verifies that the expenditure for a selected item was incurred during the period of implementation or eligibility in accordance with Article I.2 of the Grant Agreement. Invoices received during the eligibility period but not yet paid, as well as costs relating to the Final Financial Report, should be reported by the auditor under the 'exceptions'. The costs relating to the Final Financial Report should be reasonable and in line with the provisions of Article II.19.1 of the Grant Agreement.
- Classification:
  - The auditor examines the nature of the expenditure for a selected item and verifies that the expenditure item has been classified under the correct (sub) heading of the Final Financial Report.
- Necessary / connected (Article II.19.1):
  - The auditor verifies whether it is plausible that the expenditure for a selected item was necessary for the implementation of the Action and that it had to be incurred for the contracted activities of the Action by examining the nature of the expenditure together with supporting documents.
- Sound financial management / economy (Article II.19.1):
  - For each selected item, the auditor verifies that the price paid for the goods/services does not represent expenditure that has been incurred excessively or recklessly, e.g. if the beneficiary is using business class flights for the project whereas its normal policy is for employees to fly economy.
- Compliance with sub-contracting and procurement rules:
  - Where applicable, the auditor checks that the sub-contracted tasks or activities have been provided for in the initial budget or have been approved by the Agency.
  - Where applicable, the auditor examines which procurement rules (as provided for by the Grant Agreement) apply for any given expenditure (sub)heading, class of expenditure items or expenditure item. The auditor verifies whether the expenditure was incurred in accordance with such rules by examining the underlying documents of the procurement and purchase process, e.g. tenders/quotes. Where the auditor finds instances of non-compliance with procurement rules, the nature thereof as well as their financial impact in terms of ineligible expenditure should be reported as an exception.
- Direct costs (Article II.19.2)
- The auditor verifies the selected expenditure items by carrying out the procedures listed above under (1). In addition, the following specific guidance is provided with regards to staff costs and other direct costs:
  - Staff costs
    - The auditor verifies the employment status and conditions of employment of the personnel.
  - For the employees selected, the auditor checks that they were:
    - directly hired by the beneficiary in accordance with its national legislation;
    - hired under the technical supervision and responsibility of the beneficiary alone;
    - remunerated in accordance with the beneficiary's normal practice for its activities, whether or not funded by the EU.
  - Any employment contract which does not meet these criteria must be reported by the auditor under the category 'exception'.

- Reminder: as far as the co-beneficiaries' staff supporting documents are concerned (e.g. payslips), the auditor should accept certified copies.
- **What is the objective of this procedure?**
- The Agency seeks to ensure that personnel costs actually relate to employees of the beneficiary carrying out the Action, and to identify cases where this component may have been effectively 'outsourced' to a different entity despite this not having been provided for in the Grant Agreement. The Agency also seeks to ensure that no special employment conditions are applied in the case of employees working on the Action which do not form part of the normal practice of the beneficiary.
- **Which documents should the beneficiary prepare for the auditor?**
- Employment contracts for the staff in question, as well as standard employment contracts in use for personnel who perform a variety of work for the beneficiary (i.e. are not exclusively devoted to an EU-funded project).
- Reminder: as far as the co-beneficiaries' staff supporting documents are concerned (e.g. payslips), the auditor should accept certified copies.
- **What kind of information would give rise to exceptions?**
- Any deviation from the above principles should be highlighted by the auditor as an exception. Some examples have been provided below (list not exhaustive).
- **Directly hired:** Exceptions should be highlighted if there are indications in the contract that the employee has been hired by a different legal entity, including a legal entity within the same group (e.g. if the beneficiary is XYZ and the contract is with XYZ registered in a different country). Another exception would be if the employee's services are being charged via a service company or other consulting type arrangement.
- **Remunerated in accordance with the normal practice of the beneficiary:** Typical examples of exceptions would include the employee being remunerated by way of a 'lump sum' instead of via a salary arrangement, or any other form of payment / charging which does not form part of the normal practice of the beneficiary.
  - The auditor examines employees' time recording (paper / computer, daily / weekly / monthly, signed, authorised).
- **What is the objective of this procedure?**
- This procedure will provide the Agency with the information it needs to assess whether the recording of project time is in line with the costs charged for staff working on the project.
- Normally, time recording should be carried out regularly and authorised by the project manager to ensure that the time worked on the Action can be traced and charged correctly. For the employees selected, the hours charged to the Action should have been accurately recorded in the time recording system. Any discrepancies between the amount charged to the Action and the amount in the recording system should be recorded as an exception, as should the absence of a recording system.
- **Which documents should the beneficiary prepare for the auditor?**
- The beneficiary should provide a description of the time-recording system and, for the employees selected for testing, make available all the time sheets or provide full access to the computer

system which records the time of the employees. The auditor should be able to trace the time charged for the sample selected to the time records of each individual employee.

- Reminder: as far as the co-beneficiaries' staff supporting documents are concerned (e.g. payslips), the auditor should accept certified copies.
- For the employees selected, the auditor verifies the daily rate by dividing the actual personnel costs by the actual working days, and then comparing it to the daily rate charged by the beneficiary.

- **What is the objective of this procedure?**

The objective of this check is to verify that the daily rates being charged have been correctly calculated from the actual underlying cost information for the period in question, namely the costs to the employer (salary / wages, including benefits and other employment costs), divided by the number of working days with reconciliation of the payroll information for the selected employees to the accounting records and payments.

- **Which documents should the beneficiary prepare for the auditor?**

The actual payroll information for the period in question (base salary, benefits of all kinds, pension contributions, employers' payroll taxes, social security contributions, etc.) and working days figures used to calculate the daily rates. The beneficiary should also provide a reconciliation/calculation showing how the daily rates were calculated from the payroll information.

If the working days or costs of personnel cannot be identified *or justified by the beneficiary*, they must be listed (together with the amounts) as exceptions.

**What employment costs are not considered eligible or should be regarded as exceptions?**

Generally, all employment costs which are part of the normal remuneration policy of the beneficiary are accepted. Costs which have been charged and which relate specifically to involvement in European projects, and are not part of these normal remuneration and/or accounting principles, should be noted as exceptions.

- Other direct costs

For the purpose of these guidance notes, the heading 'Other direct costs' refers generically to all direct cost categories within the approved budget other than staff costs, for example, travel & and costs of stay, equipment, printing & publishing or other costs, etc.

**Which documents should the beneficiary prepare for the auditor?**

For most transactions in these cost categories, it should be sufficient proof of expenditure if the beneficiary has kept original third-party invoices (or certified copies for co-beneficiaries).

For air travel costs, please also note that flight tickets and boarding passes may represent suitable documentation where both the cost of the trip and passengers' names / dates / place of departure and destination are evident.

**What are the most common errors made by beneficiaries for 'Other direct costs'?**

- a) General: invoices are not detailed enough to establish a clear connection to project activities.
- b) Costs of stay: costs of stay claimed are in excess of the maximum daily rates provided for in the Guidelines for the Use of the Grant.
- c) Equipment:
  - VAT is included in the invoice and charged as project expenditure;
  - Tendering procedure is not applied for the purchase of goods or services exceeding 25.000 EUR;

- Purchase of equipment is split into smaller contracts with individual amounts lower than the 25.000 EUR threshold;
- Proof of expenditure is a pro-forma invoice, an offer or a quotation instead of an invoice.

d) Printing & Publishing:

- Proof of expenditure is an internal document instead of an invoice.

e) Other costs:

- Prior authorisation is not requested/granted, e.g. hire of premises for dissemination events, sub-contracts;
- Proof of expenditure is an internal document instead of an invoice.

The guidance provided above is of a generic nature meant to draw attention to these matters; however, it is recommended that the beneficiary and auditor refer to the Guidelines for the Use of the Grant for detailed guidance on both cost eligibility and documentary requirements for each category of 'Other direct costs'.

- Indirect Costs (Articles I.3 and II.19.3)

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

Please note that transfers between the budget headings 'Direct cost' and 'Indirect costs' are not permitted.

- Ineligible Costs (Articles I.11.10 (2010 and 2012 projects), I.11.11 (2011 projects), I.10.10 (2013 projects) and II.19.4)

The auditor verifies that the expenditure for a selected item does not concern an ineligible cost as described in Article II.19.4 of the General Conditions and in Article I.11.10 of the Special Conditions of the Grant Agreement (for the 2010 and 2012 projects), in Article I.11.11 (for the 2011 projects) and in Article I.10.10 (for the 2013 projects) as well as in Article 10 of the Guidelines for the Use of the Grant.

- *Quantification of exceptions*

1. Wherever possible, the auditor quantifies the full amount of the verification exceptions found. For example, if the auditor finds an exception of EUR 1 000 with regard to procurement rules for a Grant Agreement where the EU finances 60 % of the expenditure, the auditor reports an exception of EUR 1 000 and a financial impact of EUR 600 (EUR 1 000 x 60%).
2. Furthermore, the description of the exception should be sufficiently detailed to enable the Agency to determine which expense item in the Final Financial Report the exception relates to. The wording in the 'factual findings' paragraph of the report format (Section IV, Annex 3) allows details of all exceptions to be provided in the form of an Annex.
3. The auditor's attention is drawn to the fact that favourable exceptions, i.e. exceptions increasing eligible expenditure, are not permitted.

- *Procedures to verify revenues*

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

Annex 3 - Compulsory report format and procedures to be performed  
*To be printed on letterhead paper of the auditor*

**Independent Report of Factual Findings – Type II on costs claimed under a Grant Agreement  
financed under the <insert name> Programme**

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

< Beneficiary's name>

<Address>

<dd Month yyyy>

In accordance with the terms of our engagement letter dated <dd Month yyyy> with <name of the beneficiary>, hereinafter referred to as 'the beneficiary', we hereby provide our Independent Report of Factual Findings – Type II ('the Report'), as specified below.

**Objective**

We [*legal name of the audit firm*], established in [*full address/city/province/country*], represented for signature of this Report by [*name and function of an authorised representative*], have performed agreed-upon procedures regarding the costs declared in the Final Financial Report of [*name of beneficiary*], the beneficiary, to which this Report is attached, and which is to be presented to the Education, Audiovisual and Culture Executive Agency, hereinafter referred to as 'the Agency', under Grant Agreement [*Grant Agreement reference number*] for the following period [*insert period covered by the Final Financial Report*]. This engagement involved performing the procedures listed in Annex 2 of the engagement letter, the results of which the Agency uses to draw conclusions as to the eligibility of the costs claimed.

**Standards and ethics**

Our engagement was undertaken in accordance with:

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

**Procedures performed**

As requested, we have only performed the procedures listed in Annex 2 to the engagement letter.

These procedures have been determined solely by the Agency and were performed solely to assist the Agency in evaluating whether the expenditure claimed by the beneficiary in the accompanying Final Financial Report has been claimed in accordance with the Grant Agreement. The auditor is not responsible for the suitability and appropriateness of these procedures.

Because the procedures performed by us did not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the Final Financial Report.

Had we performed additional procedures or had we performed an audit or review of the Final Financial Report of the beneficiary in accordance with International Standards on Auditing, other matters might have come to our attention that would have been reported to you.

**Sources of information**

The Report sets out information provided to us by the management of the beneficiary in response to specific questions or as obtained and extracted from the beneficiary's information and accounting systems.

## Beneficiary's VAT status

We confirm the legal status of the beneficiary:

- Public body: entitled or not to recover VAT;
- Private entity entitled to recover VAT (including the percentage that the entity is entitled to recover);
- Private entity not entitled to recover VAT.

## Factual findings

The above-mentioned Final Financial Report was examined and all procedures specified in Annex 2 to our engagement letter were carried out.

The total expenditure which is the subject of this expenditure verification amounts to EUR <xxxxxx>. The Expenditure Coverage Ratio verified by us amounts to <xx %>.

On the basis of the results of these procedures, we found:

*<select the relevant statement>*

*<All documentation and accounting information to enable us to carry out these procedures has been provided to us by the beneficiary. >*

*<We report the details of the exceptions which result from the procedures that we performed in Annex of this Report.>*

## Exceptions [delete if not applicable, i.e. no exceptions have been identified]

In some cases, the auditor was not able successfully to complete the procedures specified.

These exceptions are as follows:

**Exceptions such as inability to reconcile key information, unavailability of data which prevented the auditor from carrying out the procedures, etc. should be listed in the Annex to this compulsory report format. The Agency will use this information to decide the amounts which will be reimbursed.**

## Use of this report

This Report is intended solely for the purpose set forth in the above objective.

This Report is prepared solely for the confidential use of the beneficiary and the Agency and solely for the purpose of submission to the Agency in connection with the requirements as set out in Articles II.27 of the Grant Agreement. This Report may not be relied upon by the beneficiary or by the Agency for any other purpose, nor may it be distributed to any other parties. The Agency may only disclose this Report to others who have regulatory rights of access to it, in particular the European Commission, the European Anti Fraud Office and the European Court of Auditors.

This Report relates only to the Final Financial Report specified above and does not extend to any other financial statements of the beneficiary.

No conflict of interest exists between the auditor and the beneficiary in establishing this Report.

The fee paid to the auditor for providing the Report was EUR \_\_\_\_\_ while a total of EUR \_\_\_\_\_ has been reimbursed to the auditor for the related travel & subsistence.

We look forward to discussing our report with you and would be pleased to provide any further information or assistance which may be required.

*[legal name of the audit firm]*

*[name and function of an authorised representative]*

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

**Annex to the compulsory report format**

**List of exceptions identified by the auditor**

Budget heading	Budget item under exception	Reference	Reason for the exception	Amount
e.g. Direct costs	Subsistence	No XX/12	Exceed ceiling	EUR 200

**ՀԱՎԵԼՎԱԾ 1.2**

**ՏԵՂԵԿԱՏՎՈՒԹՅՈՒՆ ԴՐԱՄԱՇՆՈՐՀԱՅԻՆ ԾՐԱԳՐԻ ԵՎ ՊԱՅՄԱՆԱԳՐԻ ՄԱՍԻՆ**

Դրամաշնորհային ծրագրի պայմանագրի հերթական համարն ու ամսաթիվը	<b>№ 2013-5038/001.-001</b> Կնքման ամսաթիվը՝ 17.01.2014թ.
Դրամաշնորհային ծրագրի անվանումը	“Fostering Autonomy and Accountability: Development of State of the Art HE Management System for Efficient Changes in Line with Bologna Principles”  «Բոլոնիայի սկզբունքներին համահունչ բարձրագույն կրթության կառավարման համակարգի արդյունավետ բարեփոխումների իրականացում՝ խթանելով բուհերի ինքնավարությունը և հաշվետվողականությունը»
Դրամաշնորհային ծրագրի պայմանագրի առարկան	Project number: №343711-TEMPUS-1-2013-1-AM-TEMPUS-SMGR (№ <b>2013-5038/001-001</b> )
Համակարգող հաստատության երկիրը	Հայաստանի Հանրապետություն
Համակարգող հաստատությունը	Հայաստանի գեղարվեստի պետական ակադեմիա Հիմնադրամ
Գործընկեր հաստատությունների ցանկը	P1: Հայաստանի գեղարվեստի պետական ակադեմիա, Երևան, ՀՀ P2: Լյուվենի համալսարան, Լյուվեն, Բելգիա P3: CESIE կազմակերպություն, Պալերմո, Իտալիա P4: Համալսարանների համաշխարհային ծառայություն, WUS, Ավստրիա P5: Բաթ Սպայի համալսարան, Բաթ, Մեծ Բրիտանիա P6: Կոբլենց-Լանդաու համալսարան, Կոբլենց, Գերմանիա P7: ASIIN կազմակերպություն P8: Երևանի Վ. Բրյուսովի անվան պետական լեզվա հասարակագիտական համալսարան, Երևան, ՀՀ P9: Հայաստանի պետական տնտեսագիտական համալսարան, Երևան,

	<p>ՀՀ</p> <p>P10: Հայաստանի ազգային ագրարային համալսարան, Երևան, ՀՀ</p> <p>P11: Վանաձորի պետական համալսարան, Վանաձոր, ՀՀ</p> <p>P12: Հյուսիսային համալսարան, Երևան, ՀՀ</p> <p>P13: Զարտարապետության և շինարարության Հայաստանի ազգային համալսարան, Երևան, ՀՀ</p> <p>P14: Երևանի Մ. Շեքացու անվան պետական բժշկական համալսարան, Երևան, ՀՀ</p> <p>P15: Գավառի պետական համալսարան, Գավառ, ՀՀ</p> <p>P16: ՀՀ կրթության և գիտության նախարարություն, Երևան, ՀՀ</p> <p>P17: Կրթության որակ ՄՊԸ, Երևան, ՀՀ</p> <p>P18: Մասնագիտական կրթության որակի ապահովման ազգային կենտրոն հիմնադրամ, Երևան, ՀՀ</p> <p>P19: Հայաստանի ուսանողների ազգային ասոցիացիա, Երևան, ՀՀ</p> <p>P20: ՀՀ պետական կառավարաման ակադեմիա, Երևան, ՀՀ</p> <p>P21: Հայաստանի ամերիկյան համալսարան, Երևան, ՀՀ</p> <p>P22: Հայաստանի գործատուների հանրապետական միություն, Երևան, ՀՀ</p> <p>P23: Արտաքին փորձագետ պրն. Հայնց-Ուլրիխ Շմիդտ</p>
Դրամաշնորհային ծրագրի սկիզբը՝	<b>01 դեկտեմբերի 2013</b>
Դրամաշնորհային ծրագրի ավարտը՝	<b>30 նոյեմբերի 2017</b> (համաձայն ծրագրի ընթացքի երկարացման մասին պայմանագրի հավելման՝ №2013-5038/001/003 extension of Eligibility Period – հաստատված 11.11.2016թ. գրությամբ)
Դրամաշնորհային ծրագրի ընդհանուր գումարը՝ ներառյալ համաֆինանսավորումը	<b>900 651,1 եվրո</b>
Միայն դրամաշնորհի ընդհանուր գումարը	<b>809 685, 35 եվրո</b>
Գործակալության կողմից մինչ օրս փոխանցված գումարը	<b>485 736,21 եվրո</b> – առաջին փոխանցում՝ 31 դեկտեմբերի 2013թ <b>242790,61 եվրո</b> – երկրորդ փոխանցում՝ 31/08/2016թ. <b>Ընդամենը՝ 728 526,82 եվրո</b>
Գործակալությունից վճարման ենթակա մնացորդը	<b>81 158,53 եվրո</b>

**ՊԱՏՎԻՐԱՏՈՒ**

**ԿԱՏԱՐՈՂ**



ՎՃԱՐՄԱՆ ԺԱՄԱՆԱԿԱՑՈՒՅՑ\*

ՀՀ դրամ

Ծառայության														
հրավերով նախատեսված չափաբաժնի համարը	գնումների պլանով նախատեսված միջանցիկ ծածկագիրը՝ ըստ ԳՄԱ դասակարգման (CPV)	անվանումը	դիմաց վճարումները նախատեսվում է իրականացնել 2018թ-ին՝ ըստ ամիսների, այդ թվում**											
			հունվար	փետրվար	մարտ	ապրիլ	մայիս	հունիս	հուլիս	օգոստոս	սեպտեմբեր	հոկտեմբեր	նոյեմբեր	դեկտեմբեր
														Ընդամենը
1	79211150	Աուդիտորական ծառայություն	390 000											390 000

ՊԱՏՎԻՐԱՏՈՒ



ԿԱՏԱՐՈՐ



Պայմանագրի կողմ  
\_\_\_\_\_  
\_\_\_\_\_  
գտնվելու վայրը \_\_\_\_\_  
հհ \_\_\_\_\_  
\_\_\_\_\_  
հվհհ \_\_\_\_\_

Պատվիրատու  
\_\_\_\_\_  
\_\_\_\_\_  
գտնվելու վայրը \_\_\_\_\_  
հհ \_\_\_\_\_  
\_\_\_\_\_  
հվհհ \_\_\_\_\_

### ԱՐՁԱՆԱԳՐՈՒԹՅՈՒՆ N ՊԱՅՄԱՆԱԳՐԻ ԿԱՄ ԴՐԱ ՄԻ ՄԱՍԻ ԿԱՏԱՐՄԱՆ ԱՐԴՅՈՒՆՔՆԵՐԻ ՀԱՆՁՆՄԱՆ-ԸՆԴՈՒՆՄԱՆ

«        » «        » 20 թ.

Պայմանագրի /այսուհետ՝ Պայմանագիր/ անվանումը՝ \_\_\_\_\_

Պայմանագրի կնքման ամսաթիվը՝ «        » «        » 20 թ.

Պայմանագրի համարը՝ \_\_\_\_\_

Պատվիրատուն՝ ի դեմս \_\_\_\_\_ և

Պայմանագրի կողմը՝ ի դեմս \_\_\_\_\_, հիմք ընդունելով Պայմանագրի կատարման վերաբերյալ «        » «        » 20 թ. կազմված՝ գնման հայտը նախագծած ներկայացուցչի N եզրակացությունն այն մասին, որ Պայմանագրով նախատեսված՝ ստորև նշված ծառայությունները համապատասխանում են Պայմանագրով ամրագրված տեխնիկական բնութագրերին և գնման ժամանակացույցին՝ կազմեցին սույն արձանագրությունը հետևյալի մասին.

Պայմանագրի շրջանակներում Պայմանագրի կողմը մատուցել է հետևյալ ծառայությունները՝

N	Մատուցված ծառայությունների						
	անվանումը	տեխնիկական բնութագրի համառոտ շարադրանքը	քանակական ցուցանիշը		կատարման ժամկետը		վճարման ենթակա գումարը /հազար դրամ/
			ըստ պայմանագրով հաստատված գնման ժամանակացույցի	փաստացի	ըստ պայմանագրով հաստատված գնման ժամանակացույցի	փաստացի	

Վերոհիշյալ ծառայությունների մատուցման վերաբերյալ բոլոր հաշիվ-ապրանքագրերը հանդիսանում են սույն արձանագրության բաղկացուցիչ մասը և կցվում են:

Ծառայությունը հանձնեց

\_\_\_\_\_  
ստորագրություն  
\_\_\_\_\_  
ազգանուն, անուն  
Կ.Տ.

Ծառայությունն ընդունեց

\_\_\_\_\_  
ստորագրություն  
\_\_\_\_\_  
ազգանուն, անուն  
Կ.Տ.

ԱԿՏ N

պայմանագրի արդյունքը Պատվիրատուին հանձնելու փաստը ֆիքսելու վերաբերյալ

Սույնով արձանագրվում է, որ \_\_\_\_\_-ի (այսուհետ՝ Պատվիրատու) և \_\_\_\_\_-ի  
Պատվիրատուի անունը Կատարողի անունը

(այսուհետ՝ Կատարող) միջև 20 թ. \_\_\_\_\_-ին կնքված N \_\_\_\_\_  
պայմանագրի կնքման ամսաթիվը պայմանագրի համարը

գնման պայմանագրի շրջանակներում Կատարողը 20 թ. \_\_\_\_\_-ին հանձնման-ընդունման  
նպատակով Պատվիրատուին հանձնեց ստորև նշված ծառայությունները.

Ծառայություն		
անվանումը	չափման միավորը	քանակը (փաստացի)

Սույն ակտը կազմված է 2 օրինակից, յուրաքանչյուր կողմին տրամադրվում է մեկական օրինակ:

## ԿՈՂՄԵՐԸ

### Հանձնեց

\_\_\_\_\_  
ազգանուն, անուն  
\_\_\_\_\_  
ստորագրություն

### Ընդունեց

հայտը նախագծած ներկայացուցիչ՝

\_\_\_\_\_  
ազգանուն, անուն  
\_\_\_\_\_  
ստորագրություն

**Պայմանագրի կողմ**  
«Հայառուիտ» ՍՊԸ

Գտնվելու վայրը - ք. Երևան, գր. Լուսավորչի 15/1  
հ/հ - 2470100504630000  
Բանկ - «Արդշինբանկ» ՓԲԸ  
ՀՎՀՀ - 02531234

**Պատվիրատու**

«Հայաստանի գեղարվեստի պետական ակադեմիա» հիմնադրամ

Գտնվելու վայրը - ք. Երևան, Բսահակյան 36  
հ/հ - 11815000774800  
Բանկ - «Անեյիք Բանկ» ՓԲԸ  
ՀՎՀՀ - 01505555

## ԱՐՁԱՆԱԳՐՈՒԹՅՈՒՆ N ՊԱՅՄԱՆԱԳՐԻ ԿԱՍ ԴԴԱ ՄԻ ՄԱՍԻ ԿԱՏԱՐՄԱՆ ԱՐԴՅՈՒՆՔՆԵՐԻ ՀԱՆՁՆՄԱՆ-ԸՆԴՈՒՆՄԱՆ

« 26 » Հունվար 2018 թ.

Պայմանագրի /այսուհետ՝ Պայմանագիր/ անվանումը՝ «Հայաստանի գեղարվեստի պետական ակադեմիա» հիմնադրամի կարիքների համար աուդիտորական ծառայության մատուցման սլետական գնման պայմանագիր

Պայմանագրի կնքման ամսաթիվը՝ «30» «նոյեմբեր» 2017 թ.

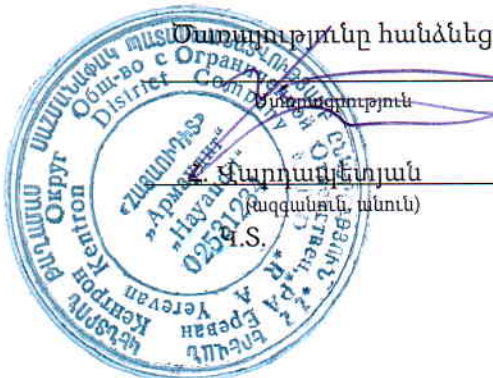
Պայմանագրի համարը՝ N ՀԳՊԱ - ԳՀԾԶԲ - 17/05

Պատվիրատուն՝ ի դեմս «Հայաստանի գեղարվեստի պետական ակադեմիա» հիմնադրամի տնօրեն Ա. Բսարեկյանի և Պայմանագրի կողմը՝ ի դեմս «Հայառուիտ» ՍՊԸ տնօրեն Հ. Վարդուպետյանի, հիմք ընդունելով Պայմանագրի կատարման վերաբերյալ «\_\_\_» «\_\_\_\_\_» 20 թ. կազմված գնման հայտը նախագծած ներկայացուցչի N եզրակացությունն այն մասին, որ Պայմանագրով նախատեսված՝ ստորև նշված ծառայությունները համապատասխանում են Պայմանագրով ամրագրված տեխնիկական բնութագրերին և գնման ժամանակացույցին՝ կազմեցին սույն արձանագրությունը հետևյալի մասին.

Պայմանագրի շրջանակներում Պայմանագրի կողմը մատուցել է հետևյալ ծառայությունները՝

N	Մատուցված ծառայություններ						
	Անվանումը	Տեխնիկական բնութագրի համառոտ շարադրանքը	քանակական ցուցանիշը		կատարման ժամկետը		Վճարման ենթակա գումարը /հազար դրամ/
			Ըստ պայմանագրով հաստատված գնման ժամանակացույցի	Փաստացի	Ըստ պայմանագրով հաստատված գնման ժամանակացույցի	Փաստացի	
1	Աուդիտ	ՏԵՄՊՈՒՍ GOVERN ծրագրի աուդիտորական ծառայություն	1	1	04.12.2017թ.- 29.01.2018թ.	04.12.2017թ. 26.01.2018թ.	390.0
							25.02.2018թ.

Վերոհիշյալ ծառայությունների մատուցման վերաբերյալ բոլոր հաշիվ-ապրանքագրերը հանդիսանում են սույն արձանագրության բաղկացուցիչ մասը և կցվում են:



Հաճախում եմ հաստատել և ստորագրել  
Համաձայնեցող

ԱԿՏ N

պայմանագրի արդյունքը Պատվիրատուին հանձնելու փաստը ֆիքսելու վերաբերյալ

Սույնով արձանագրվում է, որ՝ «Հայաստանի գեղարվեստի պետական ակադեմիա» հիմնադրամի

(այսուհետ՝ Պատվիրատու) և «Հայաստանի ՍՊԸ»-ի (այսուհետ՝ Կատարող) միջև 2017թ. նոյեմբերի  
Պատվիրատուի անունը Կատարողի անունը պայմանագրի կնքման ամսաթիվը

30-ին կնքված N ՀԳՊԱ – ԳՀԾԶԲ – 17/05 գնման պայմանագրի շրջանակներում Կատարողը 2018թ. հունվարի  
պայմանագրի համարը

26-ին հանձնման-ընդունման նպատակով Պատվիրատուին հանձնեց ստորև նշված ծառայությունը.

Ծառայության		
Անվանումը	Չափման միավորը	Քանակը (փաստացի)
ՏԵՄՊՈՒՍ GOVERN ծրագրի առողջապահական ծառայություն	Պայմանագիր	1(մեկ)

Սույն ակտը կազմված է 2 օրինակից, յուրաքանչյուր կողմին տրամադրվում է մեկական օրինակ:

ԿՈՂՄԵՐԸ

Հանձնեց



Ընդունեց

հայտը նախագծած ներկայացուցիչ՝

