



EUROPEAN COMMISSION  
Research Directorate-General  
External Audit

## ANNEX TO THE LETTER OF ANNOUNCEMENT

As referred to in our letter of announcement, the European Commission has decided to carry out a financial audit on specific financial statements presented by your organisation.

The primary objective of a financial audit is to verify that the costs declared to the Commission are in compliance with the financial provisions as defined in each specific grant agreement and, more specifically, are in line with the eligibility requirements set out in articles II.14 and II.15 of the FP7 grant agreement.

According to article II.22 of the FP7 grant agreement, it is the beneficiary's responsibility to make available all detailed information and data that may be requested with a view to verifying that the grant agreement is properly managed and performed in accordance with its provisions and that costs have been charged in compliance with it. In this sense, beneficiaries are requested to ensure that all documentation requested is readily available at the time of the audit. **Failure to do so may imply that the audit concludes with a limitation in the audit team's assurance on the regularity of the management of the grant agreement.**

You are therefore requested to prepare copies of the relevant supporting documents listed below prior to the start of the audit fieldwork in your premises. As regards the specific cost categories, the request should be adapted to the particular categories used by you in line with the contractual requirements. Documentation with the comment "no copy required" should be available for verification only. Copies might be requested during the audit when necessary. Documents marked in the column "**To be sent to the auditor prior to the mission on-the-spot**" should be sent in a digital format to the auditor before the fieldwork in order to enable the auditor to prepare the audit in the most efficient manner.

Thank you for taking the time to complete this activity.

Supporting documentation		To be sent to the auditor prior to the mission on-the-spot	Obtained?
<b>I. General Information about the Beneficiary</b>			
	1. Beneficiary's legal registration (such as trade register abstract)		
	2. Organisation chart with list of key officers		
	3. Financial statements of the last three financial years together with the statutory auditors' report (if applicable)	Y	
	4. Beneficiary's accounting policies		

	5. Description of cost/profit centre structure (with an indication where the action is carried out)	Y	
	6. List of personnel associated to the cost/profit centres (where the RTD action is carried out) as referred to in point 5	Y	
	7. Beneficiary's guidelines/procedures for the financial / scientific management of EC Research grant agreements (if available)	Y	
	8. List of all other EC fundings received and all grant agreements (both closed and in progress) signed with the Commission (from 1/01/2007 till today)		
	9. List of ICT systems used to manage the projects		
	10. List of Authorized signatures		
<b>II. Receipt and distribution of Commission financial contribution</b>			
	1. Bank statements showing amount and date of advance and/or interim and/or final payments received (from Commission or co-ordinator)		
	2. <i>Only for co-ordinator:</i> Bank statements showing the interest yielded by the European Union funds or the calculation of the interest yielded by the European Union funds		
	3. <i>Only for co-ordinator:</i> Table or report on the distribution of the European Union financial contribution		
	4. <i>Only for co-ordinator:</i> Beneficiary's bank statement showing amount and date of advance and/or interim and/or final payments forwarded to other members of the consortium		
<b>III. Project management information</b>			
	1. Periodic activity and management reports – <u>no copy required</u>		
	2. Periodic review reports – <u>no copy required</u>		



<b>IV. General financial documents</b>			
1.	Detailed breakdown of costs supporting the Financial Statements (Form C) submitted to the Commission, specifying the type of activity to which they relate to and, where applicable, the resources provided by a third party – ( <b>Note:</b> this breakdown should include the relevant accounting codes/reference numbers to allow for reconciliation between the financial statements sent to the Commission and the beneficiary's financial records as extracted from the accounting system. Should the beneficiary identify an eventual discrepancy between the amounts declared and supported, the breakdown to be provided should identify the elements motivating the difference)	Y	
2.	General ledger as extracted from the accounting system to be used for reconciliation purposes as referred to in point 1.	Y	
3.	Breakdown of receipts of the project (where applicable) as defined in article II.17 of the grant agreement	Y	
4.	For third party resources as identified in Annex I to the grant agreement, the agreement established between the beneficiary and the third party prior to its contribution to the project		
5.	Bank statements showing amount and date of bank transfer/payment receipts for all costs – <u>no copy required</u>		
<b>V. Supporting documents for personnel costs</b>			
1.	Beneficiary's internal guidelines/procedures for time recording follow-up (if available)	Y	
2.	Breakdown of personnel costs claimed in the financial statements by individual, indicating the number of hours charged as well as the hourly rate	Y	
3.	Employment contracts for all (permanent and temporary) project personnel – <u>no copy required</u>		
4.	Payroll/Salary slips for all project personnel (whole period of project duration) – <u>no copy required</u>		
5.	Calculation of related charges (social charges such as pension, sickness, unemployment, etc.) according to national legislation – <u>no copy required</u>		
6.	Calculation of hourly rates (i.e. gross remuneration plus related charges) for all personnel categories/project personnel – <u>no copy required</u>		

	7. Certified time records (or any other control document directly attributing personnel costs to the audit project) for all project personnel involved in the action – <u>no copy required</u>		
	8. (Standard) Productive hours calculation (if applicable)	Y	
<b>VI. Supporting documents for durable equipment</b>			
	1. Beneficiary's internal guidelines/procedures for procurement of durable equipment (if available)	Y	
	2. Beneficiary's valuation rules for accounting treatment of durable equipment	Y	
	3. List of all acquisitions and retirements of durable equipment per period. – <u>no copy required</u>		
	4. Purchase orders and delivery notes for durable equipment – <u>no copy required</u>		
	5. Original invoices for purchase of equipment– <u>no copy required</u>		
	6. Inventory register or fixed asset register/ledger for the durable equipment related to the project – <u>no copy required</u>	Y	
	7. Depreciation table showing the gross book value of the durable equipment, the additions and retirements, the depreciation rate and the depreciation charge per period – <u>no copy required</u>	Y	
	8. In case of rented equipment: rental contract, inventory list of rented equipment, and calculation of leasing and/or rental charges – <u>no copy required</u>		
	9. Equipment's usage diary/register (for equipment used by different projects) – <u>no copy required</u>		
<b>Note:</b> the existence and use for the project may be checked during the visit			
<b>VII. Supporting documents for subcontracting</b>			
	1. Beneficiary's internal guidelines/procedures for procurement of services (where applicable)	Y	
	2. Description of services provided by subcontractors and/or third party resources in the context of the funded action. – <u>no copy required</u>		
	3. Signed original copies of agreements with subcontractors and/or third party resources (including technical annexes) – <u>no copy required</u>		



	4. Request and Commission approval of subcontracting (where required) – <u>no copy required</u>		
	5. Original invoices for external assistance – <u>no copy required</u>		
	6. Evidence of delivery or services provided – <u>no copy required</u>		
<b>VIII. Supporting documents for travel and subsistence</b>			
	1. Beneficiary's internal guidelines/procedures for reimbursement of travel expenses (where applicable)	Y	
	2. List and dates of trips by project personnel – <u>no copy required</u>		
	3. Authorised travel request forms, if applicable – <u>no copy required</u>		
	4. Original invoices for travel and accommodation expenses – <u>no copy required</u>		
<b>IX. Supporting documents for consumables</b>			
	1. Beneficiary's internal guidelines/procedures for procurement of consumables (where applicable)	Y	
	2. Purchase orders and delivery notes for consumables – <u>no copy required</u>		
	3. Original invoices for purchase of consumables – <u>no copy required</u>		
	4. Inventory register/ledger (where applicable) – <u>no copy required</u>		
<b>X. Supporting documents for indirect costs</b>			
	1. Description of the methodology used for the calculation and allocation of indirect costs (including analysis of the cost categories included in the overheads)	Y	
	2. Reconciliation of the overhead costs with the profit & loss accounts (P&L)/general ledger		
	3. Calculation of (cost centre/project/personnel) overhead rates (including, where applicable, an analysis of the productive/non-productive hours on the basis of which indirect costs have been allocated)		

<b>XI. Certificate on the financial statements and certificate on the methodology</b>			
	1. Original signed certificates – <u>no copy required</u>		
	2. Letter of audit engagement/appointment sent to external auditor – <u>no copy required</u>		
	3. External auditor's letter of acceptance/engagement confirmation – <u>no copy required</u>		
	4. External auditor's invoice – <u>no copy required</u>		