

## 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>**