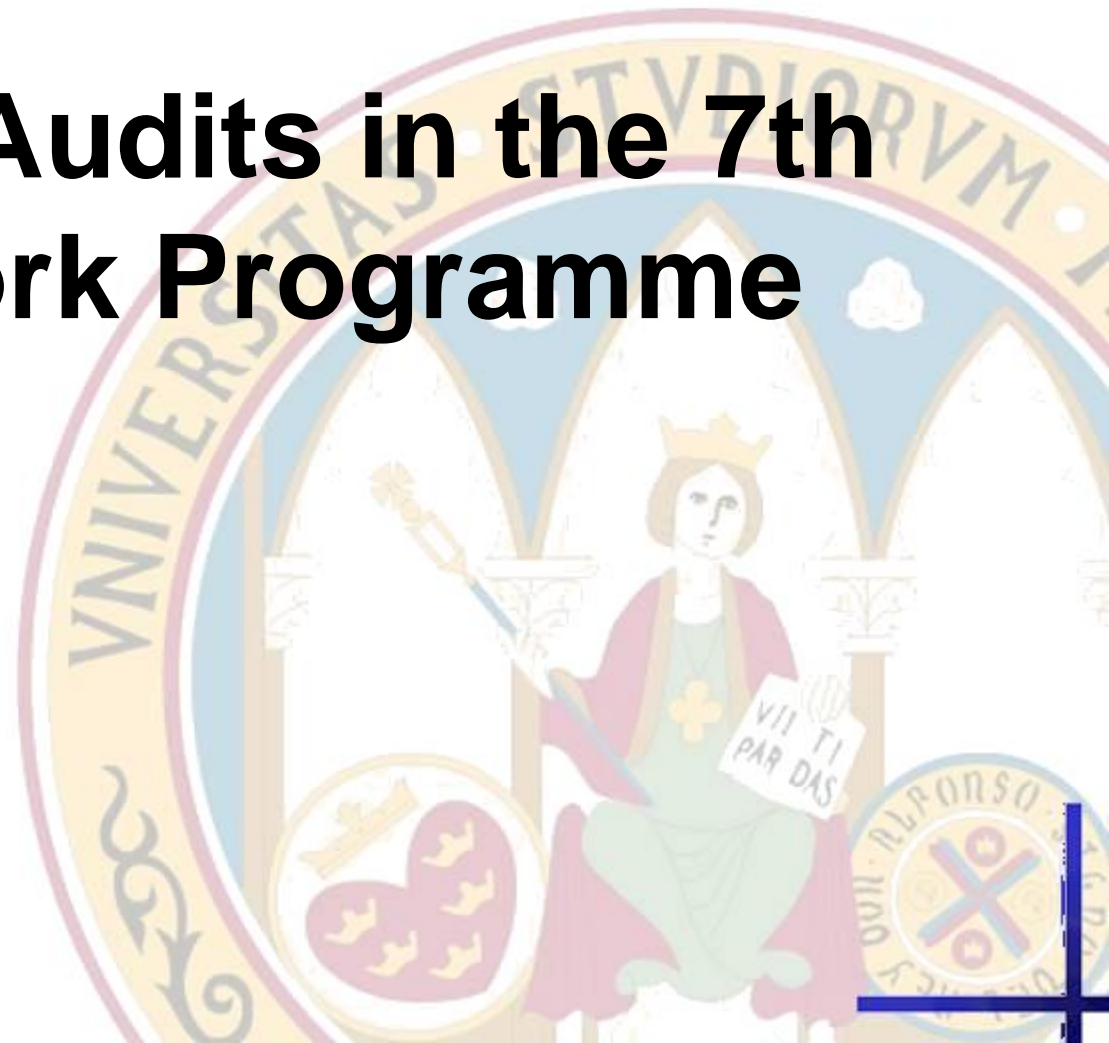




# Financial Audits in the 7th Framework Programme





# Methods for the control of grants

**EX-ANTE CONTROLS**

*Previous to the submission of Form C*

CERTIFICATES ON THE FINANCIAL STATEMENTS

CERTIFICATES ON THE METHODOLOGY

**EX-POST CONTROLS**

*After the submission of Form C*

EC AUDITS

**FP7 - Grant Agreement - Annex VI - Collaborative Project**

Form C - Financial Statement (to be filled in by each beneficiary) Collaborative Project

Project or Sub-project Reference	Project Name	Starting date	Collaborative Project
Project Start		% for an adjustment to a previous statement?	Yes/No
Legal Name	Project Lead Entity Code		
Operational start date	Operational start date		
Contract No for FP7 selection (if)	Contract No for FP7 selection (if)	% of total cost for FP7 selection (if)	%

**2. Declaration of eligible expenditure (article 104 of the RVO)**

Type of Activity	Type of Activity				TOTAL (EUR/USD)
	FP7	Partnership (EU)	Partnership (non-EU)	Other	
Personnel costs					
Other direct costs					
Indirect costs					
Long term amortisation of intangible					
Investment in immovable property					
Investment in intangible					

**3. Declaration of interest related to the project (article 105 of the RVO)**

Do you receive any financial benefits or contributions in kind, free of charge from third parties or do the project partner who receives them intend to be considered a benefit according to Article 105 of the grant agreement? If yes, please mention the amount in (€):

Yes/No

**4. Certificate on the methodology**

Do you declare, average personnel costs according to Art. 104.1.7?

Yes/No

Do you declare, average personnel costs according to the Commission according to Art. 104.1.7?

Yes/No

**5. Certificate on the financial statements**

Do you declare, average personnel costs according to the Commission according to Art. 104.1.7?

Yes/No

**6. Beneficiary's Declaration on its Status**

We declare on our best knowledge that:

The costs declared above are strictly related to the activities used for the objectives of the project and for within the definition of eligible activities identified in Article 104 of the grant agreement, and, if relevant, Annex II and Article 104.1.7. Excesses of the grant agreement.

The benefits declared above are the only financial benefits or contributions in kind, free of charge, from third parties and the only income generated by the project which must be considered as income according to Art. 105 of the grant agreement.

The interest declared above is the only interest related to the pre-financing which falls within the definition of Art. 104.1.16 of the grant agreement.

\*Check it is supporting documentation to justify the information hereby declared. It will be made available at the request of the Commission and in the event of an audit by the Commission and/or by the Court of Auditors and/or their authorized representatives.

Beneficiary's Name: \_\_\_\_\_

Date & signature: \_\_\_\_\_





# Controls established by the EC

EX-ANTE  
CONTROLS

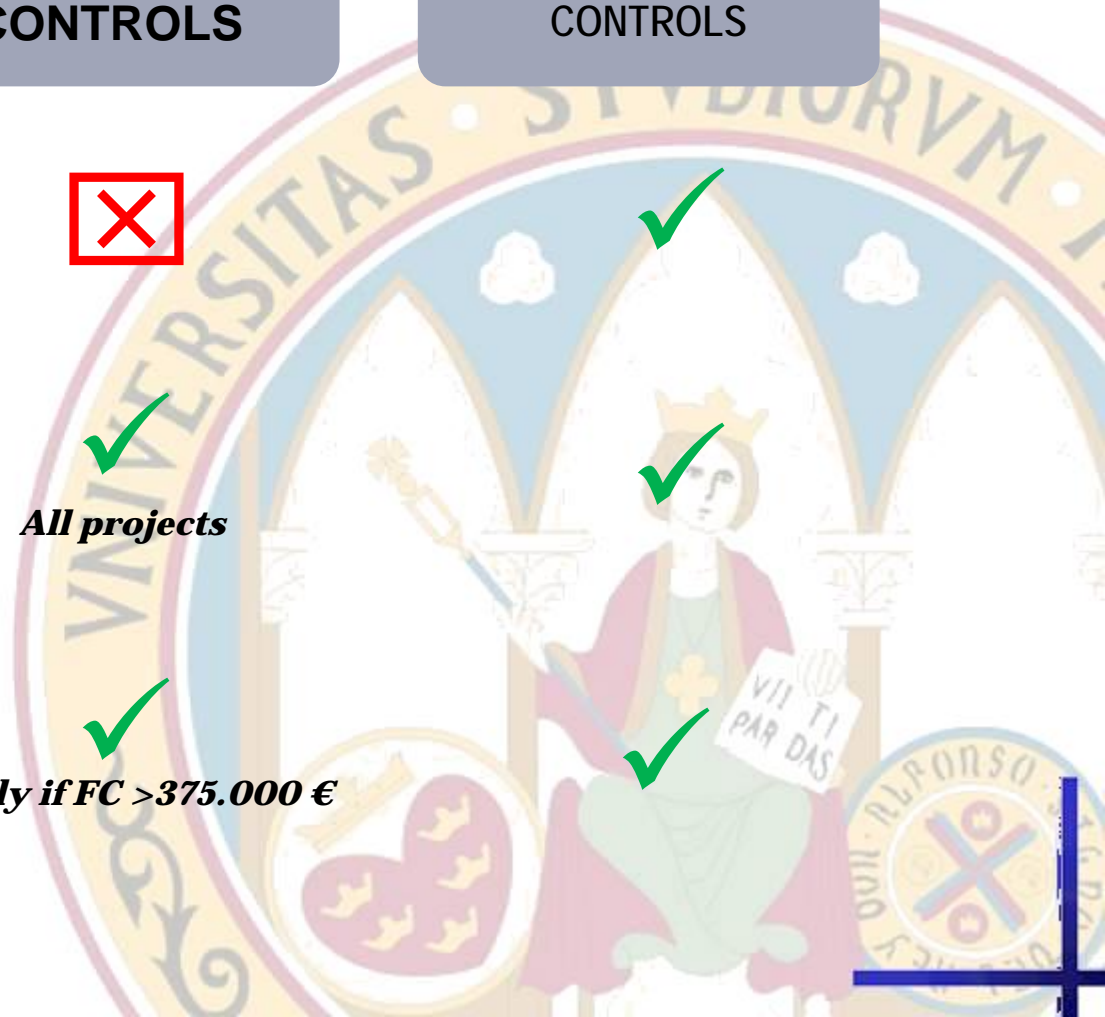
EX-POST  
CONTROLS



*All projects*



*Only if FC > 375.000 €*



# Ex-Ante controls in the FP7

**CERTIFICATES ON  
THE FINANCIAL  
STATEMENTS**

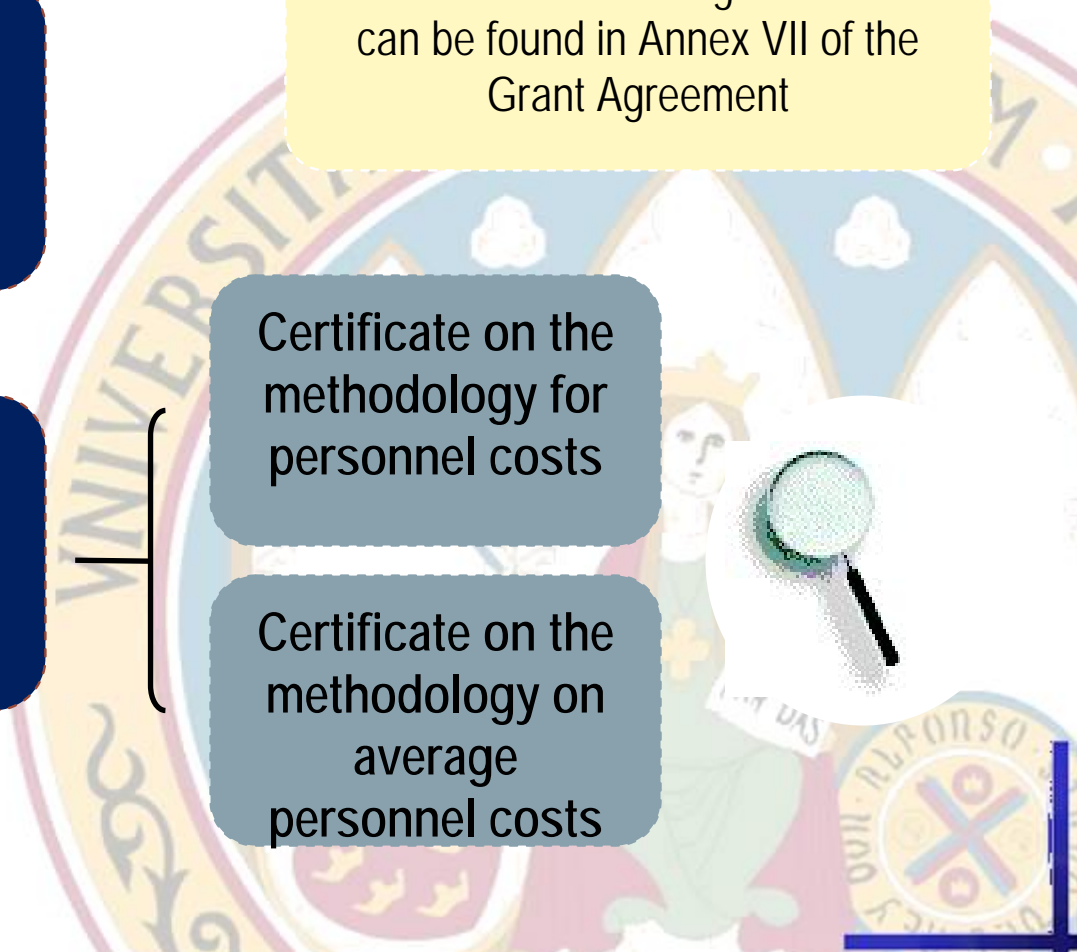


**CERTIFICATES ON  
THE METHODOLOGY**

Instructions for issuing certificates  
can be found in Annex VII of the  
Grant Agreement

Certificate on the  
methodology for  
personnel costs

Certificate on the  
methodology on  
average  
personnel costs





# Ex-Ante controls in FP7

Common aspects to  
the 3 certificates

## □ ¿Who can issue and Audit Certificate?

Any external auditor that fulfills the following conditions :

- Being independent from the beneficiary;
- Fulfilling the requirements established in the 8th Directive (2006/43/EC 17 May 2006).

□ ¿Are they eligible costs? Yes, under the activity Management. The only cost that the beneficiary will have to finance is VAT.



# Certificate on the Financial Statements

## ¿When is it mandatory? (Part I)

Projects above 2 years



Everytime the Community financial contribution exceeds 375.000 € Footnote1

Projects under 2 years



When the Community financial contribution exceeds 375.000 € at the end of the project

**Footnote 1:** If the beneficiary has obtained the Certificate on the Methodology only one at the end of the project



# Certificate on the Financial Statements

¿When is it mandatory? (Example Project > 2 years)

Period	Eligible Costs	Financial C.(50%)	Accumulated FC	Need for Audit Certificate
1	170.000,00	85.000,00 €	85.000,00 €	<b>Not necessary</b>
2	250.000,00	125.000,00 €	210.000,00 €	<b>Not necessary</b>
3	290.000,00	145.000,00 €	355.000,00 €	<b>Not necessary</b>
4	120.000,00	60.000,00 €	415.000,00 €	<b>Certificate of the 4 periods</b>
5	740.000,00	370.000,00 €	370.000,00 €	<b>Not necessary</b>



# Certificate on the Financial Statements

¿When is it mandatory? (Example Project of 2 years)

Period	Eligible Costs	Financial C.(50%)	Accumulated FC	Need for Audit Certificate
1	760.000,00	380.000,00 €	380.000,00 €	Not necessary
2	100.000,00	50.000,00 €	430.000,00 €	Certificate of the 2 periods





# Ex-Ante controls in FP7

**CERTIFICATES ON THE  
FINANCIAL  
STATEMENTS**



**CERTIFICATES ON THE  
METHODOLOGY**

**Certificate on  
the  
methodology for  
personnel costs**

**Certificate on the  
methodology on  
average personnel  
costs**





# Certificate on the methodology for personnel and indirect costs

- When are they issued:

At any time during the 7th Framework Programme

- When is it mandatory?

Never, it is always an option for the beneficiary

- What cost categories are revised:

Personnel and Overhead

- Who can ask for a certificate:

It is foreseen for entities with several participations in FP7

*In a first stage, entities with more than 8 projects in FP6 and funding > 375.000 €*



# Certificate on the methodology for personnel and indirect costs

Once the Certificate on the Methodology is approved

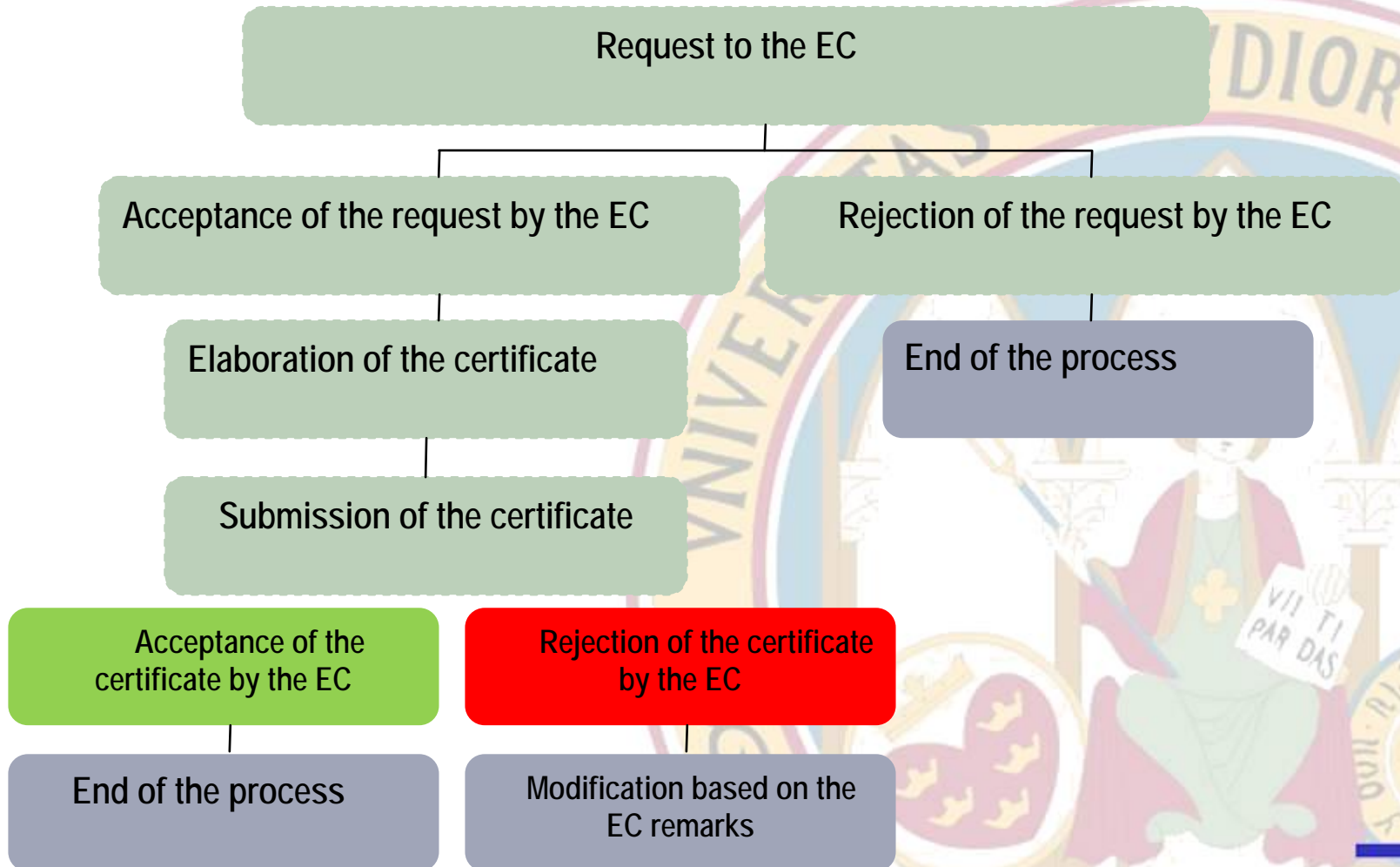
ADVANTAGES

Security of the beneficiary about the method employed

Reduces the recurrence of the Certificates on the Financial Statements



# Certificate on the methodology for personnel and indirect costs





# Ex-Ante controls in FP7

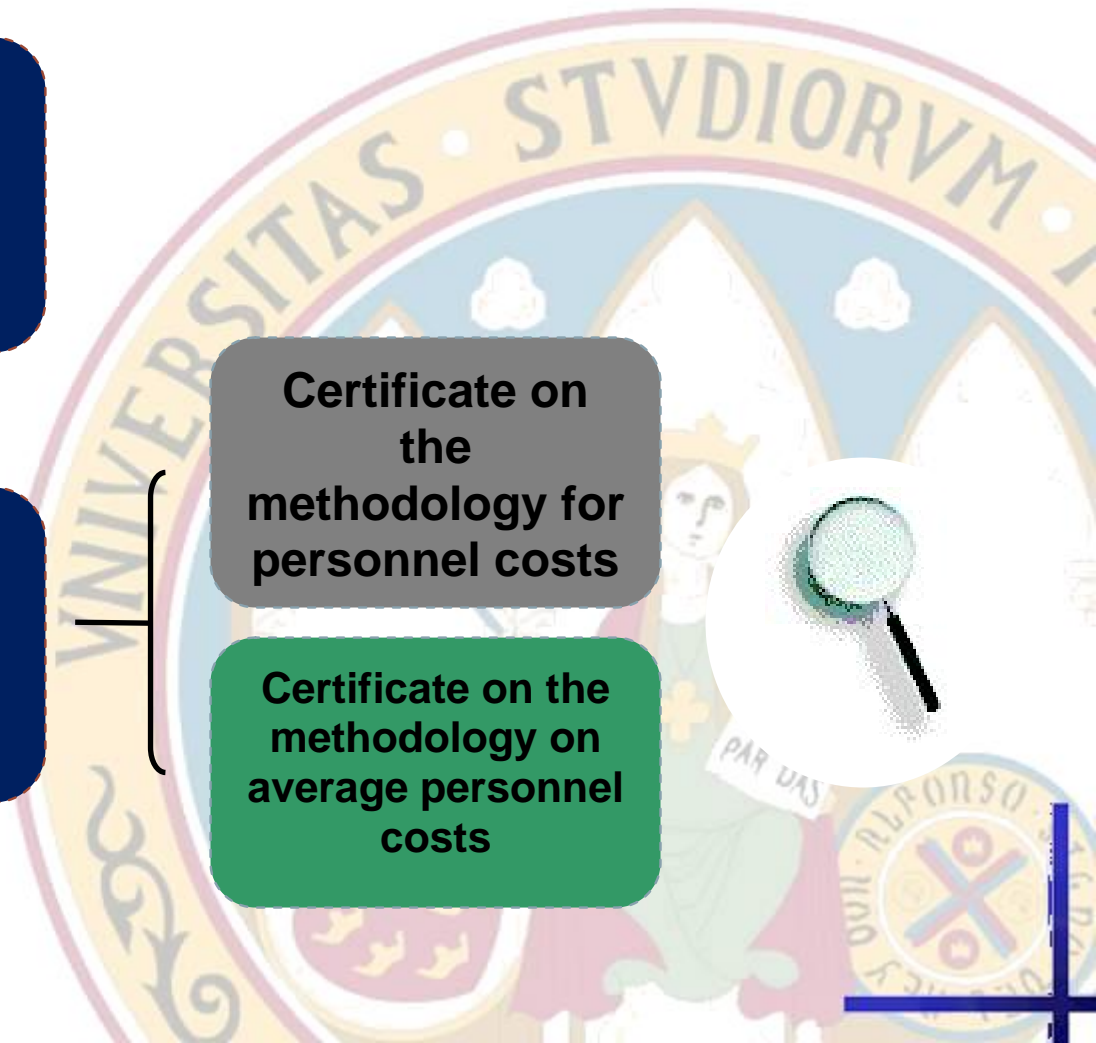
**CERTIFICATES ON THE  
FINANCIAL  
STATEMENTS**



**CERTIFICATES ON THE  
METHODOLOGY**

**Certificate on  
the  
methodology for  
personnel costs**

**Certificate on the  
methodology on  
average personnel  
costs**





# Certificates on the Methodology on average personnel costs

- When are they issued:

At any time during the 7FP before the first reporting

- What cost categories are revised:

Method of average personnel costs and Overhead

When is it mandatory:

When the beneficiary declares its costs based on averages

Who can ask for a certificate:

Not necessary to ask for it , it can be submitted directly



# Maximum deviations allowed

Deviation between the Maximum and Minimum Value and the Average

< 5%



5%-25%

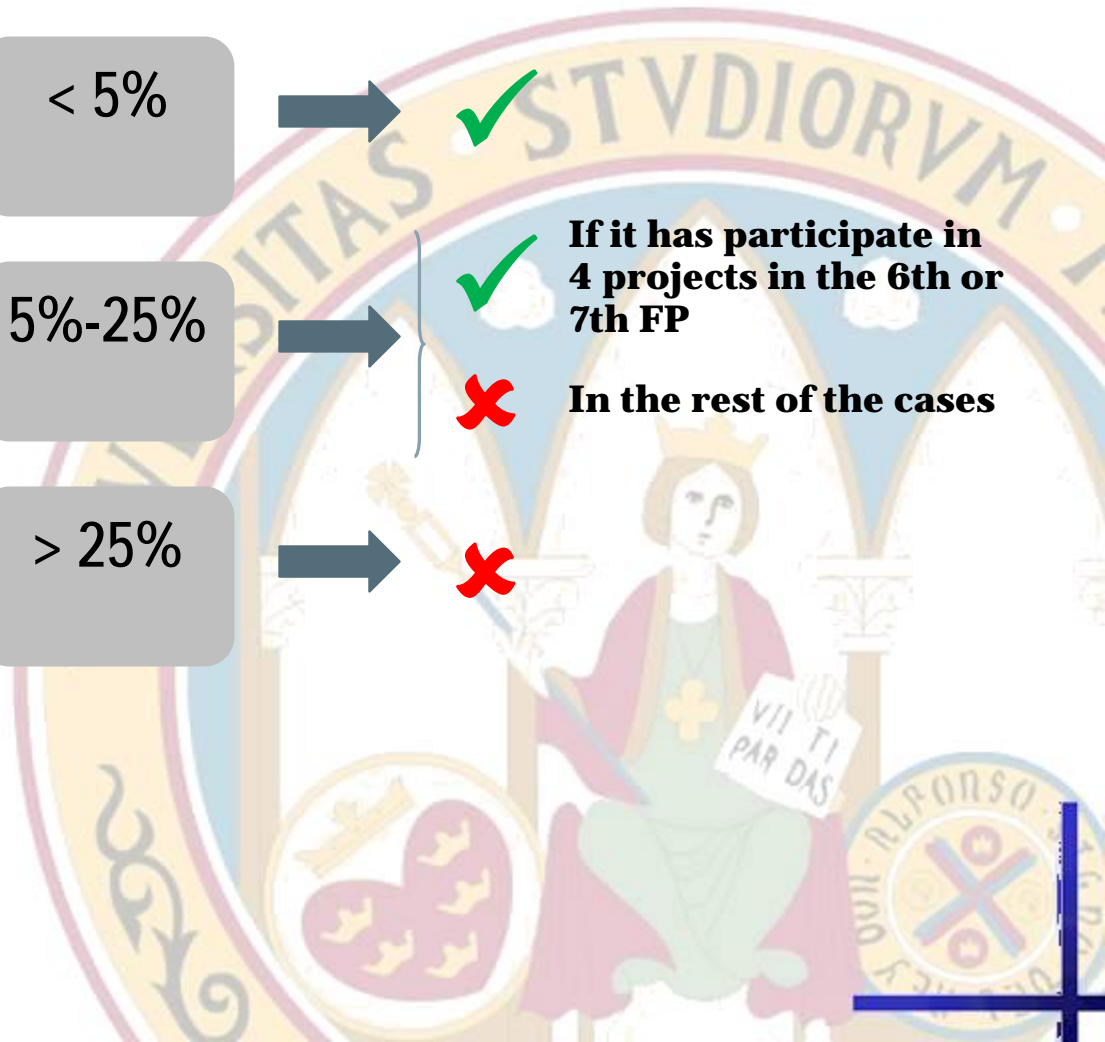


> 25%



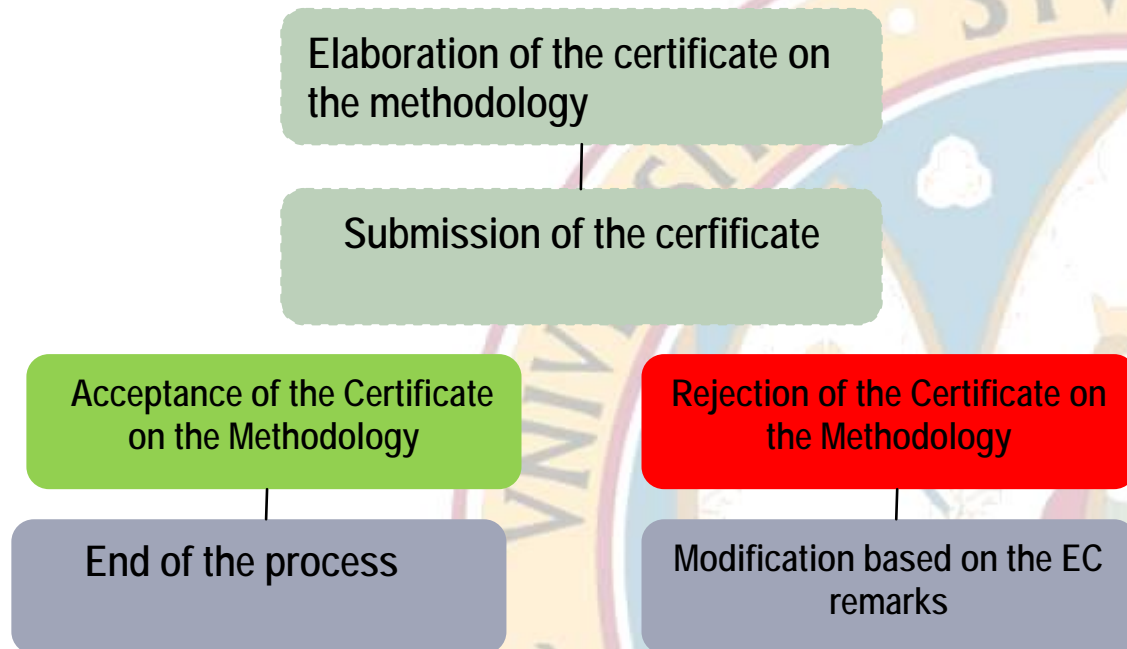
If it has participated in 4 projects in the 6th or 7th FP

In the rest of the cases





# Certificates on the Methodology on average personnel costs







# Ex-Ante controls in FP7

	Certificates on the Financial Statements	Certificates on the personnel costs	Certificates on the average personnel costs
Scope	All costs included in Form C	Methodology for the calculation of personnel costs and Overheads	Methodology for the calculation of average personnel costs
Mandatory	If the Financial contribution exceeds 375.000 €	Never, it is always voluntary for the beneficiary	Always when average personnel costs are used
Moment of obtention	60 days after the finalization of the period of the project	At any time during FP7	Previous to the submission of the first Form C using averages
Submission	Direct (Doesn't need previous request)	Previous approval by the EC is needed	Direct (Doesn't need previous request)



# Ex-Post controls in FP7

## Article II.22

The European Commission has the right to audit projects up to 5 years after their finalization.

Audits may be carried out by:

EC Personnel

External auditors  
appointed by the EC

European Court of  
Auditors

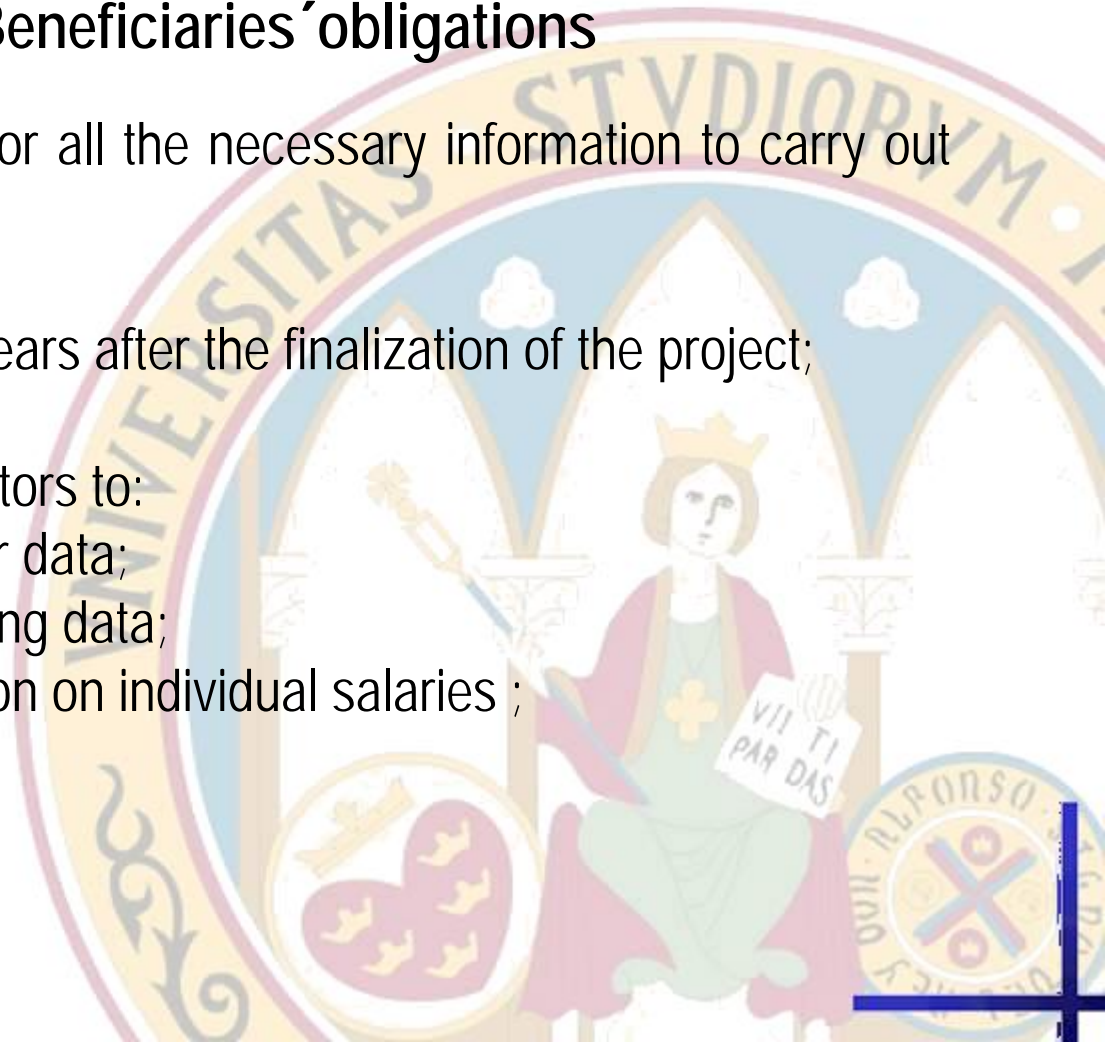


# Ex-Post controls in FP7

## Article II.22

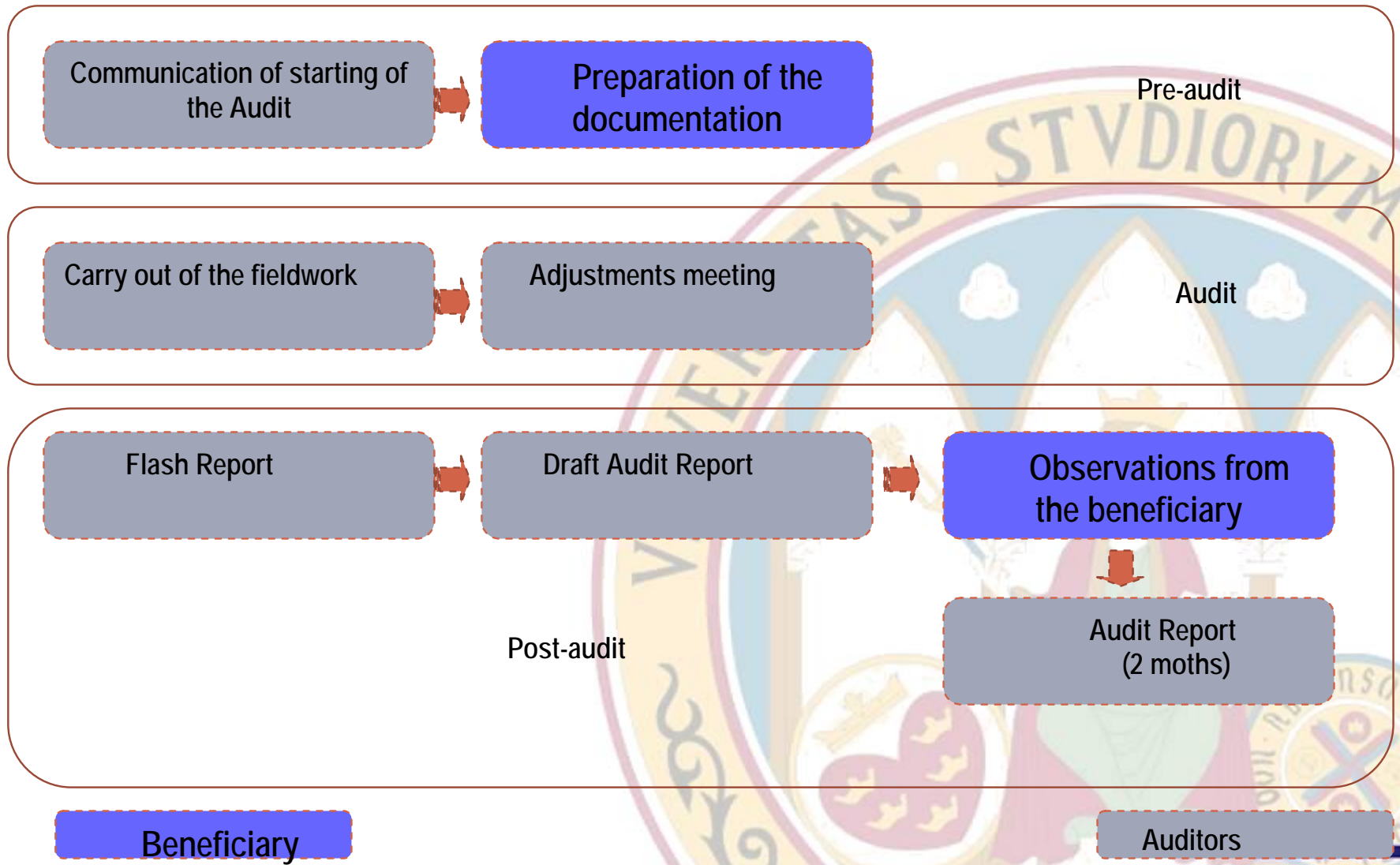
### Beneficiaries' obligations

- Make available to the auditor all the necessary information to carry out the audit;
- Keep the originals up to 5 years after the finalization of the project;
- Facilitate the access of auditors to:
  - Computer data;
  - Accounting data;
  - Information on individual salaries ;





# Scheme of an EC audit





# Audit Certificates : Filling in Form C

## 4. Certificate on the methodology

Do you declare average personnel costs according to Art. II.14.1 ?

Yes/No

Is there a certificate on the methodology provided by an independent auditor and accepted by the Commission according to Art. II.4.4 ?

Yes/No

Name of the auditor

Cost of the certificate (in€), if charged under this project

## 5- Certificate on the financial statements

Is there a certificate on the financial statements provided by an independent auditor attached to this financial statement according to Art.II.4.4 ?

Yes/No

Name of the auditor

Cost of the certificate (in€)