

Become an external expert at the Regional Youth Cooperation Office

Background

This Call for Applications is published in the framework of the Action **Enhancing youth cooperation and youth exchange in the Western Balkans (Action)**, financed by the European Union and implemented by RYCO. The project aims to support RYCO in the implementation of its Strategic Plan 2019-2021 through grouping its efforts to promote and achieve opportunities for young people to engage in regional activities that build mutual understanding and reconciliation in the civic, social, educational, cultural and sport sectors. A key instrument enabling RYCO to fulfil its mission is grant-making; developing tailored calls for proposals that enable CSOs and schools to engage in initiatives that contribute to mutual understanding of youth from various communities across RYCO's Contracting Parties, thus contributing to reconciliation and youth participation. In the frame of this action, RYCO launched on August 31, 2020 its 4th Open Call for Project Proposals (CfP), and has selected 12 Grant Beneficiaries (GB). Partnership composition of the GBs is in the forms of consortiums of CSOs which are implementing 6 - 8 months' regional projects, of which in Albania 2 GBs, in Bosnia and Herzegovina 2 GBs, in Kosovo*¹ 1 GBs, in North Macedonia 2 GBs, in Montenegro 1 GBs and in Serbia 4 GBs. Project consortiums are made of minimum two CSO's from two different RYCO Contracting Parties.

For this purpose, RYCO is searching for certified auditor/companies to perform the expenditure verification of the GB's as per attached ToR. Auditors will become part of the pool of experts of RYCO as external auditors for the sub-granting schemes, initially for the grants part of the 4th OC. Chosen external auditors will perform expenditure verification services in the period September – November 2021.

¹ * This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

Who can become an external auditor?

National and international auditing companies, consortiums, teams of external auditors, individual independent auditors, or legal entities with auditing experiences in Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia are eligible to apply.

In order to be selected, the external auditor must:

- have a high level of expertise in this field
- have previous experience in cooperating with civil society organizations in the Western Balkans and international organizations
- be available for occasional, short-term assignments
- have good knowledge of English

How to register

External auditors who wish to make their services available as part of the ongoing sub-granting scheme in the frame of the 4th CfP can do so by registering to our database. The applications must be submitted in English and be sent by the **3rd of August, 2021**, to the following email address: office@rycowb.org.

Interested external auditors need to provide the following supporting documents with their application:

- Proof that the external auditor is a member of a national accounting or auditing body or institution which in turn is a member of the International Federation of Accountants (IFAC), or that the external auditor is a member of a national accounting or auditing body or institution (organization is not member of the IFAC, but the external auditor commits to undertake this expenditure verification in accordance with the IFAC standards and ethics set out in the ToR in Annex IV)
- Copy of Identification number for TAX Office and related certificates/licenses
- A curriculum vitae of the staff proving 5 years of expenditure verification experience with international or civil society project donors (especially indicating experience with EU funded projects)
- The certified auditor/company should demonstrate audit experience and knowledge to perform the expenditure verification in the Western Balkans and donor funded projects also beyond its Contracting Party.

Only experts delivering the aforementioned documents and proving to possess the necessary capacities to finalize assignments within the scope of work will become part of the experts' pool.

Rules for external auditors

External auditors engaged to verify the expenditures in RYCO-funded projects are required to adhere to strict ethical and transparency rules and should be independent and impartial experts.

The use of external auditors

The external auditors, after becoming part of the RYCO database, may be selected and contacted directly by the Grant Beneficiaries (Lead partners), after official approval from RYCO, to perform the expenditure verification process of the projects supported by RYCO funds. The external auditor is expected:

- to carry out the agreed-upon procedures, and
- to issue reports based on the template provided as an Annex to the contract which will support RYCO's conclusions on the eligibility of the reported expenditure and the related follow-up. The expenditure verification will be performed as desk review and fieldwork at the location.
- to carry out expenditure verifications of the Lead Partners part of the budget from the same CP as the one of the external auditors
- to carry out, upon RYCO's request or in cooperation with other external audits part of the same pool of experts, based on a mutual understanding, the expenditure verifications of the local partners, whose lead is from another CP, which implement part of the action in the same CP as the external auditor.

The external auditor is not expected to provide an audit opinion. Please see below the annexes that are providing more details on the scope and terms of the expenditure verification.

Code of conduct for external auditors - standards and ethics

According to each call, external auditors may be required to sign a declaration that states that they will abide by the code of conduct for external auditors.

The External 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 IFAC Code of Ethics for Professional Accountants, developed and issued by IFAC's International Ethics Standards Board for Accountants (IESBA), which establishes fundamental ethical principles for External auditors with regard to integrity, objectivity, independence, professional competence and due care, confidentiality, professional behaviour and technical standards.

Conflicts of interest

Experts must declare that no conflict of interest exists and that they will inform RYCO if any such conflict should arise in the course of their duties.

If necessary, RYCO may withdraw experts from evaluation duties.

Accountability

RYCO may ask experts to provide records and supporting documents as evidence that the work was carried out correctly.

ANNEX XIV

TERMS OF REFERENCE FOR EXPENDITURE VERIFICATION

The present terms of reference apply to the verification of expenditure declared in financial reports under the following contracts:

1) Grant Contract² number and title of the action: <...>

Detailed information is provided at the cover page of Annex 1

² Contract in relation to which the financial report subject to verification is issued. The contract established with the External auditor will be identified as "Verification Contract"

1. INTRODUCTION

A key instrument enabling RYCO to fulfil its mission is grant-making; developing tailored calls for proposals that enable CSOs and schools to engage in initiatives that contribute to mutual understanding of youth from various communities across RYCO's Contracting Parties, thus contributing to reconciliation and youth participation.

The present terms of reference apply to the verification of expenditures declared in financial reports of the applicants supported by RYCO under the 4th Open Call in the framework of the Action “**Enhancing youth cooperation and youth exchange in the Western Balkans**”, financed by the European Union and implemented by RYCO.

This document, including its annexes listed under the Section 6 of the document, represents the pre-defined Terms of Reference for external auditors to conduct the expenditure verification for the expenditure disclosed in the financial report submitted by the Reporting Entity (whereas ‘Reporting Entity’ refers to the Grant Beneficiary as identified in the Special Conditions of the respected Grant Contract).

Where in these ToR the ‘Contracting Authority’ is mentioned, this refers to the “Regional Youth Cooperation Office”, which has signed the Grant Contract with the Grant Beneficiary and is providing the grant funding. The Contracting Authority is not party to this agreement.

This ToR will constitute an integral part of the contract concluded between the Reporting Entity and the external auditor. The regulation and guidance provided herein is the one applicable to the expenditure claimed to RYCO, based on the grant contract between RYCO and Reporting Entity.

2. OBJECTIVES AND CONTEXT

The external auditor is expected:

- to carry out the agreed-upon procedures listed in Annex 2, and
- to issue report(s) based on the template in Annex 3 which will support the Contracting Authority's conclusions on the eligibility of the reported expenditure and the related follow-up.

The expenditure verification will be performed as desk review and a fieldwork at the location indicated in Annex 1.

The external auditor is not expected to provide an audit opinion.

3. STANDARDS AND ETHICS

The external 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 IFAC Code of Ethics for Professional Accountants, developed and issued by IFAC's International Ethics Standards Board for Accountants (IESBA), which establishes fundamental ethical principles for External auditors with regard to integrity, objectivity, independence, professional competence and due care, confidentiality, professional behaviour and technical standards.

4. REQUIREMENTS FOR THE EXTERNAL AUDITOR

By agreeing on this ToR, the external auditor confirms meeting at least one of the following conditions:

- The external auditor is a member of a national accounting or auditing body or institution which in turn is a member of the International Federation of Accountants (IFAC).
- The external auditor is a member of a national accounting or auditing body or institution. Although this organization is not member of the IFAC, the External auditor commits to undertake this expenditure verification in accordance with the IFAC standards and ethics set out in this ToR.

5. VERIFICATION PROCESS AND METHODOLOGY

5.1 Preparation of the Verification

The Reporting Entity will provide to the external auditor all the documentation submitted by the grant beneficiaries to the Contracting Authority in order to perform the verification.

5.2 Preparatory Meeting, Fieldwork, Desk Review

The field work shall commence as soon as possible and not later than 5 calendar days after the date of availability of the Financial Report (i.e. financial report, supporting documents and other relevant information).

5.3 Engagement Context, Materiality, Risk Analysis, Sampling

Next to the expenditure verification, the external auditor is expected to:

- Verify that the effective internal control system concerning documentation, filing and record keeping; procurement process; asset management; cash and bank management; payroll and time management and accounting; is on place;
- Issue a finding on any infringement of rules detected.

The understanding should be sufficient to identify and assess the risks of material errors or misstatements in the expenditure and revenue stated in the Financial Report in order to determine the size and structure of the expenditure sample to be tested, whether caused by error or fraud, and sufficient to design and perform further verification procedures.

This work involves an assessment of the inherent risks that:

- The Financial Report is not reliable, i.e. that it does not present, in all material aspects, the actual expenditure incurred and the revenue received in conformity with applicable conditions.
- Expenditure declared in the financial report has not, in all material aspects, been incurred in conformity with applicable contractual conditions.
- Revenues generated by the Reporting Entity in the execution of the contract are not deducted from the declared expenditure in conformity with applicable conditions.
- Fraud and irregularities have occurred which could have had an impact on expenditure and/or revenue reported under the contract.

5.4 Debriefing Memo and Closing Meeting

At the end of the fieldwork and desk review, the external auditor should prepare a debriefing memo, contact with the Reporting Entity in order to discuss the findings, obtain its initial comments and agree on additional information to be provided within 5 days.

5.5 Complementary Letter

The external auditor may at any time during the expenditure verification process draw up a complementary letter to inform RYCO about facts and issues that are considered of particular interest and importance. Suspicions of fraud or irregularity should be reported immediately.

6. REPORTING

6.1 Structure and Content of the Report

The report should provide basic information about the Contract and should also fully disclose the information regarding the items included in the expenditure verification.

The external auditor will submit a draft report to the Reporting Entity within five working days of the conclusion of the fieldwork and desk review and ask for its comments to be received within five working days.

Five calendar days after receiving the Reporting Entity's comments, the external auditor will submit a pre-final report to RYCO.

Five working days after receiving the pre-final report from the external auditor, RYCO reserves the right to provide comments, further requests for information or may foresee a meeting with the external auditor.

Five calendar days after receiving RYCO's comments, the external auditor will submit the final report to the Reporting Entity and to RYCO.



If no comments, questions or requests will be submitted from RYCO, the external auditor is to submit the final report, within the five working days, to the Reporting Entity and to RYCO.

*The final report should be submitted **at the latest within 30 working days** after the date of availability of the Financial Report from the Reporting Entity.*

6.2 Subcontracting

The external auditor will not subcontract its entire or part of the assignment to third party without prior authorisation from the Contracting Authority.

7. INDICATIVE BUDGET AND PAYMENT MODALITY

The selected external auditor will be invited to sign a service contract with the Grant Beneficiary. The Contract will be realized in Euro and the payment will be conducted in one instalment after successfully providing the final overall report.

The reports should be submitted in English. The final report should be delivered upon completion of the engagement.

8. APPLICATION PROCESS

Application/s should be submitted via email to office@rycowb.org within **03.08.2021** not later than **17:00** (CET). Interested and qualified candidates need to enclose following documents to the application:

Interested external auditors need to provide the following supporting documents with their application:

- Proof that the external auditor is a member of a national accounting or auditing body or institution which in turn is a member of the International Federation of Accountants (IFAC), or that the external auditor is a member of a national accounting or auditing body or institution (organization is not member of the IFAC, but the external auditor commits to undertake this expenditure verification in accordance with the IFAC standards and ethics set out in the ToR in Annex IV)
- Copy of Identification number for TAX Office and related certificates/licenses
- A curriculum vitae of the staff proving 5 years of expenditure verification experience with international or civil society project donors (especially indicating experience with EU funded projects)



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- The certified auditor/company should demonstrate audit experience and knowledge to perform the expenditure verification in the Western Balkans and donor funded projects also beyond its Contracting Party.

Only experts delivering the aforementioned documents and proving to possess the necessary capacities to finalize assignments within the scope of work will become part of the experts' pool.

ANNEXES

Annex 1 - Information about the grant contract

Annex 2 - Listing of specific procedures to be performed

Annex 3 - Model for Expenditure Verification Report

TERMS OF REFERENCE FOR AN EXPENDITURE VERIFICATION

Annex 1: Information about the Grant Contract

Contract³ and report summary

Information about the Grant Contract	
Reference number and date of the Grant Contract	< Contracting Authority's reference for the Grant Contract>
Grant contract title	
Place of Residence	
Beneficiary	< full name and address of the Beneficiary as per the Grant Contract>
Beneficiary(ies) and affiliated entity(ies)	< full name and address of the Beneficiary(ies) and related affiliated entity(ies) as per the Grant Contract>
Start and End date of the implementation period of the Action	<DD/MM/YYYY-DD/MM/YYYY>
Financial Report(s) subject to verification	<DD/MM/YYYY-DD/MM/YYYY> <DD/MM/YYYY-DD/MM/YYYY> <DD/MM/YYYY-DD/MM/YYYY>
Total amount received to date by the Beneficiary from Contracting Authority	< Total amount received as per dd.mm.yyyy>
Total amount of the payment request	< provide the total amount requested for payment as per the Special Conditions and the Grant Contract>
Contracting Authority	[<Provide the name, position/title, phone and E-mail of the contact person at the Contracting Authority>.]
External auditor	< Name and address of the audit firm and names/positions of the External auditors>

³ Contract in relation to which the financial report subject to verification is issued.

A Logistics		
Issue	Question	Reply
Locations	1. Where do the Reporting Entity retain the accounting records?	
	2. Where do the Reporting Entity retain the original supporting documents?	
	3. Where were contractual activities carried out?	
Languages	4. Which is the contractual language?	
	5. Which is the language of the accounting records?	
	6. Which are the languages of supporting documents?	
B Contractual Conditions		
Contract amount	7. What is the total amount of the contract?	
RYCO contribution	8. What is the amount of the RYCO contribution?	
Other contributions	9. Which are the other sources of funding (including the Reporting Entity)?	Source 1 / amount
		Source 2 / amount
C Financial Report (enclosed as Annex 1.1)		
Financial report	10. Total reported cost of the Action	
	11. Total amount received by the Beneficiary from Contracting Authority	
	12. To what extent have Project transactions been carried out in cash?	[high, medium, low]
	13. In which currencies has expenditure been incurred?	
D Procurement		
Procurement	18. How many procurement procedures have been undertaken during the period covered by the Financial Report?	
	20. Have the procurement rules been applied?	
F Contact Details		
Reporting Entity:	<full name of the entity subject to audit>	
Address		Place of Residence
Phone		
Website		
Key contact		



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Annex 1/<... >.1: Financial Report(s) to be verified

Annex 1/<... >.2: Contract and riders

TERMS OF REFERENCE FOR AN EXPENDITURE VERIFICATION

ANNEX 2: EXPENDITURE VERIFICATION PROCEDURES

1 [General procedures](#)

1.1. Terms and Conditions of the Grant Contract

The following checks must be performed by the external auditor unless they are irrelevant in relation to the eligibility criteria applicable to the contract type. Therefore, the external auditor is required to gain appropriate understanding of such requirements in order to carry out only the relevant checks and properly apply the relevant eligibility requirements.

The external auditor:

- obtains an understanding of the terms and conditions of the Grant Contract by reviewing the Grant Contract and its annexes and other relevant information, and by inquiry of the Contracting Authority;
- obtains a copy of the original Grant Contract (signed by the Beneficiary and the Contracting Authority) with its annexes;
- obtains and reviews the Report (which includes a narrative and a financial section) as per Article 2.1 of the General Conditions;

1.2. Financial Report for the Grant Contract

The external auditor verifies that the Financial Report complies with the following conditions of Article 2 of the General Conditions the Grant Contract:

The Financial Report must conform to the model in Annex IV of the Grant Contract;

The Financial Report should cover the eligible costs of the Action as a whole, regardless of which part of it is financed by the Contracting Authority;

The Financial Report should be drawn up in the language of the Grant Contract;

1.3. Rules for Accounting and Record keeping

The external auditor examines — when performing the procedures listed in this ToR — whether the Beneficiary has complied with the rules for accounting and record keeping of Article 17 of the General Conditions the Grant Contract including and notably:

- The accounts kept by the Beneficiary for the implementation of the Action must be accurate and regular;

- The Beneficiary must have a double-entry book-keeping system;
- The accounts and expenditure relating to the Action must be easily traceable, identifiable and verifiable.

1.4. Reconciling the Financial Report to the Beneficiary(ies)'s Accounting System and Records

The External auditor reconciles the information in the Financial Report to the Beneficiary's accounting system and records (e.g. trial balance, general ledger accounts, sub ledgers etc.).

1.5. Exchange Rates

The External auditor verifies that the financial report for the Action is stated in the currency set out in the Special Conditions.

2 [Procedures to verify conformity of Expenditure with the Budget and Analytical Review](#)

2.1 Budget of the Grant Contract

The External auditor carries out an analytical review of the expenditure headings in the Financial Report.

The External auditor verifies that the budget in the Financial Report corresponds with the budget of the Grant Contract (authenticity and authorization of the initial budget) and that the expenditure incurred was indicated in the budget of the Grant Contract.

2.2 Amendments to the Budget of the Grant Contract

The External auditor verifies whether there have been amendments to the budget of the Grant Contract. Where this is the case, the External auditor verifies that the Reporting Entity has:

- requested an amendment to the budget and obtained an addendum to the Grant Contract if such an addendum was required (Article 8 of the General Conditions), or
- informed the Contracting Authority about the amendment if the amendment was within the scope of Article 8.4 of the General Conditions, and an addendum to the Grant Contract was not required.

3 Procedures to verify selected Expenditure

3.1 Eligibility of Costs

The External auditor verifies, for each expenditure item selected, the eligibility criteria set out below.

Actual costs incurred (Article 15.1)

The External auditor verifies that the actual expenditure for a selected item was incurred by and pertains to the Beneficiary(ies) or its (their) affiliated entity(ies). The External auditor should consider the detailed conditions for actual costs incurred as set out in Article 15.1. (i) to (iii). For this purpose, the External auditor examines supporting documents (e.g. invoices, contracts) and proof of payment. The External



auditor also examines proof of work done, goods received or services rendered and he/she verifies the existence of assets if applicable.

At final reporting stage the costs incurred during the implementation period but not yet paid can be accepted as actual costs incurred, provided that (1) a liability exists (order, invoice or equivalent) for services rendered or goods supplied during the implementation period of the action, (2) the final costs are known and (3) these costs are listed in the final Financial Report (Annex IV) together with the estimated date of payment (see Article 15.1.a).(ii) of the General Conditions). The External auditor verifies whether these cost items have effectively been paid at the moment of the External auditor's verification.

Cut-off — Implementation period (Article 15.1a)

The External auditor verifies that the expenditure for a selected item was incurred during the implementation period of the Action. An exception is made for costs relating to final reports including expenditure verification, audit and final evaluation reports of the Action and which may be incurred after the implementation period of the Action.

Budget (Article 15.1b)

The External auditor verifies that the expenditure for a selected item was indicated in the Action budget. The applicable budget ceilings were not exceeded.

Necessary (Article 15.1c)

The External auditor verifies whether it is plausible that the direct and indirect 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 with supporting documents.

Records (Article 15.1d)

The External auditor verifies that expenditure for a selected item is recorded in the Beneficiary(ies)'s accounting system and was recorded in accordance with the applicable accounting standards of the place where the Beneficiary is established and the Beneficiary's usual cost accounting practices.

Applicable legislation (Article 15.1e)

The External auditor verifies that expenditure complies with the requirements of tax and social security legislation where this is applicable (for example: employer's part of taxes, pension premiums and social security charges etc.).

Justified (Article 15.1f)

The External auditor verifies that expenditure for a selected item is substantiated by and supporting documents as specified in Article 17 of the General Conditions of the Grant Contract, (e.g. invoices, contracts, order forms, pay slips, time sheets) and proof of payment.

Where expenditure was apportioned, the applied allocation key was based on sufficient, appropriate and verifiable underlying information.

The expenditure is backed up by evidence of works done, goods received or services rendered.

Valuation

The External auditor verifies that the monetary value of a selected expenditure item agrees with underlying documents (e.g. invoices, salary statements) and that correct exchange rates are used where applicable.

Classification

The External 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 Financial Report.

Compliance with Procurement Rules

The External auditor verifies for the expenditure items concerned whether the Beneficiary has complied with the principles for procurement rules as set out in Annex VI (Guidelines for Grantees)

For this purpose, the External auditor inspects the underlying documents of the procurement and purchase process.

Where the External auditor finds issues of non-compliance, he/she reports the nature of such issues as well as their financial impact in terms of ineligible expenditure.

3.2 Eligible Direct Costs (Article 15.2)

The External auditor verifies that expenditure for selected items which are recorded under one of the direct costs headings of the Financial Report, are covered by the direct costs as defined in Article 15.2 by examining the nature of these expenditure items.

3.3 Indirect costs (Article 15.7)

The indirect costs do not exceed the maximum contractual percentage of the eligible direct costs and do not include ineligible expenses or expenses already declared as direct ones.

3.4 Non-eligible costs (Article 15.5)

The expenditure for a selected item does not concern an ineligible cost as described in Article 15.5 of the General Conditions.

Contributions in kind are not included in the financial report, unless otherwise provided for in the contractual conditions.



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3.5 Revenues of the Action

The External auditor examines whether the revenues which should be attributed to the Action (including grants and funding received from other donors and other revenue generated by the Beneficiary as part of the Action have been allocated to the Action and disclosed in the Financial Report. For this purpose, the External auditor inquires with the Beneficiary and examines documentation obtained from the Beneficiary. The External auditor is not expected to examine the completeness of the revenues reported.

3.6 Procedures, Evidence and Documentation

The External auditor plans the work so that an effective expenditure verification can be performed. Performs the procedures listed in Annex 2 (here) of these ToR ('Expenditure verification procedures'). 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 Contractor in the Financial Report. The External auditor uses the evidence obtained from these procedures as the basis for the report of factual findings. The External auditor documents matters which are important in providing evidence to support the report of factual findings, and evidence that the work was carried out in accordance with ISRS 4400 and these ToR.

TERMS OF REFERENCE FOR AN EXPENDITURE VERIFICATION

Annex 3: Model for Expenditure verification Report

1. Background information

1.1. Short description of the action subject to verification

Contract number and title:	
Financial Report(s) subject to verification	<DD/MM/YYYY-DD/MM/YYYY> <DD/MM/YYYY-DD/MM/YYYY>
Beneficiary and Partner/s⁴	< Identify the Beneficiary and Partners and provide key information about their legal form, nationality and other elements deemed relevant – max 200 words>
Location(s) where the Contract is implemented	
Contract execution period	
Contract implementation status	< completed >
General and specific objectives of the Contract	
Synthetic description of the activities, outputs and target group	<max 300 words>

⁴ The term "Partner /s" identifies the entities, beyond the reporting one, which incurred part of the reported expenditure

1.2. Basic financial information of the Contract (at the time of the verification)

Expenditure

Budget Headings	Budgeted Expenditure (amount)	Reported Expenditure (amount)
Budget Heading "..."		
...		
Total		

1.2.1 *Contributions*

Source of Contribution	Budgeted Contribution (amount)	Actual Contribution (amount)
RYCO		
Reporting Entity		
Partner Entity 1		
Other Donor 1		
Total		

1.2.2 *Revenues*

Revenue Types	Budgeted Revenues (amount)	Actual Revenues (amount)
Type "..."		
Type "..."		
...		
Total		

2. Procedures performed and factual findings

We have performed the following specific procedures listed in Annex 2 of the terms of reference for the expenditure verification of the Grant Contract ('ToR'):

1 General Procedures

1.1 Terms and Conditions of the Grant Contract

We have obtained an understanding of the terms and conditions of this Grant Contract.

*<Describe factual findings and specify errors and exceptions. **Procedures 1.1–1.5 in Annex 2 “Expenditure verification procedures”**. If there are no factual findings, this should be explicitly stated as follows for each procedure: ‘No factual findings have arisen from this procedure’.>*

1.2 Financial Report for the Grant Contract

1.3 Rules for Accounting and Record Keeping

1.4 Reconciling the Financial Report to the Beneficiary(ies)’s Accounting System and Records

1.5 Exchange Rates

2. Procedures to verify conformity of Expenditure with the Budget and Analytical Review

2.1 Budget of the Grant Contract

2.2 Amendments to the Budget of the Grant Contract

*<Describe factual findings and specify errors and exceptions. **Procedures 2.1–2.2 in Annex 2 “List of specific procedures to be performed”**. If there are no factual findings this should be explicitly stated as follows for each procedure: ‘No factual findings have arisen from this procedure’.>*

3 Procedures to verify selected Expenditure

We have reported further below all the exceptions resulting from the verification procedures specified at point 3.1–3.5 of Annex 2 of the ToR for this expenditure verification insofar as these procedures applied to the selected expenditure item.

<Specify the expenditure amounts / items for which exceptions (= deviations between facts and criteria) were found, and the nature of the exception — this means which of the specific condition(s) described in point 3.1– 3.5 of Annex 2 of the ToR were not respected. Quantify the amount of verification exceptions found and the potential impact on RYCO’s contribution, should RYCO declare the expenditure item(s) concerned ineligible.>

3.1 Eligibility of Costs

We have verified, for each expenditure item selected, the eligibility criteria set out at procedure 3.1 in Annex 2 of the ToR for this expenditure verification.

<Describe factual findings and specify errors and exceptions. Procedure 3.1 in Annex 2: eligibility of costs and the eligibility criteria. Example: we found that an expenditure amount of € 6 500 included in budget heading 3.2 of the Financial Report was not eligible. An amount of € 2 000 related to expenditure incurred outside the implementation period. Supporting evidence was not available for 3 transactions totaling € 1.200. The required procurement rules

for purchases of office computers for € 3. 300 were not respected. (Note: relevant details such as accounting record references or documents should be provided).>

3.2 Eligible Direct Costs (Article 15.2)

3.3 Indirect Costs (Article 15.6)

3.4 Non-eligible costs (Article 15.5)

3.5 Revenues of the Action

3.6 Procedures, Evidence and Documentation

<Describe factual findings and specify errors and exceptions. Procedures 3.2–3.5 in Annex 2>

4. Table of findings

SUMMARY OF HIGH PRIORITY FACTUAL FINDINGS				
No	Budget line (subline) No. and Description	Description of the finding	Financial impact on the Final Financial Report/Amount in Eur	Comments
1.		Missing / inadequate documentation		
2.		Incorrect procurement procedure applied		
3.		Expenditure outside contractual period		
4.		Expenditure includes recoverable VAT / other taxes		
5.				
	Total Financial findings			

5. Expenditure verification expert/team

List names and expert category levels for this report.>

Name and signature of the Verifier>

Verifier's address: office having responsibility for the expertise>

[for final reports <Date of signature> the date when the **final** report is signed]

Annex 1: Terms of Reference Expenditure Verification

Annex 2: Financial report/s provided by the beneficiary