

## **Terms of Reference for an Independent Report of Factual Findings on costs declared under a Grant Agreement financed under the Horizon 2020 Research and Innovation Framework Programme**

This document sets out the ‘**Terms of Reference (ToR)**’ under which

*Univerzita Karlova (CUNI)*, (*‘the Beneficiary’*)

agrees to engage

INTEREXPERT BOHEMIA, spol. s r.o., (*‘the Auditor’*)

to produce an independent report of factual findings (*‘the Report’*) concerning the Financial Statement(s)<sup>1</sup> drawn up by the *Beneficiary* for the Horizon 2020 grant agreement no. 810224, *‘Microbial Communities in Biomedical Environmental Areas, and Systems Biology - MiCoBion’* (*‘the Agreement’*), for the period from 1 September 2018 to 30 November 2022.  
and

to issue a Certificate on the Financial Statements’ (*‘CFS’*) referred to in Article 20.4 of the Agreement based on the compulsory reporting template stipulated by the Commission.

The Agreement has been concluded under the Horizon 2020 Research and Innovation Framework Programme (H2020) between the *Beneficiary* and *the European Union, represented by the Research Executive Agency (REA)*.

The *Agency* is mentioned as a signatory of the Agreement with the *Beneficiary* only. The *European Union* is not a party to this engagement.

### **1.1 Subject of the engagement**

The coordinator must submit to the *Agency* the final report within 60 days following the end of the last reporting period which should include, amongst other documents, a CFS for each beneficiary and for each linked third party that requests a total contribution of EUR 325 000 or more, as reimbursement of actual costs and unit costs calculated on the basis of its usual cost accounting practices (see Article 20.4 of the Agreement). The CFS must cover all reporting periods of the beneficiary or linked third party indicated above.

The *Beneficiary* must submit to the coordinator the CFS for itself and for its linked third party(ies), if the CFS must be included in the final report according to Article 20.4 of the Agreement..

The CFS is composed of two separate documents:

- The Terms of Reference (*‘the ToR’*) to be signed by the *Beneficiary* and the Auditor;
- The Auditor’s Independent Report of Factual Findings (*‘the Report’*) to be issued on the Auditor’s letterhead, dated, stamped and signed by the Auditor (or the competent public officer) which includes the agreed-upon procedures (*‘the Procedures’*) to be performed by the Auditor, and the standard factual findings (*‘the Findings’*) to be confirmed by the Auditor.

If the CFS must be included in the final report according to Article 20.4 of the Agreement, the request for payment of the balance relating to the Agreement cannot be made without the CFS. However, the payment for reimbursement of costs covered by the CFS does not preclude the *Agency*, the European

---

<sup>1</sup> By which costs under the Agreement are declared (see template ‘Model Financial Statements’ in Annex 4 to the Grant Agreement).

Anti-Fraud Office and the European Court of Auditors from carrying out checks, reviews, audits and investigations in accordance with Article 22 of the Agreement.

## 1.2 Responsibilities

The *Beneficiary*:

- must draw up the Financial Statement(s) for the action financed by the Agreement in compliance with the obligations under the Agreement. The Financial Statement(s) must be drawn up according to the *Beneficiary's* accounting and book-keeping system and the underlying accounts and records;
- must send the Financial Statement(s) to the Auditor;
- is responsible and liable for the accuracy of the Financial Statement(s);
- is responsible for the completeness and accuracy of the information provided to enable the Auditor to carry out the Procedures. It must provide the Auditor with a written representation letter supporting these statements. The written representation letter must state the period covered by the statements and must be dated;
- accepts that the Auditor cannot carry out the Procedures unless it is given full access to the *Beneficiary's* staff and accounting as well as any other relevant records and documentation.

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.

The Auditor:

- must be independent from the Beneficiary, in particular, it must not have been involved in preparing the *Beneficiary's* Financial Statement(s);
- must plan work so that the Procedures may be carried out and the Findings may be assessed;
- must adhere to the Procedures laid down and the compulsory report format;
- must carry out the engagement in accordance with this ToR;
- must document matters which are important to support the Report;
- must base its Report on the evidence gathered;
- must submit the Report to the *Beneficiary*.

The Commission sets out the Procedures to be carried out by the Auditor. The Auditor is not responsible for their suitability or pertinence. As this engagement is not an assurance engagement, the Auditor does not provide an audit opinion or a statement of assurance.

## 1.3 Applicable Standards

The Auditor must comply with these Terms of Reference and with:

- the International Standard on Related Services ('ISRS') 4400 *Engagements to perform Agreed-upon Procedures regarding Financial Information* as issued by the International Auditing and Assurance Standards Board (IAASB);
- the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants (IESBA). Although ISRS 4400 states that independence is not a requirement for engagements to carry out agreed-upon procedures, the *Agency* requires that the Auditor also complies with the Code's independence requirements.

The Auditor's Report must state that there is no conflict of interests in establishing this Report between the Auditor and the Beneficiary, and must specify - if the service is invoiced - the total fee paid to the Auditor for providing the Report.

#### **1.4 Reporting**

The Report must be written in the language of the Agreement (see Article 20.7).

Under Article 22 of the Agreement, the *Agency*, the European Anti-Fraud Office and the Court of Auditors have the right to audit any work that is carried out under the action and for which costs are declared from *the European Union* budget. This includes work related to this engagement. The Auditor must provide access to all working papers (e.g. recalculation of hourly rates, verification of the time declared for the action) related to this assignment if the *Agency*, the European Anti-Fraud Office or the European Court of Auditors requests them.

#### **1.5 Timing**

The Report must be provided by 25 January 2023.

#### **1.6 Other terms**

The Beneficiary will pay for this Independent Report of Factual Findings a price equal to EUR 3,000 excluding VAT.

This agreement is governed by the law of the Czech Republic.

In Prague

In Prague

.....  
Audit Partner  
INTEREXPERT BOHEMIA, spol. s r.o.

.....  
*Prof. Jiří Zima, Dean of the Faculty of Science  
Univerzita Karlova*