

Independent Report of Factual Findings on costs declared under ELENA Project Development Services Contract

(to be printed on the Auditor's letterhead)

To

[name of contact person(s)], [Position]

[Final Beneficiary] name]

[Address]

[dd Month yyyy]

Dear [name of contact person(s)],

As agreed under the terms of reference dated [dd Month yyyy]

with: **Pražské společenství obnovitelné energie, příspěvková organizace** ('The Final Beneficiary')

We [name of the auditor] ('the Auditor'),

Established at [full address/city/state/province/country],

Represented by [name and function of an authorised representative],

have carried out the procedures agreed with you regarding the costs for project development services and the amount of supported investment projects declared in the Financial Statements¹ of the Final Beneficiary's concerning the Contract for project development services entitled "Prague Energy (PENERGY)", Contract Number: ELENA-2019-148 ('the ELENA Contract'),

with

- a total cost for project development services declared of EUR [total amount] and
- a total amount of supported investment projects declared of EUR [total amount],

and

- a total of actual project development services costs in accordance with the ELENA cost eligibilities declared of EUR [sum of total actual project development costs audited] and
- a total, actual amount of supported Investment projects substantiated through appropriate documentation of EUR [sum of total actual investment project costs audited] and
- with a sampling process developed in accordance with the methodology described In Section 5 of Annex IX of the ELENA Contract based on the figures provided by the Final Beneficiary within the Financial Statements,

¹ By which PDS costs and amount of supported investments under the ELENA Contract are declared (see template "Model Financial Statements Table A.4.3 and Table A4.4 in Annex IV of the ELENA Contract)."

and **hereby provide our Independent Report of Factual Findings ('the Report')** using the compulsory report formal agreed with you.

The Report

Our engagement was carried out in accordance with the terms of reference ('**the ToR**') appended to this Report. The Report includes the agreed-upon procedures ('**the Procedures**') carried out and the standard factual findings ('**the Findings**') examined.

The Procedures were carried out solely to assist the Bank in evaluating whether the Final Beneficiary's costs for project development services and the amount of supported investment projects in the accompanying Financial Statements were declared in accordance with the ELENA Contract. The Bank draws its own conclusions from the Report and any additional information it may require.

The scope of the Procedures was defined by the Bank. Therefore, the Auditor is not responsible for their suitability or pertinence. Since the Procedures carried out constitute neither an audit nor a review made in accordance with International Standards on Auditing or International Standards on Review Engagement, the Auditor does not give a statement of assurance on the Financial Statements.

Had the Auditor carried out additional procedures or an audit of the Final Beneficiary's Financial Statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to its attention and would have been included in the Report.

Not applicable Findings

We examined the Financial Statements stated above and considered the following Findings not applicable:

<i>Explanation (to be removed from the Report):</i>
<i>If a Finding was not applicable, it shall be marked as 'N.A.' ('Not applicable') in the corresponding row on the right-hand column of the table and means that the Finding did not have to be corroborated by the Auditor and the related Procedure(s) did not have to be carried out.</i>
<i>The reasons of the non-application of a certain Finding shall be one of the below i.e.</i>
<i>i. if no cost was declared under a certain category, then the related Finding(s) and Procedure(s) are not applicable;</i>
<i>ii. if the condition set to apply certain Procedure(s) are not met, the related Finding(s) and those Procedures) are not applicable. For instance, for 'Partners with accounts established in a currency other than euro' the Procedure and Finding related to beneficiaries with accounts established in euro are not applicable.</i>

List here all Findings considered not applicable for the present engagement and explain the reasons of the non-applicability.
....

EXCEPTIONS

Apart from the exceptions listed below, the Final Beneficiary provided the Auditor all the documentation and accounting Information needed by the Auditor to carry out the requested Procedures and evaluate the Findings.

Explanation (to be removed from the Report):

- If the Auditor was not able to successfully complete e procedure requested, it shall be marked as 'E' ('Exception') In the corresponding row on the right-hand column of the table. The reason such as the inability to reconcile key information or the unavailability of data that prevents the Auditor from carrying out the Procedure shall be indicated below.*
- If the Auditor cannot corroborate a standard finding after having carried out the corresponding procedure, it shall also be marked as 'E' ('Exception') and, where possible, the reasons why the Finding was not fulfilled and its possible impact shall be explained here below.*

List here and exception and any information on the cause and possible consequences of each exception, if known. If the exception is quantifiable, include the corresponding amount.

....

Example (to be removed from the Report):

- 1. The Final Beneficiary was unable to substantiate the Finding number 1 on ..., because ...*
- 2. Finding number 9 was not fulfilled because the methodology used by the Final Beneficiary to calculate unit costs was different from the one approved by the Bank. The differences were as follows: ...*
- 3. After carrying out the agreed procedures to confirm the Finding number 8, the Auditor found a difference of EUR_____. The difference can be explained by ...*

Further Remarks

In addition to reporting on the results of the specific procedures carried out, the Auditor would like to make the following general remarks:

Example (to be removed from the Report):

- 1. Regarding Finding number 2 the conditions for personnel costs record were considered as fulfilled because ...*
- 2. In order to be able to confirm the Finding number 34 we carried out the following additional procedures ...*

Use of this Report

This Report may be used only for the purpose described in the above objective. It was prepared solely for the confidential use of the Final Beneficiary and the Bank, and only to be submitted to the Bank in connection with the requirements set out in Article II.14.3 of the ELENA Contract. The Report may not be used by the Final Beneficiary or by the Bank for any other purpose, nor may it be distributed to any other parties. The Bank may only disclose the

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OF ASSIGNMENT

Report to authorised parties, in particular to the European Anti-Fraud Office (OLAF) and the European Court of Auditors.

This Report relates only to the Financial Statements submitted to the Bank by the Final Beneficiary for the ELENA Contract. Therefore, it does not extend to any other of the Final Beneficiary's Financial Statement(s).

There was no conflict of interest² between the Auditor and the Final Beneficiary in establishing this Report.

The total fee paid to the Auditor for providing the Report is EUR [redacted] (including EUR [redacted] of [deductible/non-deductible] VAT).

We look forward to discussing our Report with you and would be pleased to provide any further information or assistance.

[legal name of the Auditor]

[name and function of an authorised representative]

[dd Month yyyy]

Signature of the Auditor

[redacted signature]

[redacted signature]

² A conflict of interest arises when the Auditor's objectivity to establish the certificate is compromised in fact or in appearance when the Auditor for instance:

- was involved in the preparation of the Financial Statements;
- stands to benefit directly should the certificate be accepted;
- has a close relationship with any person representing the Final Beneficiary;
- is a director, trustee or partner of the Final Beneficiary;
- is in any other situation that compromises his or her independence or ability to establish the certificate impartially.