



Air Navigation Services of the Czech Republic

Terms of Reference for reporting of the IKAA

Terms of Reference for an Independent Audit Body's report on the declarations of In-kind contribution for additional activities (Article 11.1(b) SBA, hereinafter IKAA) of Private Members to additional activities of SESAR 3 Joint Undertaking Private Members in accordance with Article 11.2 of Council Regulation (EU) 2021/2085

The following are the terms of reference ('ToR') on which

Řízení letového provozu České republiky, státní podnik (ŘLP ČR, s. p.)

Navigační 787

252 61 Jeneč

Company Identification Number: 49710371

Tax Identification Number: CZ699004742

Bank account: 1162200106/0100

('the Private Member', signatory of the Membership Agreement with SESAR 3 Joint Undertaking (SESAR 3) dated 12/12/2022, reference S3JU/LC/002-CTR)

agrees to engage

██████████
██████████
██████████
██████████
██████████
██████████
██████████
██████████
██████████
██████████

('the Auditor')

to certify the declaration of the IKAA submitted by the Private Member of SESAR 3 in accordance with Article 11.2 of Council Regulation (EU) 2021/2085 (hereinafter 'SBA').

In these ToR, SESAR 3 is mentioned in its capacity as signatory of the aforementioned Grant Agreement(s) and Membership Agreement signed with the Member. The JU is not a party to this engagement.

1) Subject of the Engagement

In accordance with Article 11.2 of SBA, the Entity must report by 31 May each year the value of its IKAA made in each of the previous financial years to the Governing Board of the JU (IKAA plan).

In accordance with Article 11.2 of SBA, for the purpose of valuing these IKAA, the costs shall be determined in accordance with the usual cost accounting practices of the Entity, to the applicable accounting standards of the country where the Entity is established, and to the applicable International Accounting Standards and International Financial Reporting Standards.

In accordance with Article 11.2 of SBA, the costs shall be certified by an independent audit body appointed by the Entity and this is the subject of this engagement.

In accordance with Article 11.2 of SBA, the costs shall not be audited by SESAR 3 or any Union body. The valuation method may be verified by the JU should there be any uncertainty arising from the certification by the independent audit body.

The subject of this engagement is to certify the cost incurred to implement the IKAA, in accordance with the provisions of Article 11.2 of SBA and the aforementioned Membership Agreement.

2) Responsibilities of the Parties to the Engagement

The Member is responsible for preparing the IKAA declarations submitted in accordance with the model template provided in Annex 3 to the *"SESAR 3 JU Guidance for Private Members and Independent Audit Bodies: Declaration and certification of IKAA & self-certification/statement of total project costs"*, according to the provisions of SBA. The Member shall provide the IKAA declarations to the Auditor and ensures that the costs so declared can be properly reconciled to the Member's cost accounting system and underlying accounts and records.

Notwithstanding the audit to be carried out, the Member remains at all times responsible and liable for the accuracy of the aforementioned declarations.

- The Member is responsible for providing all statements and supporting information, which will enable the Auditor to perform its work and certify the declared IKAA. The Member will provide the Auditor with a written representation letter supporting the declaration and all supporting statements, clearly dated and stating the period covered by the statements.
- The Member accepts that the ability of the Auditor to perform the audit required by this engagement effectively depends upon the Member providing full and free access to the Members' staff and its accounting and other relevant records.

'The Auditor' is responsible for performing the procedures necessary to be able to certify the value of the declared IKAA.

The Auditor shall be independent from the Member.

The Auditor shall be 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.

3) Engagement Type and scope

This constitutes an audit engagement to provide an audit report on the annual declarations of the IKAA sustained during the period 01/01/2024 to 31/12/2024 to the Member, in compliance with the provisions of SBA, in particular Article 11.2 thereof.

The Auditor shall include in its Report that no conflict of interest¹ exists with the audited Member in establishing this Report.

4) Applicable standards

The Auditor shall undertake this engagement in accordance with these ToR and:

- in accordance with the relevant International Standard on Auditing (ISA805 (Revised)) or with International Standard on Assurance Engagements ('ISAE') 3000 (Revised), Accounts or Items of a Financial Statements as promulgated by the IFAC;
- in compliance with the *Code of Ethics for Professional Accountants* issued by the IFAC.

5) Reporting

The Report on the annual declarations of the IKAA must be established in the format of the Model Report (either based on ISA805 (Revised) or on ISAE3000 (Revised)) as attached to these Terms of Reference (provided in the Annex 2 to the document "*SESAR 3 JU Guidance for Private Members: Declaration and certification of IKAA & self-certification/statement of total project costs*") and shall be written in English.

6) Timing

The Report shall be provided by 30. 5. 2025.

7) Other Terms

The total audited costs are EUR ■■■■■

The fee for this engagement shall be CZK ■■■■■ issued by the Auditor after reporting shall be sent to the Member's address given in the heading of this Contract. Invoice shall be due within thirty (30) days of receipt thereof by the Member.

¹ A conflict of interest arises when the auditor's objectivity to establish the audit report is compromised in fact or in appearance when the auditor, for instance:

- was involved in the preparation of the Financial Statements (Forms C) and/or of the Declaration of the Total Projects' Cost and/or the IKAA declaration;
- stands to benefit directly should the report be accepted;
- has a close relationship with any person representing the beneficiary;
- is a director, trustee or partner of the beneficiary;
- is in any other situation that compromises his or her independence or ability to establish the report impartially.

This ToR becomes valid on the day of its signature by the Parties and effective on the day of its announcement in the Register of Contracts.

The Auditor acknowledges that the Member is obliged to publish this ToR pursuant to the Act No. 340/2015 Coll., on the Register of Contracts, as amended. The Auditor also acknowledges that the Member is obliged to provide information pursuant to the Act No. 106/1999 Coll. on Free Access to Information, as amended. When this ToR is published in the Register of Contracts, in particular the following information contained in this ToR shall not be provided: Auditor's bank account details, signatures on the ToR.

