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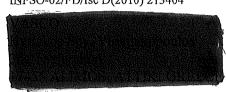


EUROPEAN COMMISSION

Information Society and Media Directorate-General

External Audit Head of Unit

> Brussels, INFSO-02/FD/Isc D(2010) 213404



BY REGISTERED MAIL

Ref:

ACCUSATE THE HAST-PETE THE TRANSPORTED

Subject:

Financial audit

Dear Sir,

I write to advise you that the European Commission has decided to carry out an audit regarding the services invoiced by as a subcontractor under the terms of subcontracts relating to the projects:



The audit will cover scientific, financial, technological and other aspects of concern regarding the services provided by The audit will be conducted on your premises.

This request is based on the provisions of Article II.5.2 / II.3.2.e of Annex II of the FP5 / FP6 contracts concluded between the European Commission and the participating contractor concerning in the here above mentioned projects. This article extends the Commission's right for audits and controls (Article II.26 / II.29 of Annex II) to subcontractors.

The European Commission has appointed Blömer Accountants en Adviseurs and their colleagues in Polaris International to co-ordinate and conduct the audit assignment on its behalf and hence they are to be regarded as the authorised representative of the European Commission for the duration of this assignment, as foreseen under the contracts. Blömer Accountants en Adviseurs may be accompagnied by Commission officials who shall conduct part of the audit assignment.

The involvement and allocation of work to the Commission officials will be confirmed prior to commencement of fieldwork.

Commission européenne, B-1049 Bruxelles / European Commission, B-1049 Brussel - Belglum. Telephone: (32-2) 299 11 11. Office: BU25 6/118. Telephone: direct fine (32-2) 295 98 05. Fax: (32-2) 292 01 25.

E-mail: Freddy.Dezeure@ ec.europa.eu

To facilitate the execution and completion of the audit, you are requested to ensure that representatives of Polaris International have complete and unhindered access to all necessary data and information to carry out their assignment.

You are also requested on receipt of this letter, within one calendar week, to provide the condition of the capacity of the details of the relevant contact person within your organization for the completion of the assignment – including her/his full name, e-mail, phone number and fax number.

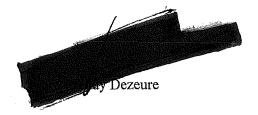
Either grant or a member of personnel from one of the participating Polaris International firms will then contact you in due course to confirm the start date for the audit, its likely duration and all necessary planning and documentation issues.

Details of the participating Polaris International firms in the respective EU member states and the names and contact details of the responsible officials within those firms are set out in Annex I to this letter.

As an initial indication of the nature and breadth of documentation that may be requested, an indicative list is included as Annex II to this letter.

Please note that the final results of the audit will be distributed to the relevant Commission services in order for these to make the necessary adjustments to the costs claimed. These adjustments, if in favour of the Commission, could affect future payments due on these contracts or result in the issuing of a recovery order for all amounts overpaid. The audit findings might also be applicable to non-audited contracts and periods, where appropriate.

Should you have any question concerning the nature, the probable timing or any other matter relating to the audit, please contact at the Polaris International RTD Co-ordination Office in Wemmel, Belgium; telephone: facsimile: or email: rtd@polariscoordination.com.



Enclosures:

Annex 1: Summary of Polaris International Participating Firms

Annex 2: Required supporting documents during the audit

Copies:

ANNEX 1

Summary of Polaris International Participating Firms

Country	Name of Firm		Place.	
Austria	Halpern & Prinz	TO CHARLES TO SERVICE OF THE SERVICE	Cathanna (ostalica) in factor	
Belgium	DRT & Partners (Robrechts & Partners)	Pergraphy Lybrachs / Wartisa hanaone	A Control of the Cont	
Belgium	VGD Bedrijfsrevisoren	Page 15 Service upon 1 /	Correntations (avenue)	
Czech Republic	Interexpert Bohemia spol sro.	Bert Boron Actions General Toylor	на в при на селото в при на при н При на при на пр	
Denmark	A. Rolf Larsen	(delle telle		
Finland & Estonia	Rantalainen Oy IA International	Control of the Value of the Val		
France	Auditec Aquitaine			
Germany	BTU Treuhand Union München GmbH	Finerszuman)		
Germany	TRINAVIS GmbH & Co. KG (formerly Corporate Treuhand GmbH)	Minus Foliare	/	
Germany	Dr Ehlers, Gruttke, Dr Volkmann und Partner	Control Number /		
Greece	Kypris & Associates S.A.		(Samulation of the Control of the Co	
Hungary	Adatkontroll Interexpert Business Consulting and Administration Service Ltd			
Ireland ·	Noone Casey	(4)	(COTE QUESTION DECINIQUE)	
Italy	GDA Revisori Indipendenti spa		A SEM POR ENGLISHED RES	
Netherlands	Blömer accountants en adviseurs (Lead partner Hans Odijk)			
Portugal	Eugénio Branco & Associados - Auditores Independentes, Sroc, Lda.	Maria Salata 75 bits Olemento		

Commission européenne, B-1049 Bruxelles / European Commission, B-1049 Brussel - Belgium. Telephone: (32-2) 299 11 11. Office: BU25 6/118. Telephone: direct line (32-2) 295 98 05. Fax: (32-2) 292 01 25.

E-mail: Freddy.Dezeure@ ec.europa.eu

Country	Name of Firm	Principal contact	Email	Phone
Romania	TPA Horwath Quintus Audit SRL	Figure Perress 9	Leichma petrescuratifa peravaling	OR MALE AND AND AND
Slovakia	Interexpert Slovakia s.r.o./Top Audit s.r.o.	CONFUR GOOGLOV	CO COLOR SALES	(0102010) (0102010)
Spain	MAF Auditores S.L.	Victor Lagren	Cozares Colligious (tours corp	95 455
Spain	Spasa Auditoria, S.A.	Coloring	ordiscognización de la constantia de la	(M) 3493 415 220%
Sweden & Norway	R3 Revisionsbyrå KB	Consactions,	Zonsamojdkog graja	(a) 46 85 35 102°
Switzerland	Treureva AG	California Section		(A)
United Kingdom	Clement Keys			
United Kingdom	FPM Accountants LLP	ACHTECO DE LA TONIO	Laccomare sons	
United Kingdom	French Duncan LLP		Tale State Business Control	
United Kingdom	Littlejohn	Chenical Control of Care	Adjust the control of	
All other countries, including: Bulgaria, Croatia, Cyprus, Iceland, Israel, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia, Malta, Poland, Slovenia and Turkey	Office of the Audit Coordinator .			

Required supporting documents during the audit

The objective of this audit will be to verify the financial statements submitted to the Commission. All documentation concerning costs charged should be available in full detail.

In cases where the following cost categories have been charged to the project, the documentation listed below should be presented in particular:

<u>Personnel costs</u>	Employment contracts (or other independent / legal justification
,	of personnel costs claimed),
	Ledgers / accounts, payroll records (including those summaries
	sent to the relevant national income tax authorities for each
	member of personnel engaged on the selected projects),
	Time sheets or other supporting evidence to validate the actual
	time costs claimed for each person engaged on the projects under
	audit.
	* Detailed breakdown and justification of the productive hours
	denominator used for calculation of hourly rates (personnel and
	overhead).
	Detailed CVs of all key research / scientific personnel, such as
	appointed Project or Team Leaders, for the assignments under
	audit and an explanation of the rational for their selection.
	Where an average costing system is used, a detailed analysis
	comparing the average labour rate as charged in compiling the
	relevant project Form Cs compared to the actual individual hourly
• •	labour rates, based on the actual levels of remuneration paid in
	the same time frame to those same personnel.
Indirect costs	Full documentation concerning the calculation of the indirect
	costs and the back-up documentation thereto.
	Analysis, reconciliation and summary of final breakdown of
	indirect costs (by category of expenses) charged to the project(s)
F	subject to audit.
Equipment / Consumables	Invoices,
	 Proofs of payment, In case of <u>rented</u> equipment: rental contract, inventory list of the
	rented equipment; proofs of the investment values of the rented
	equipment,
	Records concerning computer usage, if applicable.
Subcontracting / Third Party	Explanations as to how and why the use of a subcontractor / third
Assistance	party was necessary for the project and where such is highlighted
TIDENSTUILLE	in Annex I to the project contract.
	Copies of any and all Contracts entered into in this respect for the
	project period,
,	Invoices and other supporting documents received in support of
	final amounts claimed,
}	Proofs of payment,
	Original deliverables from the third parties
	Evidence of own internal management and supervision
	procedures to confirm completion of work required to
	specifications needed and reasonableness of the costs claimed in
	connection therewith.
,	In the case of Third Party Assistance, a copy of the relevant

	independent auditor's certificate submitted with the Third Party's own Form C to your organisation.
Travel expenses	 Invoices, Mission approval forms, A report, records, minutes etc. indicating purpose and participants of the meetings / events.
Bank Statements	 Copies of all bank statements covering the relevant time periods under audit to help validate the actual settlement of liabilities for all direct costs incurred and charged and to confirm the value of any receipts or co-funding received. In case you are co-ordinator of the contract(s) / grant agreement(s), bank statements relating to the payments of EC contribution, and the distribution to the other contractors / beneficiaries.
General Ledger / Management accounts	 Salient extracts and reconciliations of costs claimed back to underlying accounting records/general ledger to facilitate easy and swift verification of costs claimed and their eligibility A reconciliation of the details of project inputs contained in the Project management reports (PMR) previously submitted to the EC with the actual costs / inputs claimed as set out in the relevant project Form Cs selected for audit. Any discrepancies should be explained.
Auditor certificates / Certificates on the Financial Statements or on the Methodology	Copies of any auditor certification statements received.