



**EUROPEAN COMMISSION**

Directorate-General for Communications Networks, Content and Technology

**SUPPORT  
COMPLIANCE**  
The Head of Unit

Brussels, **21 OCT. 2013**  
DG CONNECT/R4/KE/ESI/lsc/mco  
ARES (2013)

**REGISTERED LETTER WITH ACKNOWLEDGEMENT OF RECEIPT**

**Subject:** **ETEN Programme**  
**Financial audit of**

**Our reference:**

**Projects audited:**

**Contact person:** Mrs Elena Simova, Auditor in charge  
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E-mail: Elena.Simova@ec.europa.eu

Dear \_\_\_\_\_,

This letter hereby confirms the findings of the financial audit on the above mentioned grant agreements carried out by a PKF LittleJohn acting as authorised representative of the European Commission. It furthermore informs you of the next steps in the process, i.e. the implementation of the results of the audit.

**Audit report and closure of audit**

The draft audit report was communicated to you and you were invited to provide the Commission with any comments thereon. You confirmed with your letter of 03/09/2013, that you agree with the findings of the audit report. The Commission therefore now considers this audit as closed. The draft audit report sent to you is therefore now considered as the final audit report.

The audit report thus concludes that the following adjustments are necessary:

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Elena.Simova@ec.europa.eu

Grant agreement	Costs claimed (A)	Costs accepted by PO (B)	Eligible Costs (C)	Gross adjustm. to costs accepted (C-B)
	295.792,76	293.066,74	311.096,12	18.029,38
	950.067,73	904.547,81	930.666,28	26.118,47
	258.762,59	244.706,84	241.181,27	-3.525,57

For further details we refer to the final audit report attached to this letter as Annex I.

### **Implementation of audit findings for *audited periods/grant agreements***

The final audit report will now be distributed to the relevant Commission services for the implementation of the audit findings.

For the audited grant agreement where the audit adjustments at cost level are in favour of the Commission, you should not take any action in respect of the implementation of the adjustments in relation with the audited periods. The Commission services will make the necessary adjustments to the costs over claimed.

For the audited grant agreements where the audit adjustments at cost level are in your favour, please note that the supplementary costs may only be claimed by means of a separate financial statement. In any case, any complementary payments are limited to the maximum financial ceiling as laid down in the grant agreements and to the availability of funds. Furthermore, the coordinator, in accordance with the consortium agreement, may limit in part or in whole the additional payment in your favour.

This audit report also highlights recommendations to improve the systems of internal control relevant to your participation in ETEN grant agreements.

It is recommended that:

- The beneficiary amends the timesheet template to record the full working time of each employee involved in EC-funded projects. Additionally timesheets should include details of the tasks performed and should be signed by the employee.
- The beneficiary calculates personnel and overhead rates in line with the actual project periods so as to accurately declare actual costs – Articles II.14 and II.15.

### **Implementation of audit findings for *future periods***

Furthermore, you are reminded that, as a general rule, your financial statements need to comply with the relevant contractually agreed financial provisions and, in particular, that the audit findings

of this audit, including recommendations, must be implemented in *all future financial statements* that will be submitted by your organisation in the context of projects under the ETEN Programme.

### **Final considerations**

We would like to take this opportunity to thank you and your colleagues for your assistance and collaboration during this audit.

Yours sincerely,

Katleen Engelbosch

Enclosure:    Audit Report