

1. BACKGROUND

EURAMET is responsible for an EC FP7 ERA-NET Plus contract – the “iMERA-Plus” project, Grant Agreement number 217257, in which the European Commission has joined with a number of European countries to enable EURAMET to fund 21 Joint Research Projects (JRPs).

ERA-NET Plus is a new EC FP7 “mechanism”, which does not completely align with a number of standard FP7 requirements and processes/templates, and the Commission has therefore needed to develop some adaptations to account for this. This document details the approach and procedures specific to the ERA-NET Plus iMERA-Plus project. This document is for the organisational financial contacts and the auditors.

The European Commission has now agreed the text for the Terms of Reference for the Certificate of Financial Statements (CFS)¹ and the compulsory Report format including the additional Appendix 1 for iMERA-Plus (these documents essentially replace the standard FP7 Annex VII Form D). Much of the text is identical to standard FP7 template and the Commission have informed EURAMET that the use of this text is compulsory for iMERA-Plus and that the text may not be modified. The auditor is required to confirm that the claimed costs are compliant with specified eligibility conditions for ERA-NET Plus projects detailed in Appendix 1. A dedicated compulsory template for iMERA-Plus Certificate on the Financial Statement can be downloaded from <http://www.emrponline.eu/reporting/>. A template for the Letter of Representation from the organisation to the auditor specific to iMERA-Plus should also be downloaded from the website.

2. IMERA-PLUS AUDITS

EURAMET is contractually obliged to meet all the Commission’s requirements regarding ERA-NET Plus projects. In addition the European Commission require EURAMET to demonstrate effective governance of the iMERA-Plus programme and the costs claimed. Organisations will be financially audited for one of two reasons;

- to meet European Commission requirements (“EC audits”) or
- to meet EURAMET governance requirements (“governance audits”).

Funded organisations are required to comply with the FP7 requirement for submission of a Certificate on the Financial Statement at each reporting period where the cumulative EC contribution is equal to or exceeds 375k€ since the last CFS was provided for submission to the EC via the iMERA-Plus Manager.

Organisations that do not trigger the FP7 375k€ EC funding threshold for compulsory financial auditing to meet EC requirements will still be required by EURAMET to be financially audited at the end of the October 2009 reporting period and again at the end of the JRPs. The “governance” audits follow the same process and templates as the 375k€ audits.

¹ The Certificate on the Financial Statements (CFS) was formerly known as a financial audit certificate in FP6.

There are two minor differences between the two types of audit;

- Audit reports provided to meet EC requirements will be submitted to the EC by the iMERA-Plus Manager, governance audit reports will not be submitted to the EC by the iMERA-Plus Manager unless the EC specifically request them.
- The periods covered by the audit reports will vary depending on the type of audit and the current reporting period.

EURAMET is responsible for specifying some of the financial and audit requirements for the Joint Research Projects. EURAMET has chosen to use FP7 guidance criteria (broadly and in so far as they are applicable) for financial requirements and the conducting of the audits.

Key points specific to iMERA-Plus:

- The Certificate on the Financial Statement is required on an organisation-by-organisation basis ie one certificate per organisation participating in the iMERA-Plus JRP, and it shall cover all the JRPs in which the organisation is participating.
- The cost of the Certificate of Financial Statements (excluding VAT), whether provided for an EC audit or a governance audit, is an eligible cost. The cost of either type of audit should be apportioned by allocating the cost equally in euros across all the JRPs in which the organisation is participating.
- EURAMET allows the use of zoned or average personnel costs provided it is already the normal accounting procedure of the organisation and is used across all of its chargeable activities (except where specific contracts exclude or require particular arrangements). An approved “Certificate on the methodology on average personnel costs” is not necessary in order to use zoned or average personnel costs.
- The specified FP7 sampling rates can be applied across the totality of JRPs (which may range from a single JRP for some organisations to a large number of JRPs for others) i.e. auditors should consider all JRPs for the organisation they are auditing as a single contract (as all JRP contracts relate to the same top level EC contract – the iMERA-Plus Grant Agreement).

3. REPORTING PERIODS AND AUDIT PERIODS

The iMERA-Plus “upstream” contract with the European Commission defines the following reporting periods for the JRPs:

- 1 February 2008 to 31 October 2008
- 1 November 2008 to 31 October 2009
- 1 November 2009 to 31 October 2010
- 1 November 2010 to 31 October 2011

The above dates (for the appropriate period) will be the dates that should appear on the Form Cs. The dates that should be included on the “Certificates on the financial statements” will

vary depending on the type of audit and the current reporting period. The 'start' date on an audit certificate will be the start date of one of the reporting periods and the 'end' date will be the end date of one of the reporting periods, however the audit period may span more than one reporting period.

Auditors should note that across the programme individual JRPs have varying start dates ranging from 1 February 2008 to 1 July 2008. Costs related to an individual JRP are only eligible from the JRP start date². Likewise in the period ending 31 October 2011 costs for each individual JRP are only eligible until the end of the relevant JRP Contract³.

"EC" audits will cover all reporting periods since the "EC" audit, whilst "governance" audits will cover all reporting periods since the last audit ("EC" or "governance").

Certificates on the Financial Statements are therefore required as follows:

Reporting Period	Funded organisations requiring audit	Period covered by audit	Type of audit
1 Feb 2008 – 31 Oct 2008	Organisations triggering 375k€ EC funding threshold during the reporting period	1 Feb 2008 – 31 Oct 2008	EC
1 Nov 2009 – 31 Oct 2009	Organisations whose cumulative EC funding since 1 Feb 2008 does not trigger 375k€ EC funding threshold	1 Feb 2008 – 31 Oct 2009	Governance
	Organisations previously "EC" audited at end of Oct 2008 whose EC funding since 1 Nov 2009 triggers 375k€ EC funding threshold	1 Nov 2008 – 31 Oct 2009	Governance
	Organisations previously "EC" audited at end of Oct 2008 whose EC funding since 1 Nov 2008 triggers 375k€ EC funding threshold	1 Nov 2008 – 31 Oct 2009	EC
1 Nov 2009 – 31 Oct 2010	Organisations triggering 375k€ EC funding threshold for the first time since 1 Feb 2008	1 Feb 2008 – 31 Oct 2010	EC
	Organisations last "EC" audited at the end of Oct 2008 whose EC funding since 1 Nov 2008 triggers 375k€ EC funding threshold	1 Nov 2008 – 31 Oct 2010	EC
	Organisations last "EC" audited at the end of Oct 2009 whose EC funding since 1 Nov 2009 triggers 375k€ EC funding threshold	1 Nov 2009 – 31 Oct 2010	EC
1 Nov 2010 – 31 Oct 2011	Organisations whose cumulative EC funding since 1 Feb 2008 does not trigger 375k€ EC funding threshold	1 Nov 2009 – 31 Oct 2011	Governance
	Organisations last "EC" audited at end of Oct 2008 whose EC funding since 1 Nov 2008 does not trigger 375k€ EC funding threshold	1 Nov 2009 – 31 Oct 2011	Governance

² Exceptionally airfares to attend the kick off meeting that purchased ahead of time may appear in the accounts with a date earlier than the JRP start date but are considered eligible.

³ Exceptionally personnel costs for the JRP Coordinator for the preparation of the final report within the period ending 45 days after the end date of the JRP can be accepted.

Organisations last "EC" audited at end of Oct 2008 whose EC funding since 1 Nov 2008 triggers 375k€ EC funding threshold	1 Nov 2008 – 31 Oct 2011	EC
Organisations last "EC" audited at end of Oct 2009 whose EC funding since 1 Nov 2009 does not trigger 375k€ EC funding threshold	1 Nov 2009 – 31 Oct 2011	Governance
Organisations last "EC" audited at end of Oct 2009 whose EC funding since 1 Nov 2009 triggers 375k€ EC funding threshold	1 Nov 2009 – 31 Oct 2011	EC
Organisations last "EC" audited at end of Oct 2010 whose EC funding since 1 Nov 2010 does not trigger 375k€ EC funding threshold	1 Nov 2010 – 31 Oct 2011	Governance
Organisations last "EC" audited at end of Oct 2010 whose EC funding since 1 Nov 2010 triggers 375k€ EC funding threshold	1 Nov 2010 – 31 Oct 2011	EC

4. FORM CS

Under FP7 the financial data for the Form C for each organisation is entered into an on-line reporting tool known as FORCE and the Form C is then generated by this system. The iMERA-Plus Manager is required to enter all the data for all organisations into FORCE and to produce the individual Form Cs, which will then be sent out to the organisations for signature. To avoid delays in the auditing process an Excel model Form C template is provided by EURAMET, which should be completed by the organisation as soon as the organisation has completed the R&C statements for all its JRPs. Organisations should include a copy of the completed model Form C for each reporting period covered by the audit, together with the documentation and data provided to the auditors, hence organisations that had not triggered the 375k€ threshold as of 31 Oct 2008 and were not audited for the reporting period 1 Feb 2008 – 31 Oct 2008 should send the auditors two completed model Form Cs, one covering the period 1 Feb 2008 - 31 Oct 2008 and the second covering the period 1 Nov 2008 – 31 Oct 2009.

On the Form Cs the two questions in section '4. Certificate on the methodology' "Do you declare average personnel costs according to Art. II.14.1?" and "Is there a certificate on the methodology provided by an independent auditor and accepted by the Commission according to Art. II.4.4?" will be answered "No" for all organisations as this question is not applicable for ERA-NET Plus, even if an organisation uses average personnel costs for its JRPs and/or has an approved 'Certificate on the methodology' for other FP7 projects.

The question in section '5- Certificate on the financial statements' "Is there a certificate on the financial statements provided by an independent auditor attached to this financial statement according to Art.II.4.4?" will be answered "Yes" for those organisations that have exceeded the €375k€ EC funding limit since their last EC audit under iMERA-Plus and "No" for all other organisations, even though the organisation will have been audited to meet the EURAMET governance requirements.

Please note that the Commission will only accept signed copies of Form Cs that are actually produced by FORCE, rather than completed versions of the XL template (the XL versions are for audit purposes only).

Auditors are requested to attach a copy of the organisation's completed XL model Form C to their audit report.

Organisations should send a copy of their signed and submitted Form C produced from the FORCE system to their auditors for their records.

5. QUESTIONS

Auditors may seek clarification on the documentation and process from the iMERA-Plus helpdesk (emrp@npl.co.uk, +44 20 8946 6666).