

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 specified 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 mandatory 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. The dedicated mandatory template for the iMERA-Plus Certificate on the Financial Statement will be provided.

The Terms of Reference require signature by the auditor and the organisation being audited. In addition a Letter of Representation, specific to iMERA-Plus, will be sent from the organisation to the auditor.

2. USE OF AVERAGE PERSONNEL COSTS

An approved “Certificate on the methodology on average personnel costs” is not necessary in order to use zoned or average personnel costs in iMERA-Plus JRPs.

All costs on the Form C are in the category “transnational project costs” and no costs claimed on the Form C are in the category of Labour costs. The Commission have confirmed that it is only in the case where ‘Labour costs’ are declared on a Form C that the “Certificate on the methodology on average personnel costs” is necessary in order to use zoned or average personnel costs.

The Commission accept the decision of the iMERA-Plus Manager regarding the use of zoned or average personnel costs within the transnational projects. We therefore confirm that EURAMET allow 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).

3. SAMPLING RATES

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).

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

4. JRP START AND END DATES

Auditors should note that across the iMERA-Plus programme individual JRPs have 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 May 2012 costs for each individual JRP are only eligible until the end of the relevant JRP Contract³. Therefore it is possible, and acceptable, for an auditor to complete an audit report for a period ending 31 May 2012 in advance of 31 May 2012, but after the end date of the JRP Contracts in which the organisation is a JRP partner.

5. AMENDMENT FORM CS

In the case where an organisation has notified the EMRP-MSU during the current reporting period that an amendment is required to costs reported on a Form C for a previous period, there will be an amendment Form C(s), which should be included in the audit report along with the other final Form C(s).

The amendment Form C will indicate that it is an amendment to a certain period (iMERA-Plus period) but the dates for the period will not be stated on the amendment Form C.

For information the iMERA-Plus reporting periods are given in the table below:

iMERA-Plus Reporting Period	Period covered
1	1 June 2007 to 31 March 2008
2	1 February 2008 to 31 October 2008
3	1 November 2008 to 31 October 2009
4	1 November 2009 to 31 October 2010
5	1 November 2010 to 31 May 2012

6. INTERMEDIATE REPORT (FOR THOSE ORGANISATIONS NOT WORKING IN EURO)

Where the Organisation is not working in the Euro zone the final audit report cannot be produced until after the exchange rate to be used for the final iMERA-Plus reporting period is published (on 1 June 2012). In such cases the iMERA-Plus Coordination team require the Auditor to submit an additional, intermediate, audit report verifying the costs in the local currency for the final period (and in Euro for any earlier periods included within the audit report). For these intermediate reports the Form C of the final period, which is not yet available, will be replaced by a temporary "Statement of cost in local currency".

After 1 June 2012 the final Form C will be produced and at that time a final version of the audit report will be required. Please note that the timescale for providing the final audit report will be very short due to constraints on the iMERA-Plus reporting schedule.

7. COSTS INDICATED IN THE OVERALL BUDGET

Although the Appendix 1 states that costs

- *are indicated in the estimated overall budget in the Annex Is of the individual JRP contracts.*

JRP cost budget estimates (in Annex 1 of the JRP Contract) are estimates only and, with the exception of "subcontract" are fluid across cost categories, years and even JRP partners (with EMRP approval). All JRP Contracts state that "The JRP partners are only allowed to transfer budget between different activities and between themselves with prior written approval by the iMERA-Plus Manager and shall follow procedures specified by the iMERA-Plus Manager for such transfers."

Please note that iMERA-Plus procedures are such that permission to alter the budget can be given after the costs have been incurred. Therefore analysis of the costs against the budget in Annex I of the JRP Contract should not give rise to a decision by an auditor to warrant any cost ineligible, with the exception

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. Also the cost of the final audit is eligible.

of non authorised subcontracts (note subcontracts may be authorised via the Annex 1a/1b or email correspondence).

8. EXCEPTIONS

Where possible the auditor should liaise with the organisation being audited in order that any exception can be cleared, and if appropriate the costs claimed reduced in order that you can submit a report with no exceptions.

9. CHECKLIST

Please ensure that the audit report:

- Refers to the appropriate start and end dates
- Includes a copy of all the appropriate FORCE signed Form Cs (including any amendment Form Cs submitted)
- Ideally does not declare any exceptions
- Does not list any qualifying statements in the tables but states 'not applicable'
- Is signed and or stamped on every page (in colour where applicable)
- All pages are originals and not a copy (except the copy of the Form C which is attached to the audit report - however this Form C must bear original stamp or signature of the auditor)
- Is not on the letter headed paper of the organisation being audited (where the auditor is a Competent Public Officer the letter head of the relevant national authority that established the legal capacity to audit the Beneficiary should be used)
- Is accompanied by the Terms of Reference which is signed by both the auditor and beneficiary

10. QUESTIONS

Auditors may seek clarification on the documentation and process from the iMERA-Plus helpdesk (emp@npl.co.uk, +44 20 8943 6666).