# Template of Contract between the beneficiary and the auditor

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### CONTRACT FOR THE EXPENDITURE VERIFICATIONof a Grant Contract [Title of and number of the Grant Contract]under the The ENI Cross-Border Cooperation Programme Poland-Russia 2014-2020

<Full official name of the beneficiary>

[<Official registration number>]

<Full official address>

[<TAX identification number>],

(‘the Beneficiary’),

of the one part,

and

<Full official name of the Contractor>

[<Official registration number>]

<Full official address>

[<TAX identification number>],

(‘the Auditor’)

of the other part,

have agreed as follows:

Article 1. Subject

* 1. The subject of this Contract is the expenditure verification of the Contract [Title of and number of the Grant Contract] with identification number <Contract reference> (‘the service’).
	2. The Auditor shall
1. meet the qualifications and requirements specified for auditors as set in Guidelines on expenditure[[1]](#footnote-1),
2. carry out the procedures of expenditure verification and issue post-control documents based on the procedures and templates presented in the Guidelines on expenditure, reviewing costs reported by the Beneficiary with reference to conditions for eligibility of expenditure set in the Grant Contract.

1.3 The Auditor shall execute the tasks assigned to him/her in accordance with the requirements, procedures and templates annexed to this Contract or any update issued by the Managing Authority or the Joint Technical Secretariat.

Article 2. Contract value

This Contract, established in [<national currency>, is a global price Contract.

Article 3. Contract documents

The following documents shall be deemed to form and be read and construed as part of this Contract:

1. annex I: the Grant Contract and its annexes;
2. annex II: the Programme Manual;[[2]](#footnote-2)
3. annex III the Guidelines on expenditure verification and its annexes;
4. annex IV the partnership agreement.

Article 4. Language of the Contract

The language of the Contract and of official letters and conclusions (including expenditure verification certificate), between the Auditor and the Beneficiary shall be English. Working communication may be in national languages.

**Article 5. Communications**

5.1 <Indicate here the contact persons, addresses of the Parties, their other contact details, the documents to provide and the procedure to be used by the Parties for communication.>

5.2 Any communication relating to conformity of expenditure eligibility must be in writing (in paper or electronic version).

5.3 All documents composing the audit trail will be sent to the Auditor in the form of originals, or certified true copies of the originals, or on commonly accepted data carriers including electronic versions of original documents or documents existing in electronic version only[[3]](#footnote-3).

5.4 If a party requests information or documents, the sender must provide requested information within a reasonable time, without unjustified delay, but no later than time limits for delivery of post-control documents to the Joint Technical Secretariat.

**Article 6. Implementation of the tasks and delays**

6.1[The start date for implementation shall be <date/date of signature of the Contract by both parties>]

6.2 The period for delivery of the post-control documents to the Beneficiary is <30> calendar days from submission of each progress report by the Beneficiary.

6.3 The Beneficiary shall provide the Auditor with the progress report to be verified no later than 14 calendar days after the end of the reporting period.

**Article 7. Responsibilities**

7.1 The Beneficiary is responsible for providing the progress report for the action financed by the Grant Contract which complies with the terms and conditions of the Grant Contract and for ensuring that this progress report can be reconciled to the Beneficiary’s accounting and bookkeeping system and to the underlying accounts and records.

7.2 The Beneficiary is obliged to give free access to its accounting, supporting documents and project documentation and physical investments to the Auditor, so that the procedures described in annex I can take place in due time and without restrictions. The Beneficiary is responsible for providing sufficient and adequate information, both financial and non-financial, in support of the progress report.

* 1. The Beneficiary accepts that the ability of the Auditor to perform the audit procedures required by this engagement effectively depends upon the Beneficiary, and as the case may be his partners, providing full and free access to the Beneficiary’s staff and its accounting and bookkeeping system and underlying accounts and records.
	2. The Auditor is responsible for performing the audit procedures described in the Guidelines on expenditure verification with due care and full respect of standards and ethics therein indicated and to submit to the Beneficiary a post-control documents of factual findings with regard to the specific verification procedures performed, with respect of the auditor’s role, nature and scope of checks set in the Guidelines on expenditure verification.

The Guidelines on expenditure verification as an integral part of the Contract and shall be fully applied to expenditure verification of the Contract [Title of and number of the Grant Contract].

* 1. The Auditor obtains an understanding of the terms and conditions of the Grant Contract by reviewing the Grant Contract and its annexes as well as the Programme Manual and Guidelines on expenditure verification and other relevant information, and by inquiry of the Beneficiary or the Control Contact Point.
	2. The Auditor documents matters in a way to provide evidence of the factual findings, proof of costs eligibility (by collecting appropriate supporting documents), and evidence that the work was carried out in accordance with the nature and extent of the procedures set in the Guidelines on expenditure verification. The Auditor uses the evidence obtained from these procedures as the basis for the report of factual findings. The failure to comply with these rules makes expenditure ineligible for EU financing.
	3. The auditor ensures that the process and outcome of control operations will be appropriately documented so that any other auditor will be able to make re-control activities based only on the documents collected and prepared by the auditor.
	4. The Auditor will attend the specific trainings and meetings for Auditors organized by the competent Programme bodies.
	5. The Auditor is obliged cooperate with the Joint Technical Secretariat, Control Contact Point and other entities authorized to control of the project, including providing explanations, access to documents collected during the audit investigation.

**Article 8. Post-control documents**

8.1 The Auditor shall submit the post-control documents to the Beneficiary (certificate with relevant checklist(s)), following the templates and procedures established in the Guidelines on expenditure.

8.2 In case of identification of suspected and/or established fraud, the Auditor shall submit the Irregularity Note without delay directly to the Joint Technical Secretariat indicated in the Grant Contract.

**Article 9. Approval of the post-control documents**

9.1 The Auditor’s certificate with relevant checklist(s) shall be approved by the Managing Authority and Joint Technical Secretariat indicated in the Grant Contract after submission by the Lead Beneficiary. The Auditor may, where appropriate, be requested to provide clarifications or additional information with regard to the post-control documents and the progress report.

9.2 Should the Managing Authority, the Joint Technical Secretariat, the Control Contact Points or any other authorized control entities have any doubt concerning approved expenditure included in the progress report and findings indicated in the auditor’s certificate, the Auditor will receive a request for clarification answers, present documents, which will be provided in a maximum of 7 calendar days or within deadlines specified by the control entities.

9.3 When appeal from the result of the Auditor's verification to the Joint Technical Secretariat is positively recognized, expenditures regarded as eligible in consequence of resolving the objections shall be approved by the Auditor in the next report. In case of final report, post control documents shall be changed respectively.

**Article 10. Quality control by programme bodies**

10.1 The Managing Authority, the Joint Technical Secretariat or the Control Contact Point may carry out quality control of the Auditor’s work carried out, including the examination of the working papers, at any moment during the execution period of the Grant Contract.

10.2 The Auditor shall retain copies confirmed as true copies of the supporting documents, reviewed for confirming eligibility of all expenditure items included in the progress report and provide them to the Control Contact Point or any other authorised control bodies upon request. Documents may be requested from the Auditor during for a period of 5 years after the approval of the final progress report.

10.3 As a result of the quality control, the Control Contact Point (also on the request of the Managing Authority / Joint Technical Secretariat) may withdraw the approval of Auditor (remove the Auditor from the long <or short> list)[[4]](#footnote-4) Contract.

10.4 Should the Control Contact Point withdraw the approval of Auditor (remove the Auditor from the long <or short> list)[[5]](#footnote-5) of authorized auditors in the cases defined in the Guidelines on expenditure verification, the beneficiary reserving the right to terminate the Contract. Such termination shall be free of charge for the Beneficiary.

10.5 The Auditor and the Beneficiary are subject to verifications and audits, which may be conducted by the European Commission, the European Anti-Fraud Office, the European Court of Auditors, Audit Authority supported by the members of the Group of Auditors and any external auditor authorized to verify the expenditures in the Project. In the case of such audit and verification the Auditor and the Beneficiary shall take steps to facilitate the verifications and give access to the required documents, rooms..

**Article 11. Payment**

*<The Beneficiary should specify any reimbursable expenses and allowances (e.g. travelling, other) agreed with the Auditor unless it is covered by the* fee for auditor’s engagement *and whether VAT and/or other relevant taxes are included in the fees/expenses.>*

 Payments shall be made in accordance with the following option:

|  |  |
| --- | --- |
| **Report** | **[<code of national currency>]** |
| **1** | <X% of the Contract value> |
| **<n>** | <X % of the Contract value> |
| **Final report** | <X % of the Contract value> |
|  | <Total Contract value> |

**Article 12. Settlement of disputes and applicable law**

12.1 Any disputes arising out of or relating to this Contract which cannot be settled amicably shall be referred to the exclusive jurisdiction ofthe courts of location of the Beneficiary.

12.2 This Contract shall be governed by the law of the country of the Beneficiary.

**Article 13. Data Protection**

13.1 The Beneficiary is aware of the fact that he/she is an administrator of the personal data transferred to the Auditor for the purposes of implementation of the Contract. The Beneficiary entrusts the Auditor with the processing of these personal data.

13.2 The Auditor shall limit access to the data entrusted by the Beneficiary to staff strictly needed to perform, manage and monitor the Contract and ensures that those persons have committed themselves to confidentiality.

13.3 The Auditor is aware of the fact that his/her personal data will be processed by the bodies charged with implementation of the programme, it means by the Managing Authority, Joint Technical Secretariat and Control Contact Point. The data will be processed in connection with the verification of project progress reports, settlement of the expenditures incurred by the beneficiary and conducting the systemic controls. The administrator of these personal data is the minister competent for regional development in Poland with its seat in Warsaw at Wspólna Str. 2/4, 00-926 Warsaw. The e-mail address of the Data Protection Officer: iod@miir.gov.pl.

 The Auditor may access his or her data, supplement, update, or rectify them.

13.4 The details regarding entrusting the personal data processing shall be settled between the parties in accordance with the regulations being in force in the given country[[6]](#footnote-6).

**Article 14. Impartiality and confidentiality**

14.1. The Auditor and the Beneficiary shall undertake all necessary precautions to avoid conflicts of interests and shall inform the Control Contact Point without delay of any situation constituting or likely to lead to any such conflict.

14.2 The Auditor shall obey the impartiality and confidentiality rules as set in the Contract and Guidelines on expenditure verification.

**Article 15. Further additional clauses**

<Add other relevant clauses e.g. Contractual penalties.>

Done in English in two originals, on the <dd Month yyyy>

ANNEXES <Annex 1-4 obligatory>:

Annex 1 Grant Contract and its annexes

Annex 2 Programme Manual

Annex 3 up-to-date Guidelines on expenditure verification (with annexes).

Annex 4 Partnership agreement

Others ….

|  |  |
| --- | --- |
| **For the Auditor** | **For the Beneficiary** |
| Name: |  | Name: |  |
| Title: |  | Title: |  |
| Signature: |  | Signature: |  |
| Date: |  | Date: |  |

1. Conditions set for the auditors, depending on beneficiaiary origin as set in Chapter 1.3 of the Guidelines on expenditure verification, must be obayed. [↑](#footnote-ref-1)
2. Pogramme manual citied in the Grant Contract, binding for respective call for proposal. [↑](#footnote-ref-2)
3. The certification of conformity of documents held on commonly accepted data carriers with original documents shall be performed in compliance with national rules on the matter. [↑](#footnote-ref-3)
4. Only in case the country has set up a long or short list of auditors. [↑](#footnote-ref-4)
5. Only in case the country has set up a long or short list of auditors. [↑](#footnote-ref-5)
6. According to the Regulation (EU) 2016/679 of the European Parliament and of the Council, hereinafter referred to as GDPR or national regulations in a given country). [↑](#footnote-ref-6)