

**Terms of reference for an audit engagement for a methodology certificate
in connection with one or more grant agreements financed
under the Horizon 2020 Research and Innovation Framework Programme**

This document sets out the '**Terms of Reference (ToR)**' under which

AQUANET S.A. ('the Beneficiary')

agrees to engage

[insert legal name of the auditor] ('the Auditor')

to produce an independent report of factual findings ('the Report') concerning the *Beneficiary's* usual accounting practices for calculating and claiming direct personnel costs declared as unit costs ('the Methodology') in connection with grant agreements financed under the Horizon 2020 Research and Innovation Framework Programme.

The procedures to be carried out for the assessment of the methodology will be based on the grant agreement(s) detailed below:

Grant Agreement 869496 - REWAISE ('the Agreement')

The Agreement has been concluded between the Beneficiary and *the Research Executive Agency (REA) ('the Agency')*, under the powers delegated by the European Commission ('the Commission').

The *Commission and the Agency* are mentioned as a signatory of the Agreement with the Beneficiary only.

The *Agency* is not a party to this engagement.

1.1 Subject of the engagement

According to Article 18.1.2 of the Agreement, beneficiaries that declare direct personnel costs as unit costs calculated in accordance with their usual cost accounting practices may submit to the *Agency*, for approval, a certificate on the methodology ('CoMUC') stating that there are adequate records and documentation to prove that their cost accounting practices used comply with the conditions set out in Point A of Article 6.2.

The subject of this engagement is the CoMUC which is composed of two separate documents:

- the Terms of Reference ('the ToR') to be signed by the *Beneficiary* and the Auditor;
- the Auditor's Independent Report of Factual Findings ('the Report') issued on the Auditor's letterhead, dated, stamped and signed by the Auditor which includes; the standard statements ('the Statements') evaluated and signed by the *Beneficiary*, the agreed upon procedures ('the Procedures') performed by the Auditor and the standard factual findings Associated with document Ref. Ares(2020)1951614 - 06/04/2020 ('the Findings') assessed by the Auditor. The Statements, Procedures and Findings are summarised in the table that forms part of the Report.

The information provided through the Statements, the Procedures and the Findings will enable the Commission to draw conclusions regarding the existence of the *Beneficiary's* usual cost accounting practice and its suitability to ensure that direct personnel costs claimed on that basis comply with the provisions of the Agreement. The Commission draws its own conclusions from the Report and any additional information it may require.

1.2 Responsibilities

The parties to this agreement are the *Beneficiary* and the Auditor.

The *Beneficiary*:

- is responsible for preparing financial statements for the Agreement(s) ('the Financial Statements') in compliance with those Agreements;
- is responsible for providing the Financial Statement(s) to the Auditor and enabling the Auditor to reconcile them with the *Beneficiary's* accounting and bookkeeping system and the underlying accounts and records. The Financial Statement(s) will be used as a basis for the procedures which the Auditor will carry out under this ToR;
- is responsible for its Methodology and liable for the accuracy of the Financial Statement(s);
- is responsible for endorsing or refuting the Statements indicated under the heading 'Statements to be made by the Beneficiary' in the first column of the table that forms part of the Report;
- must provide the Auditor with a signed and dated representation letter;
- accepts that the ability of the Auditor to carry out the Procedures effectively depends upon the *Beneficiary* providing full and free access to the *Beneficiary's* staff and to its accounting and other relevant records.

The Auditor:

• *is qualified to carry out statutory audits of accounting documents in accordance with Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC or similar national regulations.*

The Auditor:

- must be independent from the Beneficiary, in particular, it must not have been involved in preparing the Beneficiary's Financial Statements;
- must plan work so that the Procedures may be carried out and the Findings may be assessed;
- must adhere to the Procedures laid down and the compulsory report format;
- must carry out the engagement in accordance with these ToR;
- must document matters which are important to support the Report;
- must base its Report on the evidence gathered;
- must submit the Report to the *Beneficiary*.

The Commission sets out the Procedures to be carried out and the Findings to be endorsed by the Auditor. The Auditor is not responsible for their suitability or pertinence. As this engagement is not an assurance engagement, the Auditor does not provide an audit opinion or a statement of assurance.

1.3 Applicable Standards

The Auditor must comply with these Terms of Reference and with¹:

- the International Standard on Related Services ('ISRS') 4400 *Engagements to perform Agreed-upon Procedures regarding Financial Information* as issued by the International Auditing and Assurance Standards Board (IAASB);
- the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants (IESBA). Although ISRS 4400 states that independence is not a requirement for engagements to carry out agreed-upon procedures, the Commission requires that the Auditor also complies with the Code's independence requirements.

The Auditor's Report must state that there was no conflict of interests in establishing this Report between the Auditor and the Beneficiary that could have a bearing on the Report and must specify – if the service is invoiced - the total fee paid to the Auditor for providing the Report.

1.4 Reporting

The Report must be written in the language of the Agreement (see Article 20.7 of the Agreement). Under Article 22 of the Agreement, the Commission, *the Agency*, the European Anti-Fraud Office and the Court of Auditors have the right to audit any work that is carried out under the action and for which costs are declared from *the European Union* budget. This includes work related to this engagement. The Auditor must provide access to all working papers related to this assignment if the Commission, *the Agency*, the European Anti-Fraud Office or the European Court of Auditors requests them.

1.5 Timing

The Report must be provided by 31.08.2026.

1.6 Other Terms

[The Beneficiary and the Auditor can use this section to agree other specific terms, such as the Auditor's fees, liability, applicable law, etc. Those specific terms must not contradict the terms specified above.]

[legal name of the Auditor]
[name & title of authorised representative]
[dd Month yyyy]
Signature of the Auditor

[legal name of the Beneficiary]
[name & title of authorised representative]
[dd Month yyyy]

Signature of the *Beneficiary*

¹ Supreme Audit Institutions applying INTOSAI-standards may carry out the Procedures according to the corresponding International Standards of Supreme Audit Institutions and code of ethics issued by INTOSAI instead of the International Standard on Related Services ('ISRS') 4400 and the Code of Ethics for Professional Accountants issued by the IAASB and the IESBA.