Annex 7

**AUDIT REPORT**

**Factual findings for a cost verification in Norway Grants 2014 – 2021 “Green ICT programme”**

**Name and EU number of the project (EUXXXXX)**

**Name of Project Promoter (Estonian company):**

**Name of Norwegian partner:**

**Name of the public officer compiling the report**

**Reporting period: XX Month 20XX – XX Month 20XX.**

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# Auditor’s Report

**This is a report of factual findings on incurred costs claimed under a Project contract financed under Green ICT programme (Norway Grants 2014 – 2021)**

To Enterprise Estonia

Name of the Partner (Norwegian company/association)

In accordance with our contract dated XX Month 20XX with ... (name of the Partner) “the Partner” and the terms of reference attached thereto (section 2), we provide our Independent Report of Factual Findings (“the Report”), as specified below.

**Objective**

We ... (name of the audit firm), established in ... (street, city, zip code, country),represented for signature of this Report by ... (name of the Auditor) (... title of the Auditor)have performed agreed-upon procedures regarding the costs declared in the Financial Statement of ... (name of the Partner) hereinafter referred to as the Partner, to which this Report is attached, and which is to be presented to Enterprise Estonia under grant agreement ... (name and number of the project)for the following period XX Month 20XX – XX Month 20XX.This engagement involved performing certain specified procedures, the results of which Enterprise Estonia uses to draw conclusions as to the eligibility of the costs claimed.

**Scope of Task**

Our engagement was carried out in accordance with:

- The terms of reference described in section 2 of this Report;

- International Standard on Related Services (‘ISRS’) 4400 *Engagements to perform Agreed-upon Procedures regarding Financial Information* as promulgated by theInternational Federation of Accountants (IFAC);

- The *Code of Ethics for Professional Accountants* issued by the International Federation of Accountants (IFAC).

As requested, we have only performed the procedures set out in the terms of reference for this engagement and we have reported our factual findings on those procedures in sections 1.2 and 3 of this Report.

Because the procedures performed by us did not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the Financial Statements.

**Opinion**

During our audit we noted adjustments of EUR ... in favour of the Partner/Enterprise Estonia for project ... (name of the project). These are set out in the “Summary of all findings” presented in section 1.2.

During our audit we did not note any adjustments for project ... (name of the project).

In our opinion, except for the effect of the matters as described in section 1.2, the audited financial statements properly reflect eligible costs, receipts and interests, which:

* are actual;
* have been incurred by the Partner during the duration of the project and in the financial periods audited;
* have been determined in accordance with the usual accounting and management principles and practices of the Partner;
* have been used for the sole purpose of achieving the objectives of the project and its expected results, in a manner consistent with the principles of economy, efficiency and effectiveness;
* have been recorded in the accounts of the Partner;
* have been indicated in the estimated overall budget;
* are exclusive of any non-eligible costs established in the grant agreement and the Norwegian Financial Mechanism 2014 – 2021.

Based on our audit and except for the matters as described in section 1.2, we can conclude that the financial management of the project was carried out in an acceptable manner and in compliance with the requirements of the grant agreement and the Norwegian Financial Mechanism 2014 - 2021.

**Use of this Report**

This Report is solely for the purpose set forth in the above objective.

This Report is prepared solely for the confidential use of the Partner and the Enterprise Estonia. This Report may not be relied upon by the Partner or by the Enterprise Estonia for any other purpose, nor may it be distributed to any other parties. The Enterprise Estonia may only disclose this Report to others who have regulatory rights of access to it.

Name of the audit firm

Name of the Auditor/ the representative of the audit firm

Title of the representative of the audit firm

XX Month 20XX

Signature of the Auditor

# Executive summary

## Key information

|  |  |  |
| --- | --- | --- |
| **Name of the project** | | |
| Name of the project promoter (Estonian company) |  | |
| Project manager |  | |
| **Partner information (Norwegian partner)** | | |
| Name of the entity |  | |
| Register code |  | |
| VAT number |  | |
| Entity’s type (small, medium or large) |  | |
| Main field of activity |  | |
| Address *(street, city, zip code, county)* | | |
|  | | |
| E-mail | Web page | |
|  |  | |
| **Name of the partner’s manager** |  | |
| Title |  | |
| E-post |  | |
| Telephone |  | |
|  | | |
| **Project partner’s budget** | | |
| **Description of activities per cost category** | | **Cost** (EUR, with eligible VAT) |
| 1. Process and organizational innovation (GE-ORG) | |  |
| 1. Process and organizational innovation (*de minimis aid*) | |  |
| 1. Product development (GE-TAI) | |  |
| 1. Product development (*de minimis aid*) | |  |
| 1. Costs for obtaining and defending patents (GE-INNOABI) | |  |
| 1. Costs for obtaining and defending patents (*de minimis aid*) | |  |
| 1. Investments (GE-REGI) | |  |
| 1. Investments *(de minimis aid*) | |  |
| 1. Dissemination of project results (*de minimis aid*) | |  |
| 1. Costs for external auditor (*de minimis aid*) | |  |
| **Total:** | |  |

## Summary of all findings

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Financial Findings** | | | | |
| Finding n° | Compliance issue | Title | Amount  EUR/(EUR) | Entity comments  (agreed/disagreed) |
| 1 |  |  |  |  |
| 2 |  |  |  |  |
| *Add rows* |  |  |  |  |
| **Total financial findings:** | | |  |  |

*For detailed descriptions, please refer to section 3.1.*

*“EUR” reflects the adjustments noted in favour of the Partner and “(EUR)” in favour of Enterprise Estonia.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Procurement Findings** | | | |
| Finding n° | Compliance issue | Title | Entity comments  (agreed/disagreed) |
| 3 |  |  |  |
| 4 |  |  |  |
| Etc |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Internal Control and Management Findings** | | | |
| Finding n° | Compliance issue | Title | Entity comments  (agreed/disagreed) |
| 3 |  |  |  |
| 4 |  |  |  |
| Etc |  |  |  |

*For detailed descriptions, please refer to section 3.2.*

## Recommendations

Short description of the recommendations made.

# Subject and objectives of the audit

## Regulatory framework

* The programme follows the regulation on the implementation of the Norwegian Financial Mechanism ([Norwegian FM regulation 2014-2021](https://eeagrants.org/resources/regulation-implementation-eea-grants-2014-2021))
* [General block exemption Regulation](http://www.eas.ee/images/doc/ettevotjale/innovatsioon/Norra_IKT/council_regulation_800_2008.pdf) (Commission regulation (EC) No 800/2008
* [De minimis aid regulation](https://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf) (EU) No 1407/2013 of 18 December 2013
* „Green ICT“ call text and related programme documents ([www.eas.ee/norwaygrants](http://www.eas.ee/norwaygrants))
* Partnership agreement signed by Project Promoter and Project partner.

## Subject of the engagement

The subject of this engagement is the finalFinancial Statement in connection with the Project Agreement ... (name and number) for the period covering XX Month 20XX to XX Month 20XX (please refer to annex section for the copy of the audited financial statement).

## Engagement type and objective

This constitutes an engagement to perform specific agreed-upon procedures regarding an independent report of factual findings on costs claimed under the Grant Agreement.

As this engagement is not an assurance engagement the Auditor does not provide an audit opinion and expresses no assurance.

‘**The Auditor’** refers to the Auditor who is responsible for performing the agreed-upon procedures as specified, and for submitting an independent report of factual findings to the Partner.

**The Auditor must be independent from the Partner.**

The Auditor must be a Certified Auditor valid in the country of the project’s Partner (please refer to annex section for the copy of the certificate/register print-out/letter of confirmation etc).

## Procedures performed by the Auditor

Following check-lists are to be filled in:

* Check-list for applicant’s compliance
* Check-list for project expenses (budget overview, expense report form, expense list)
* Check-list for procurement procedures
* Check-list for the report

# Findings

## Financial findings

|  |  |
| --- | --- |
| **Finding n°** | **Title** |
| **Relevant article(s) / contractual provision(s) in the Contractual Conditions:** | |
| **Description of the finding:**  *Describe in detail the finding covering facts, criteria, cause and impact. Include summary tables and calculations, if necessary. Mention any copies of supporting documentation annexed to the report.* | |
| **Amount:** *... NOK/EUR* | |
| **Comments from the Project Partner (Norwegian entity):**  *State whether the Entity agrees or disagrees with the finding and describe Entity comments. The comments received during the on-the-spot verifications and during the contradictory procedure shall be reported in this section.* | |
| **Further comments of the Auditor:**  *Complete only if the Entity does not agree with the finding of the Auditor but the Auditor still believes that the finding is valid. In that case the Auditor should rebut here the comments of the Entity and justify why the finding is still valid.* | |

## Procurement findings

|  |  |
| --- | --- |
| **Finding n°** | **Title** |
| **Relevant article(s) / contractual provision(s) in the Contractual Conditions:** | |
| **Description of the finding:**  *Describe in detail the finding covering facts, criteria, cause and impact. Include summary tables and calculations, if necessary. Mention any copies of supporting documentation annexed to the report.* | |
| **Amount:** *... NOK/EUR* | |
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## Internal Control and Management findings

|  |  |
| --- | --- |
| **Finding n°** | **Title** |
| **Relevant article(s) / contractual provision(s) in the Contractual Conditions:** | |
| **Description of the finding:**  *Describe in detail the finding covering facts, criteria, cause and impact. Include summary tables and calculations, if necessary. Mention any copies of supporting documentation annexed to the report.* | |
| **Amount:** *... NOK/EUR* | |
| **Comments from the Project Partner (Norwegian entity):**  *State whether the Entity agrees or disagrees with the finding and describe Entity comments. The comments received during the on-the-spot verifications and during the contradictory procedure shall be reported in this section.* | |
| **Further comments of the Auditor:**  *Complete only if the Entity does not agree with the finding of the Auditor but the Auditor still believes that the finding is valid. In that case the Auditor should rebut here the comments of the Entity and justify why the finding is still valid.* | |

**Annexes**

*Copy of the audited financial statement*

*Copy of the certificate/register print-out/letter of confirmation etc proving the qualifications of the Auditor*

*Proof of findings (preferably scanned copies) or other relevant annexes (e.g. expenditure break downs, additional calculation tables etc the Auditor finds necessary to add)*