

Independent Report of Factual Findings on costs declared under the Connecting Europe Facility (CEF)

To
Tunnel Euralpin Lyon Turin (TELT- SAS)
Sede Legale: Savoie Technolac – Bâtiment “Homère”
13 allée du Lac de Constance CS 90281
73375 Le Bourget-du-Lac
FRANCE

12/07/2021

Dear [REDACTED],

As agreed under the terms of reference dated 12th of May 2021

with Tunnel Euralpin Lyon Turin (TELT- SAS) (*the Beneficiary*),

we [REDACTED] (*the Auditor*), established at [REDACTED] represented by [REDACTED] have carried out the procedures agreed with you regarding the costs declared in the Financial Statement(s)¹ of the Beneficiary concerning the grant agreement INEA/CEF/TRAN/M2014/1057372, action n°2014-EU-TM-0401-M entitled “Cross Border Section of the New Lyon-Turin Rail Link Mont Cenis Base Tunnel (TBM)” (*the Agreement*), with a total cost declared of 179.464.789,66€, and **hereby provide our Independent Report of Factual Findings (*the Report*)** using the compulsory report format agreed with you.

Following to our audit review, out of the **179.464.789,66€ declared** as eligible by TELT:

- **12.334,15€ are not eligible** with exceptions (see par. “Exceptions” and “Further remarks”);
- **179.452.455,51€ are eligible.**

The Report

Our engagement was carried out in accordance with the terms of reference (*the ToR*) appended to this Report. The Report includes the agreed-upon procedures (*the Procedures*) carried out and the standard factual findings (*the Findings*) examined. The Procedures have been carried out in accordance to the check-list attached to the present Annex VII.

The Procedures were carried out solely to assist the Agency in evaluating whether the Beneficiary’s costs in the accompanying Financial Statement(s) were declared in accordance with the Agreement. The Agency draws its own conclusions from the Report and any additional information it may require.

The scope of the Procedures was defined by the Agency. Therefore, the Auditor is not responsible for their suitability or pertinence. Since the Procedures carried out constitute neither an audit nor a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, the Auditor does not give a statement of assurance on the Financial Statements.

Had the Auditor carried out additional procedures or an audit of the Beneficiary's Financial Statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to its attention and would have been included in the Report.

Not applicable Findings

We examined the Financial Statement(s) stated above and considered the following Findings not applicable:

List here all Findings considered not applicable for the present engagement and explain the reasons of the non-applicability.

1) Ref. A.1:

- Standard Factual Findings n. 9, 10, 11, 12 and 13: unit costs calculated by the Beneficiary in accordance with its usual cost accounting practices was not applied for the calculation of personnel charge. In facts, the method applied is the full cost.

Concerning the amount of personnel costs attributed to land and building acquisition and expropriations (non-eligible activities in the Grant Agreement, art. II.19.4, point "l" - see point n. 3 in par. "Exceptions") the estimation of time spent by the employees on these tasks was specifically required to their supervisor. We consider this procedure as an exception to the common full cost method and limited to the exclusion of a part of the eligible costs (see also bullet point n. 3 of this section).

2) Ref. A.2:

- Standard Factual Findings n. 21 and 22: the Beneficiary applied method B for calculating annual productive hours; these standard findings are therefore not applicable.

3) Ref. A.3:

- Standard Factual Findings n. 23 and 24: TELT's only business objective (as affirmed in the statute) is the strategic and operating management of the cross-border section for the new railway line Turin-Lyon, its design, implementation, and exploitation. All the employees and all the other persons working with the Implementing Body under a direct contract other than an employment contract are dedicated to this sole project. In the light of this, all personnel costs duly accounted according to each person's contractual clauses (salary, benefits.) is considered; no other calculation through hourly rates was performed.

4) REF A.4:

- Standard Factual Findings n. 25,26, 27 and 28: SME owners and natural persons not receiving a salary - not applicable.

5) REF.C1:

- Standard Factual Findings n. 64 and 65: TELT did not provide financial support to third parties.

6) Ref. D.2:

- Standard Factual Findings n. 72 and 73: the full purchase costs for equipment, infrastructure or other assets are eligible in accordance with Article II.19.2 (c) of the Agreement; the factual findings for method 1 (depreciation cost only) are not applicable.

7) Ref. D.4:

- Standard Factual Findings n. 76,77,78,79 and 80: TELT did not acquire any land or building in the relevant period, therefore the audit procedures mentioned in this section are not applicable.

8) Ref. E.1:

- Standard Factual Findings n. 84 and 85: TELT establishes its accounts in euros, therefore the audit procedures mentioned in this section are not applicable.

Exceptions

Apart from the exceptions listed below, the *Beneficiary* provided the Auditor all the documentation and accounting information needed by the Auditor to carry out the requested Procedures and evaluate the Findings.

List here any exceptions and add any information on the cause and possible consequences of each exception, if known. If the exception is quantifiable, include the corresponding amount.

1) Ref. D.1:

- Standard Factual Finding n. 68, 69: With reference to the travel costs, we did not obtain all the documents required to verify the complete eligibility (for a total amount of € 12.334,15).

Further Remarks

In addition to reporting on the results of the specific procedures carried out, the Auditor would like to make the following general remarks:

- Our analysis was based on 2020 audited Financial Statement, with a clear opinion of [REDACTED] and [REDACTED] signed on May the 20th 2021.
- Our analysis was based on the existence of an internal procedure for invoice validation which provides for 2 steps: a first approval by the PCSC (“Personne qui suive le contrat”), which validates the effective rendering of the service / reception of goods and then a second approval by the PRC (“Personne responsable du contrat”), which authorizes the payment.
- We evaluated the global consistency of the declared costs with the budgeted amount (Annex III of the Grant Agreement Amendment N°1, Table 2).
- In the sample of contracts analysed, we found a particular type of contract named “convention de financement” with [REDACTED]. This contract did not follow the procedure for public tenders, but a specific internal procedure, which reflects nevertheless the main principles of transparency and publicity required by the public tenders’ regulation. In this case, TELT did not collect different offers, since the only possible provider of the demanded service was necessarily [REDACTED]: the object of the contract are preliminary studies on [REDACTED]’s railway assets.
- The sampled invoices related to seconded staff from [REDACTED] did not indicate the name, nor any other identifiable item, of the seconded person and moreover the seconded agreements did not show the total annual salary. For seconded staff from [REDACTED], the sampled agreements do not show the annual salary.

Anyway, in all the contracts analysed in the sample, the original employment conditions offered by the Company of provenance are guaranteed to the seconded person. An average cost of internal staff was calculated and compared to the salary of French seconded staff (not possible for Italian seconded staff, since only cumulative invoices were issued), in order to confirm that it was not significantly different from those for staff who perform similar tasks under an employment contract with the Beneficiary.

- Standard Factual Findings n.6: The Beneficiary could not provide us with a complete list of the areas of competence related to the sampled personnel due to privacy reasons. Nevertheless, during the meetings held with TELT’s management staff, it was clarified that none of the sampled personnel was involved in activities linked to the Non Eligible Costs the Article II.19.4 of the Agreement.
- We have verified personnel cost for a total of Euro 1.506.018,51 corresponding to the 17% of the 17% of the wages paid by Telt as by statutory financial statements at December 31st 2020

Use of this Report

This Report may be used only for the purpose described in the above objective. It was prepared solely for the confidential use of the Beneficiary and the Agency, and only to be submitted to the Agency in connection with the requirements set out in Article II.23.2 of the Agreement. The Report may not be used by the Beneficiary or by the Agency for any other purpose, nor may it be distributed to any other parties.

The *Agency* may only disclose the Report to authorised parties, in particular to the European Anti-Fraud Office (OLAF) and the European Court of Auditors.

This Report relates only to the Financial Statement(s) submitted to the Agency by the Beneficiary for the Agreement. Therefore, it does not extend to any other of the Beneficiary's Financial Statement(s).

There was no conflict of interest between the Auditor and the Beneficiary in establishing this Report. The total fee paid to the Auditor for providing the Report was 9.416,00 € (of which 216 € for travel expenses) not subject to VAT.

We look forward to discussing our Report with you and would be pleased to provide any further information or assistance.

Milan, 12th July 2021

Attached Documents:

Annex 1: Implementation contracts list

Annex 2: Certified financial statements sampled transactions

Annex 3: Check List

Annex 4: Terms of Reference signed

Annex I: Implementation contracts list

Supplier (Name of selected contractor)	Description of cost incurred (subject of the contract)	Type of procurement (supply / services / works)	Number of contract	items select	Value of the contract (euros)#	Procedure (European/ national)	Procedure (open/ restricted/ negotiated etc.)	Reference of publication(s) in the Official Journal* (contract notice) e.g. 2006/S239-255287 of 15.12.2006	Reference of publication(s) in the Official Journal** (contract award notice) e.g. 2007/S 135-165254 of 17.07.2007
	C11137- Convezione SITAF 25-5-2011	SERVICES	C11137	X	850.000	national	others		
	C12037 - MOE SMP4 BC1 à 12- Contrôle TVX	WORKS	C12037	X	6.182.282	european	others		
	Indemnisation des propriétaires des terr	SERVICES	C13034		258.409	choose	choose		
	Contrat de location siège de Turin	SERVICES	C14057		531.757	choose	choose		
	Réalisation des travaux ouvrage SMP4	WORKS	C14064	X	253.874.007	european	competitive negotiation	2012/S 247-408171 22/12/2012	2014/S 097-170221 21/05/2014
	Suivi des mesures de contrôle environnem	WORKS	C14140		1.209.423	choose	choose		
	AC018 - MS01 - CURATIF - Maintenance de	SERVICES	C14145		88.130	choose	choose		
	Mission des CAC clôture de 2014 à 2019	SERVICES	C15016		379.077	choose	choose		
	MOE Puits d'avrieux - TRAVAUX	WORKS	C15201	X	5.508.295	european	competitive negotiation	2015/S 123-226222 30/06/2015	2016/S 171-307675 06/09/2016
	AC013 - Lot n°3 - Dir. Lavori Svincolo	SERVICES	C16049		119.130	choose	choose		
	MOE tr. couv. Villard-Clément - Travaux	SERVICES	C16057		3.816.177	choose	choose		
	Fourniture d'accès à internet par fibre	SERVICES	C16076		208.283	choose	choose		
	Attività di Igiene Ambientale per la Sed	SERVICES	C16182		127.249	choose	choose		
	Missions d'accompagnement écologique et	SERVICES	C16205		596.623	choose	choose		
	La présente Fiche Contrat a pour objet l	SERVICES	C16208		447.312	choose	choose		
	Prévoyance Italie Lot 2	SERVICES	C16213		195.000	choose	choose		
	Déviations réseaux électriques St Jean	SERVICES	C170060		2.303.565	choose	choose		
	Création d'un poste de transformation et	SERVICES	C17007		5.556.800	choose	choose		
	63KV	WORKS	C17021		4.414.368	choose	choose		
	Localion d'un local archives technolac	SERVICES	C17097		186.620	choose	choose		
	Frais liés au gaz et à l'électricité - s	SERVICES	C17101		135.859	choose	choose		
	Conseil Fiscal pour l'Italie	SERVICES	C17120		221.652	choose	choose		
	Contratto di noleggio a lungo termine au	SERVICES	C17172		212.445	choose	choose		
	Servizio di vigilanza e controllo access	SERVICES	C17187		284.950	choose	choose		
	DBase Gis e Portale Amb. di TE - Stu Gen	SERVICES	C17191		298.041	choose	choose		
	Proposition Technique et Financière de R	WORKS	C17210	X	11.852.800	national	others		

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Logiciels de gestion SAP s4hana SRM	SERVICES	C17274		718.705	choose	choose		
assistenza sistemistica e manutenzione a	SERVICES	C17280		320.034	choose	choose		
travaux de réalisation de la tranchée co	WORKS	C17297	X	43.895.000	competitive negotiation	competitive negotiation	2017/S 079-152975 22/04/2017	2019/S 043-099106 01/03/2019
Assistenza al Committente e realizzazioni	SERVICES	C17306		3.255.284	choose	choose		
Monitoraggio risorse idriche lato Italia	SERVICES	C17313		306.891	choose	choose		
Fourniture électricité de la Descenderie	SERVICES	C17324		1.100.000	choose	choose		
Coordination environnementale	SERVICES	C17327		623.080	choose	choose		
CSPS Dans le cadre du suivi des travaux	SERVICES	C17329		658.330	choose	choose		
Assurance Tous Risques Chantiers	SERVICES	C17331A	X	4.727.454	competitive negotiation	competitive negotiation	2016/S 223-407008 18/11/2016	2021/S 023-056875 03/02/2021
Assurance DAB descenderies	SERVICES	C17331D		1.113.396	choose	choose		
"eau" état initial	SERVICES	C17342		6.118.765	choose	choose		
Servizio di traduzione/revisione e inter	SERVICES	C17343C		210.000	choose	choose		
Servizio di traduzione/revisione e inter	SERVICES	C17343D		150.000	choose	choose		
Contratto di affitto locali Roma	SERVICES	C17344		400.000	choose	choose		
ITW	SERVICES	C17354A		971.527	choose	choose		
Externalisation de la paie et gestion so	SERVICES	C17355		202.000	choose	choose		
Réalisation des diagnostics Lot 1	SERVICES	C17360A		240.668	choose	choose		
Supporto logistico alle FFOO per i Cant	SERVICES	C17365	X	10.545.000	open	open	2018/S 010-019177 16/01/2018	2018/S 105-240486 05/07/2018
B. CO-PO C040 MADDALENA 1 E 2	SERVICES	C17368		900.354	choose	choose		
Progettazione PMA	SERVICES	C17369		213.214	choose	choose		
Abonnement et consommation électrique du	SERVICES	C17370		90.000	choose	choose		
LOT1 Droit Public- Prestataire 1	SERVICES	C17381A		210.000	choose	choose		
travaux environnement	SERVICES	C17384		994.802	choose	choose		
Traduction Italle Lot 2 pour DG	SERVICES	C17386		99.999	choose	choose		
Contrat de maîtrise d'oeuvre pour travail	SERVICES	C17389		375.000	choose	choose		
MOE tunn de base Lot 1 Villarod. Bourget	SERVICES	C180007		8.537.844	choose	choose		
MOE tunnel de base Lot 2	SERVICES	C180008		9.997.717	choose	choose		
MOE tunn de base Lot 3 St Julien Mt Deni	SERVICES	C180009		5.481.839	choose	choose		
Convention_recherche_CETU_EHU	SERVICES	C180205		250.000	choose	choose		
Conseil et assistance proc. admin (2)	SERVICES	C180213		250.000	choose	choose		
DCE et GARE	SERVICES	C180259		751.442	choose	choose		
Deboisement L5a	SERVICES	C180276		697.904	choose	choose		
Contratto Manutenzione Immobili TELT IT	SERVICES	C180317		618.251	choose	choose		

Preparazione DCE	SERVICES	C180351		503.309	choose	choose
Contrat Maintenance Immobilière TELT FR	SERVICES	C180401		497.854	choose	choose
Fatture distaccati FSI anno 2018	SERVICES	C180570		1.536.000	choose	choose
TITRES RESTAU FR 2019-2023 LOT1	SERVICES	C180631		1.464.241	choose	choose
BUONI PASTO IT 2019-2023 LOT 2	SERVICES	C180632		675.962	choose	choose
OPERE CIVILI	WORKS	C180760		72.318.247	choose	choose
LEG carburants véhicules TELT	SERVICES	C180768		180.000	choose	choose
Location ordinateurs portables - 48 mois	SERVICES	C180857		326.515	choose	choose
Sviluppo, personalizzazione, installazione	SERVICES	C180864		307.118	choose	choose
Téléphonie mobiles - modems data - 36 mo	SERVICES	C180916		191.000	choose	choose
SNCF M - Trvx Rotonde Modane - Eq	WORKS	C180932	X	6.965.318	national	others
LEG rinnovo locazione Susa	SERVICES	C180959		300.000	choose	choose
ELP Fomitura energia elettrica cantiere	SERVICES	C180986		300.000	choose	choose
Lotto 1_Diritto Pubblico_Agg. 1	SERVICES	C181055		207.295	choose	choose
LOT 1 - Droit Public - Titulaire 1	SERVICES	C181087A		210.000	choose	choose
LOT 2 - Droit environnement- Titulaire 1	SERVICES	C181087C		100.000	choose	choose
LOT 2 - Droit de l'environnement	SERVICES	C181087D		100.000	choose	choose
Fornitura elettrica	SERVICES	C181096		3.000.000	choose	choose
CFI 4	SERVICES	C181106	X	34.177.500	national	others
CFI 5	WORKS	C181166	X	755.330.000	national	others
Alimentation électrique 5,8MW	SERVICES	C181347		7.204.888	choose	choose
Développement Phase 2 JEDOX	SERVICES	C181360		356.161	choose	choose
Démolitions	SERVICES	C181433		2.600.000	choose	choose
suivis et inventaires faune-flore	SERVICES	C181457		363.881	choose	choose
Convention Travaux Ligne 42kV/63kV	WORKS	C181547		3.513.250	choose	choose
Convention Travaux 150 kV	WORKS	C181554		4.930.050	choose	choose
Convention Travaux ligne FREJUS 20 kV	SERVICES	C181561		715.000	choose	choose
LEG energia elettrica Torino	SERVICES	C191708		150.000	choose	choose
Location longue durée véhicules France	SERVICES	C191728		440.000	choose	choose
Canone connettività Internet	SERVICES	C191731		84.000	choose	choose
Assurance TRC TC Villard Clément + Digue	SERVICES	C191813		328.925	choose	choose
Convenzione Comp. Tagli Boschivi	SERVICES	C191878		192.627	choose	choose
panorama de presse	SERVICES	C191903		300.000	choose	choose
compensation env	SERVICES	C191913		329.443	choose	choose

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GARDIENNAGE SIEGE TELT FRANCE	SERVICES	C191947		320.000	choose	choose	
Mesures barométriques précises	SERVICES	C191951		197.696	choose	choose	
Indagini CSC	SERVICES	C191959		376.349	choose	choose	
Création réseaux enfouis	SERVICES	C191980		2.487.464	choose	choose	
Externalisation pales France 2019-2024	SERVICES	C192002		150.000	choose	choose	
Lot 01 terrassements, génie civil,réseau	WORKS	C192049		7.100.000	choose	choose	
Developpements sur SAP Achat	SERVICES	C192062		192.466	choose	choose	
Travaux de démolition - 2ème phase	SERVICES	C192081		1.000.000	choose	choose	
Upgrade sistema telepresence	SERVICES	C192120		99.231	choose	choose	
DIREZIONE LAVORI - NICCHIE	SERVICES	C192131		464.000	choose	choose	
MOE - MANUTENZIONE E SUPPORTO FFOO - MAD	SERVICES	C192143		353.486	choose	choose	
Supporto FFOO e Manut Maddalena	SERVICES	C192187	X	3.247.135	national	open	2019/S 224-550476 Not required
Studio progetto e direz. architettonica	SERVICES	C192188		415.000	choose	choose	
Canone affitto uffici Parigi	SERVICES	C192189		220.000	choose	choose	
location espace de stockage	SERVICES	C192190		450.000	choose	choose	
Loyer et charges siège de Technolac	SERVICES	C192191		850.000	choose	choose	
User License	SERVICES	C192243		220.016	choose	choose	
Convention suivi qualité air atmo	SERVICES	C192244		115.000	choose	choose	
Alimentation elect Chantier Puits Avrieu	SERVICES	C192247		385.365	choose	choose	
Raccordement Fibre Optique Chantier Puit	SERVICES	C192250		92.575	choose	choose	
LLD véhicules France	SERVICES	C192275		830.973	choose	choose	
Convention entre la Régie Electrique de	SERVICES	C192293		330.000	choose	choose	
Developpement et implémentation DMS AQE	SERVICES	C192326		98.909	choose	choose	
Convention Etudes Détail Iliaz	WORKS	C192329		198.000	choose	choose	
Developpement et implémentation Sviluppo e personalizzazione	SERVICES	C192334		250.000	choose	choose	
Convention Alimentation Eau Puits Avrieu	SERVICES	C192351		239.462	choose	choose	
NOLEGGIO LUNGO TERMINE ITALIA	SERVICES	C192398		442.121	choose	choose	
Convention Travaux [REDACTED] 225KV	WORKS	C192403		427.000	choose	choose	
Lavori Autoporto	WORKS	C192432	X	2.750.000	national	others	
Développement Phase 3 JEDOX	SERVICES	C192446		54.827.128	choose	choose	
consommation électricité LB/Mod	SERVICES	C192496		250.000	choose	choose	
CONVENZIONE DISAFA 2020-2021	SERVICES	C192497		300.000	choose	choose	
CONVENZIONE DBIOS 2020-2021	SERVICES	C200014		85.800	choose	choose	
Developpements DMS AQE	SERVICES	C200054		199.268	choose	choose	
Maintenance SAP 2020	SERVICES	C200060		170.000	choose	choose	
	SERVICES	C200080		173.896	choose	choose	

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Location immobilière pour commissions					500.000	choose	choose		
VEG IMPIANTO COLONNINE ELETTRICHE	SERVICES	C200122				choose	choose		
	SERVICES	C200138			200.000	choose	choose		
Contenieux TGL - Aramis	SERVICES	C200198			100.000	choose	choose		
suivis et inventaires faune-flore	SERVICES	C200238			266.712	choose	choose		
CO11	WORKS	C200344	X		223.379.882	european	competitive negotiation	2018/S 065-145483 04/04/2018	20-29977 16/07/2020
Disques 1.92 Tb SATA SSD	SERVICES	C200359			89.000	choose	choose		
Evolution DMS Transverse	SERVICES	C200423			105.000	choose	choose		
Licenza Success Factors 2020-2023	SERVICES	C200685			94.455	choose	choose		
SFE 2020 Coût du personnel FS	SERVICES	C209045	X		1.650.000	national	others		
RTE-GC Piste Modane	WORKS	C209051			855.000	choose	choose		
Convenzione Telecamere Chiomonte	SERVICES	C209053			128.000	choose	choose		

Annex 3: Check List

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
A	<p>ACTUAL PERSONNEL COSTS AND UNIT COSTS CALCULATED BY THE BENEFICIARY IN ACCORDANCE WITH ITS USUAL COST ACCOUNTING PRACTICE</p> <p>The Auditor draws a sample of persons whose costs were declared in the Financial Statement(s) to carry out the procedures indicated in the consecutive points of this section A.</p> <p><i>(The sample should be selected randomly so that it is representative. Full coverage is required if there are fewer than 10 people (including employees, natural persons working under a direct contract and personnel seconded by a third party), otherwise the sample should have a minimum of 10 people, or 10% of the total personnel cost declared, whichever number is the highest)</i></p> <p>The Auditor sampled 13 people out of the total of 191 people.</p>		
A.1	<p>PERSONNEL COSTS</p> <p><u>For the persons included in the sample and working under an employment contract or equivalent act (general procedures for individual actual personnel costs and personnel costs declared as unit costs)</u></p> <p>To confirm standard factual findings 1-6 listed in the next column, the Auditor reviewed following information/documents provided by the Beneficiary:</p> <ul style="list-style-type: none"> o a list of the persons included in the sample indicating the period(s) during which they worked for the action, their position (classification or category) and type of contract; o the payslips of the employees included in the sample; o reconciliation of the personnel costs declared in the Financial Statement(s) with the accounting system (project accounting and general ledger) and payroll system; 	<p>1) The employees i) were directly hired by the Beneficiary in accordance with its national legislation or seconded to the beneficiary by a third party against payment, ii) under the Beneficiary's sole technical supervision and responsibility and iii) remunerated in accordance with the Beneficiary's usual practices.</p> <p>2) Personnel costs were recorded in the Beneficiary's accounts/payroll system.</p>	C

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<ul style="list-style-type: none"> o information concerning the employment status and employment conditions of personnel included in the sample, in particular their employment contracts or equivalent; o the Beneficiary's usual policy regarding payroll matters (e.g. salary policy, overtime policy, variable pay); o applicable national law on taxes, labour and social security and o any other document that supports the personnel costs declared. <p>The Auditor also verified the eligibility of all components of the retribution (see Article II.19.1 and II.19.2.a) of the Agreement) and recalculated the personnel costs for employees included in the sample.</p>	<p>3) Costs were adequately supported and reconciled with the accounts and payroll records.</p> <p>4) Personnel costs did not contain any ineligible elements.</p> <p>5) There were no discrepancies between the personnel costs charged to the action and the costs recalculated by the Auditor.</p> <p>6) The personnel costs declared were incurred within the reporting period and free from non-eligible costs set out in Article II.19.4 of the Agreement.</p>	<p>C</p> <p>C</p> <p>C</p> <p>C</p>

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p><i>Further procedures if 'additional remuneration' is paid</i></p> <p>To confirm standard factual findings 7-8 listed in the next column, the Auditor:</p> <ul style="list-style-type: none"> o reviewed relevant documents provided by the Beneficiary (legal form, legal/statutory obligations, the Beneficiary's usual policy on additional remuneration, criteria used for its calculation...); o recalculated the amount of additional remuneration eligible for the action based on the supporting documents received (full-time or part-time work, exclusive or non-exclusive dedication to the action, etc.) to arrive at the applicable full time equivalent (FTE)/year and pro-rata rate (see data collected in the course of carrying out the procedures under A.2 'Productive hours' and A.4 'Time recording system'). 	<p>7) The amount of additional remuneration paid corresponded to the Beneficiary's usual remuneration practices and was consistently paid whenever the same kind of work or expertise was required.</p> <p>8) The criteria used to calculate the additional remuneration were applied by the Beneficiary regardless of the source of funding used.</p>	<p>C</p> <p>C</p>
	<p><i>Additional procedures in case "unit costs calculated by the Beneficiary in accordance with its usual cost accounting practices" is applied:</i></p> <p>Apart from carrying out the procedures indicated above to confirm standard factual findings 1-6 and, if applicable, also 7-8, the Auditor carried out following procedures to confirm standard factual findings 9-12 listed in the next column:</p> <ul style="list-style-type: none"> o obtained a description of the Beneficiary's usual cost accounting practice to calculate unit costs; 	<p>9) The personnel costs included in the Financial Statement were calculated in accordance with the Beneficiary's usual cost accounting practice.</p> <p>10) The employees were charged under the correct category.</p>	<p>N/A</p> <p>N/A</p>

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<ul style="list-style-type: none"> o reviewed whether the Beneficiary's usual cost accounting practice was applied for the Financial Statements subject of the present CFS; o verified the employees included in the sample were charged under the correct category (in accordance with the criteria used by the Beneficiary to establish personnel categories) by reviewing the contract/HR-record or analytical accounting records; o verified that there is no difference between the total amount of personnel costs used in calculating the cost per unit and the total amount of personnel costs recorded in the statutory accounts; o verified whether actual personnel costs were adjusted on the basis of budgeted or estimated elements and, if so, verified whether those elements used were relevant for the calculation, reasonable and correspond to objective and verifiable information supported by documents; o verified that unit costs were calculated in accordance with the methodology laid down in Commission Decision C(2016) 478 of 3.2.2016 on the reimbursement of personnel costs of beneficiaries of the Connecting Europe Facility. 	<p>11) Total personnel costs used in calculating the unit costs were consistent with the expenses recorded in the statutory accounts.</p>	N/A
	<p>For natural persons included in the sample and working with the Beneficiary under a direct contract other than an employment contract, such as consultants.</p> <p>To confirm standard factual findings 13-16 listed in the next column the Auditor reviewed following information/documents provided by the Beneficiary:</p> <ul style="list-style-type: none"> o the contracts, especially the cost, contract duration, work description, place of work, ownership of the results and reporting obligations to the Beneficiary; 	<p>12) Any estimated or budgeted element used by the Beneficiary in its unit-cost calculation were relevant for calculating personnel costs and corresponded to objective and verifiable information.</p>	N/A
		<p>13) The natural persons reported to the Beneficiary (worked under the conditions similar to those of an employee: in particular regarding the way the work is organised, the tasks that are performed and the premises where they are performed).</p>	N/A

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<ul style="list-style-type: none"> o the employment conditions of staff in the same category to compare costs and; o any other document that supports the costs declared and its registration (e.g. invoices, accounting records, etc.) X 	<p>14) The results of work carried out belong to the Beneficiary (unless exceptionally agreed otherwise).</p> <p>15) Their costs were not significantly different from those for staff who perform similar tasks under an employment contract with the Beneficiary.</p>	C
A.2	<p>PRODUCTIVE HOURS1</p> <p>To confirm standard factual findings 17-22 listed in the next column, the Auditor reviewed relevant documents, especially national legislation, labour agreements and contracts and time records of the persons included in the sample, to verify that:</p>	<p>16) The costs were supported by audit evidence and registered in the accounts.</p> <p>17) The Beneficiary applied method: B: the 'total number of hours worked'</p>	C

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>o the annual productive hours applied were calculated in accordance with one of the methods described below;</p> <p>o the full-time equivalent (FTEs) ratios for employees not working full-time were correctly calculated.</p> <p>If the Beneficiary applied method B, the Auditor verified that the correctness in which the total number of hours worked was calculated and that the contracts specified the annual workable hours. If the Beneficiary applied method C, the Auditor verified that the ‘annual productive hours’ applied when calculating the hourly rate were equivalent to at least 90 % of the ‘standard annual workable hours’. The Auditor can only do this if the calculation of the standard annual workable hours can be supported by records, such as national legislation, labour agreements, and contracts.</p> <p><i>Beneficiary's Productive hours' for persons working full time shall be one of the following methods:</i></p> <p>A. 1720 hours for persons working full time (or corresponding pro-rata for persons not working full-time);</p> <p>B. the total number of hours worked by the person for the beneficiary in the year (this method is also referred to as ‘total number of hours worked’ in the next column). The calculation of the total number of hours worked was done as follows: annual workable hours of the person according to the employment contract, applicable labour agreement or national law plus overtime worked minus absences (such as sick leave or special leave);</p> <p>C. the standard number of annual hours generally applied by the beneficiary for its personnel in accordance with its usual cost accounting practices (this method is also referred to as ‘total annual productive hours’ in the next column). This number must be at least 90% of the standard annual workable hours.</p>	<p>18) Productive hours were calculated annually.</p> <p>19) For employees not working full-time the full-time equivalent (FTE) ratio was correctly applied.</p> <p><i>If the Beneficiary applied method B.</i></p> <p>20) The calculation of the number of ‘annual workable hours’, overtime and absences was verifiable based on the documents provided by the Beneficiary.</p> <p><i>If the Beneficiary applied method C.</i></p> <p>21) The calculation of the number of ‘standard annual workable hours’ was verifiable based on the documents provided by the Beneficiary.</p>	<p>C</p> <p>C</p> <p>C</p> <p>N/A</p>

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p>'Annual workable hours' means the period during which the personnel must be working, at the employer's disposal and carrying out his/her activity or duties under the employment contract, applicable collective labour agreement or national working time legislation.</p>	<p>22) The 'annual productive hours' used for calculating the hourly rate were consistent with the usual cost accounting practices of the Beneficiary and were equivalent to at least 90 % of the 'annual workable hours'.</p>	<p>N/A</p>

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
A.3	<p>HOURLY PERSONNEL RATES</p> <p><u>I) For unit costs calculated in accordance to the Beneficiary's usual cost accounting practice (unit costs):</u></p> <p>The Auditor:</p> <ul style="list-style-type: none"> o reviewed the documentation provided by the Beneficiary, including manuals and internal guidelines that explain how to calculate hourly rates; o recalculated the unit costs (hourly rates) of staff included in the sample following the results of the procedures carried out in A.1 and A.2. <p><u>II) For individual hourly rates:</u></p> <p>The Auditor:</p> <ul style="list-style-type: none"> o reviewed the documentation provided by the Beneficiary, including manuals and internal guidelines that explain how to calculate hourly rates; o recalculated the hourly rates of staff included in the sample following the results of the procedures carried out in A.1 and A.2. <p><u>“Unit costs calculated by the Beneficiary in accordance with its usual cost accounting practices”:</u> It is calculated by dividing the total amount of personnel costs of the category to which the employee belongs verified in line with procedure A.1 by the number of FTE and the annual total productive hours of the same category. calculated by the Beneficiary in accordance with procedure A.2.</p> <p><u>Hourly rate for individual actual personal costs:</u></p>	<p>23) The Beneficiary applied [choose one option and delete the other]:</p> <p>Option II: Individual hourly rates were applied</p>	N/A

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
A.4	<p>SME OWNERS AND NATURAL PERSONS NOT RECEIVING A SALARY</p> <p>The Auditor:</p> <ul style="list-style-type: none"> o verified that the unit per hour worked on the action was calculated in accordance with the methodology laid down in Commission Decision C(2016)478 of 3 February 2016; o verified that the total number of hours declared, in a year, for one SME owner not receiving a salary is not higher than 1 720 hours. <p><u>“Unit costs for SME owners and natural persons not receiving a salary”:</u> <i>The direct personnel costs of SMEs owners not receiving a salary shall be based on a unit cost per hour worked on the action to be calculated as follows:</i></p>	<p><i>For Option I concerning unit costs:</i></p> <p>24) The unit costs re-calculated by the Auditor were the same as the rates applied by the Beneficiary.</p> <p><i>For Option II concerning individual hourly rates:</i></p> <p>25) The individual rates re-calculated by the Auditor were the same as the rates applied by the Beneficiary.</p> <p>26) For SME owners and natural persons not received a salary, the direct personnel costs have been declared based on a unit costs per hour worked on the action.</p> <p>27) The unit costs declared were calculated in accordance with Commission Decision C(2016)478</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p><i>{Monthly living allowance fixed at EUR 4 650 multiplied by the country-specific correction coefficient as set out in the Appendix of Commission Decision C(2016)478} divided by 143 hours</i></p> <p><i>The value of the work of the SME owners not receiving a salary shall be determined by multiplying the unit cost by the number of actual hours worked on the Action.</i></p> <p><i>The standard number of annual productive hours per SME owner is equal to 1 720 hours. The total number of hours declared, in a year, in EU and Euratom grants for one SME owner not receiving a salary may not be higher than the standard number of annual productive hours (1 720 hours).</i></p>	<p>28) The total number of hours declared in a year do not exceed 1 720 hours</p>	<p>N/A</p>
<p>A.5</p>	<p>TIME RECORDING SYSTEM</p> <p>To verify that the time recording system ensures the fulfilment of all minimum requirements and that the hours declared for the action were correct, accurate and properly authorised and supported by documentation, the Auditor made the following checks for the persons included in the sample that declare time as worked for the action on the basis of time records:</p> <ul style="list-style-type: none"> o description of the time recording system provided by the Beneficiary (registration, authorisation, processing in the HR-system); o its actual implementation; o time records were signed at least monthly by the employees (on paper or electronically) and authorised by the project manager or another manager; o the hours declared were worked within the reporting period; o there were no hours declared as worked for the action if HR-records showed absence due to holidays or sickness (further cross-checks with travels are carried out in B.1 below) ; o the hours charged to the action matched those in the time recording system. 	<p>29) All persons recorded their time dedicated to the action on a daily/ weekly/ monthly basis using a paper/computer-based system. <i>[delete the answers that are not applicable]</i></p> <p>30) Their time-records were authorised at least monthly by the project manager or other superior.</p> <p>31) Hours declared were worked within the reporting period and were consistent with the presences/absences recorded in HR-records.</p>	<p>C</p> <p>C</p> <p>C</p>

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
	<p><i>Only the hours worked on the action can be charged. All working time to be charged should be recorded throughout the duration of the REPORTING PERIOD, adequately supported by evidence of their reality and reliability (see specific provisions below for persons working exclusively for the action without time records).</i></p> <p><i>The time recording system should record all working time including absences and may be paper or electronically based. The time records must be approved by the persons working on the action and their supervisors, at least monthly. The absence of an adequate time recording system is considered to be a serious and systematic weakness of internal control.</i></p>	<p>32) There were no discrepancies between the number of hours charged to the action and the number of hours recorded.</p>	C
	<p><u>If the persons are working exclusively for the action and without time records</u> For the persons selected that worked exclusively for the action without time records, the Auditor verified evidence available demonstrating that they were in reality exclusively dedicated to the action and that the Beneficiary signed a declaration confirming that they have worked exclusively for the action.</p>	<p>33) The exclusive dedication is supported by a declaration signed by the Beneficiary's and by any other evidence gathered.</p>	C

AWARDED CONTRACTS NECESSARY FOR THE IMPLEMENTATION OF THE ACTION	
<p>B</p>	<p>B.1</p> <p>Assessment of the procurement process</p> <p>The Auditor obtained the detail/breakdown of procured costs and sampled 14 contracts selected randomly for testing of the applied procurement procedure (<i>full coverage is required if there are fewer than 5 contracts, otherwise the sample should have a minimum of 5 contracts, or 10% of the total number of contracts, whichever number is the highest</i>).</p> <p>In order to select the sample, a full schedule of all contracts awarded relevant to the costs declaration certified was made available for the Auditor including the name of the Contracting Authority /Entity, supplier name, subject of the contract, type of procurement procedure applied, level and means of advertisement (including references to contract notices and contract award notices or other means), the initial contract value and the aggregate value including all subsequent amendments to the original contract and date of publication of the relevant tender or at least the date of the award of the contract if no publication took place.</p> <p>This schedule should be attached to the CFS as Annex 1</p> <p>To confirm standard factual finding 31-59 listed in the next column, the Auditor reviewed the following for the items included in the sample:</p> <p>B.1.1) <u>THE NATIONAL LAW TRANSPOSING THE EU DIRECTIVES ON PUBLIC PROCUREMENT PROCEDURES IS APPLICABLE TO THE CONTRACT(S) IN QUESTION</u></p> <p>If this is not applicable, go directly to section B.1.2</p> <p>From the sampled contracts, the Auditor verified that (35-52):</p> <ul style="list-style-type: none"> o the contracted tasks are relevant for the activities (or sub-activities) defined in the Agreement (Article 1 and Annex I of the Agreement); o the contracts were not awarded to other Beneficiaries listed in the Agreement (<i>in such cases, the costs should be declared on an actual cost basis by the co-beneficiary and not as a profit generating contract between beneficiaries</i>);
<p style="text-align: center;">C</p>	<p>34) The required information on all contracts signed relevant to the costs declared was provided by the beneficiary in order to select the sample.</p>
<p style="text-align: center;">C</p>	<p>35) The contracted works/ services/ supplies were linked to the activities covered in the Agreement.</p>

36) The contracts were not signed with other co- Beneficiaries	C
37) The Beneficiary provided original signed contracts with the contractor.	C (Or equivalent documentation)
38) The Beneficiary provided adequate evidence that the services/ works were provided by the contractors.	C
39) The contract(s) in question falls within the scope of application of the national law transposing the EU Directives on public procurement procedures.	C
40) No indications of artificial contractual splitting aimed at avoiding the application of the national law transposing the EU Directives on public procurement procedures were observed based on the review of the complete contract listing. <i>(When indications are noted the Auditor explains the</i>	C

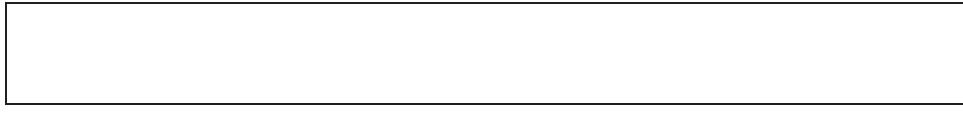
- there were signed contracts between the Beneficiary and the contractor;
- there was evidence that the contract was executed by the contractor (i.e. services were provided, works/supply were delivered).
- the procurement procedure used was in compliance with the national law transposing the EU legal framework (EU Directive(s) on public procurement);
- the respective EU public procurement thresholds were not bypassed by artificial contract splitting by the beneficiary;
(This can be considered by examining the list of all contracts signed (obtained under section B.1.1) above), their value and type of procedure. If the subjects of several contracts are so closely linked to another one in the cost claim, that they could or should have been tendered together, and the concerned contracts – usually below EU thresholds - were awarded to the same contractor(s), the auditor provides a clear explanation of why each contract had to be considered as separate procurement exercise);
- adequate justification is provided on the use of negotiated procedures with or without prior call for competition under the national law transposing the relevant EU public procurement Directives;
- Publicity was ensured during the tendering process in line with the national legislation (contract notice, contract award notice is available or level of publicity is satisfactory if prior publication in the Official Journal is not needed).
- the deadline for submitting requests to participate/tenders was consistent with the national / European legal framework;
- the procedure was sufficiently transparent and non-discriminatory (the selection and award criteria enabled fair competition and did not unfairly favour any bidder);
- the selection and award criteria were predefined in the contract notice / tender specifications and were not changed during the evaluation process;
- the evaluation was sufficiently documented, with a clear audit trail leading to the selection of the contractor recommended by the evaluation process;

<p><i>reasons provided by the Beneficiary under the caption "Exceptions" of the Report. The Agency will analyse this information to evaluate whether these costs might be accepted as eligible).</i></p>	<p>41) The procurement procedure selected was in compliance with the national law transposing the EU Directives on public procurement (justification was provided on the use of negotiated procedures with or without prior call for competition under the national law transposing the relevant EU public procurement Directives)</p>	<p>C</p>
<p>o exclusions / rejections during the tender evaluation were compliant with the tender specifications and could be validated by the Auditor;</p> <p>o the amount, duration and conditions of the contract signed following the award process were consistent with the provisions stipulated in the procurement documents;</p> <p>In the case of post contract award amendments, the Auditor verified that (60-63):</p> <p>o the beneficiary has produced documented technical and legal justification for the amendment, and its compliance with the requirements of the applicable national law transposing the EU Directives on public procurement procedures;</p> <p>o the amendments signed were compliant with national law transposing the EU Directives (a strict interpretation of the requirements of the national transposing the Directives is required as the use of negotiated procedures without prior call for competition always constitute an exception and shall be justified under Article 31 of Directive 2004/18/EC or Article 40 of Directive 2014/17/EC by the party seeking to rely on their use) or the amendments are compliant with Article 72 of Directive 2014/24/EU or Article 89 of Directive 2014/25/EU if the national transposing these Directives was applicable to the contract in question;</p> <p>o amendments do not introduce changes which are materially different in character from the conditions of the original contract showing the intention to renegotiate essential terms of the contract;</p> <p>o amendments do not introduce conditions which, had they been part of the initial award procedure, would have allowed for the admission of tenderers other than those initially admitted or would have allowed for the acceptance of a tender other than the one initially accepted;</p> <p>o the scope of the contract has not been extended considerably to encompass services not covered initially;</p> <p>o the economic balance of the contract has not changed in favour of the supplier in a manner which was not provided for in the terms of the initial procurement documents.</p>	<p>42) The conditions for publication according to national law transposing the EU law were respected (contract notice / contract award notice where applicable) .</p>	<p>C</p>

	<ul style="list-style-type: none"> o Where the national law transposing Directives 2014/24/EU or 2014/25/EU is applicable and a new contractor replaces the one to which the contract was initially awarded the amendment is in line with Article 72(1)(d) of Directive 2014/24/EU or Article 89(1)(d) of Directive 2014/25/EU: there is either (1) an unequivocal review clause or option or, (2) a universal or partial succession of the initial contractor and the new contractor fulfils the criteria for qualitative selection without modifying substantially the contractor or (3) the contracting authority assumes itself the role of the main contractor. o Where the national law transposing Directives 2014/24/EU or 2014/25/EU is applicable the value of the modification is below the applicable threshold and 10 % of the initial contract value for service and supply contracts and 15% of the initial contract value for works contracts. 	
	<p>43) The deadlines to request participation, submit tenders, or ask for information were compliant with the requirements of the applicable national law transposing the EU Directives on public procurement.</p> <p>44) The procurement procedures applied were transparent and non-discriminatory.</p> <p>45) The selection and award criteria were published in the contract notice / tender specifications. No changes to the exclusion / selection / award criteria were made after the submission of tenders.</p> <p>46) The evaluation was based on pre-defined criteria. The award decision was consistent with the results obtained and the contract was awarded to the best ranked tender.</p>	<p>C</p> <p>C</p> <p>C</p> <p>C</p>

47) In case of tenders excluded/rejected during the evaluation process the exclusion/rejection was justified and consistent with the requirements in the contract notice / tender specifications (exclusion, selection and award criteria).	C
48) The amount, duration and conditions of the contract signed following the award process were consistent with the winning tender and tender specifications.	C
49) The contractual amendments signed were compliant with national law transposing the relevant EU Directives.	C

<p>50) In case of amendments, the beneficiary has produced documented technical and legal justification for the amendment, and its compliance with the requirements of the applicable national law transposing the EU Directives on public procurement.</p>	<p>C</p>
<p>51) In case of amendments the scope of the contract has not been extended considerably to encompass services not covered initially.</p>	<p>C</p>
<p>52) In case of amendments the economic balance of the contract has not changed in favour of the supplier in a manner which was not provided for in the terms of the initial procurement documents.</p>	<p>C</p>



<p>B.1.2) FOR ALL CONTRACTS, THE AUDITOR VERIFIED THAT (57-58):</p> <p>To confirm standard factual finding 53-59 listed in the next column, the Auditor reviewed the following for the items included in the sample:</p> <ul style="list-style-type: none"> ○ the contracted tasks are relevant for the activities (or sub-activities) defined in the Agreement (Article 1 and Annex I of the Agreement); ○ the Beneficiary followed their usual procurement rules; ○ supporting documents on the selection and award procedure demonstrate that the selected contractor offered the best value (or lowest price) according to the criteria defined by the beneficiary; ○ original tenders of all tenderers were reviewed and consistent with the evaluation documents (entity name / price/submission date) - (Article II.27.2 GA); ○ the Beneficiary ensured that there was no conflict of interest when selecting and awarding the contract to the contractor. ○ the contracts were not awarded to other Beneficiaries listed in the Agreement (<i>in such cases, the costs should be declared on an actual cost basis by the co-beneficiary and not as a profit generating contract between beneficiaries</i>); ○ there were signed contracts between the Beneficiary and the contractor; ○ there was evidence that the contract was executed by the contractor (i.e. services were provided, works/supply were delivered). ○ In the award of the audited contracts, the principle of sound financial management and basic principles of the Treaty of the Functioning of the European Union are respected (transparency, equal treatment, non-discrimination). <p>In case there is a cross-border interest, if an adequate level of publicity has been ensured and the provisions of Commission Communication 2006/C 179/02 have been respected.</p>	<p>53) The required information on all contracts signed relevant to the costs declared was provided by the beneficiary in order to select the sample.</p> <p>54) The contracted works/ services/ supplies were linked to the activities covered in the Agreement.</p> <p>55) The contracts were not signed with other co- Beneficiaries</p> <p>56) The Beneficiary provided signed contracts with the contractor.</p> <p>57) The Beneficiary provided adequate evidence that the services/ works were provided by the contractors.</p>	<p>C</p> <p>C</p> <p>C</p> <p>C</p> <p>C</p>
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		<p>58) The principle of sound financial management and basic principles of the Treaty (transparency, equal treatment, non-discrimination) are respected.</p>	C
		<p>59) For Beneficiaries acting as Contracting Authorities or Contracting Entities, in case the national law on public procurement transposing the Directives is not or only partially applicable due to exceptions provided by the Directives and there is a cross-border interest, verify if an adequate level of publicity has been ensured in line with Commission Communication 2006/C 179/02.</p>	C
<p>B.2</p>	<p>Transaction controls for procurement related costs <i>In section B.1, the contract award and post contract award process was verified in order to test compliance with Article II.9 of the Grant Agreement. The purpose of this section is to verify if the</i></p>	<p>60) The costs declared were incurred within the reporting period and free from non-</p>	C

<p>eligible costs set out in Article II.19.4 of the Agreement.</p>	<p><i>costs declared arising from the contracting procedures are eligible in line with Article II.19 of the grant agreement.</i></p> <p>Based on the contracts sampled in section B.1, the Auditor randomly sampled at least 10% of the total value of costs declared for each procurement procedure selected under section B.1 in order to verify if the declared costs were incurred in compliance with the grant agreement eligibility conditions defined in article II.19 (<i>full coverage is required if there are fewer than 5 transactions per contract, otherwise the sample should have a minimum of 10% of the total value of costs declared per contract.</i>)</p>
<p>61) The declared costs were accounted according to the Beneficiary's usual accounting practice</p>	<p>C</p>
<p>62) The declared costs were covered by the activities in the Agreement</p>	<p>C</p>
<p>63) In the case of contractual amendments, the conditions under B1.1 were respected and the related costs are considered eligible.</p>	<p>C</p>

C	COSTS OF PROVIDING FINANCIAL SUPPORT TO THIRD PARTIES	
C.1	<p>The Auditor obtained the detail/breakdown of the costs of providing financial support to third parties and sampled 0 cost items selected randomly (full coverage is required if there are fewer than 5 items, otherwise the sample should have a minimum of 5 items, or 10% of the total costs declared under this category, whichever number is the highest).</p> <p>If the possibility to give financial support to third parties is provided for in the Agreement (Article 17 of the Agreement), the Auditor verified that the following minimum conditions were met:</p> <ul style="list-style-type: none"> a) the maximum amount of financial support for each third party did not exceed EUR 60 000, unless it is the primary aim of the action as specified in Annex I of the Agreement; b) the financial support to third parties was agreed in Annex I of the Agreement and the other provisions on financial support to third parties included in Annex I were respected (i.e. the criteria for determining the exact amount of the financial support, the different types of activity that may receive financial support on the basis of a fixed list, the definition of the persons or categories of persons which may receive financial support, the criteria for giving the financial support); c) in case the financial support takes the form of a prize, the financial support to third parties was given in accordance with the conditions specified in Annex I of the Agreement, including inter alia the conditions for participation, the award criteria, the amount of the prize and the payment arrangements. 	<p>64) Article II.11 applies (Article 17) and all minimum conditions were met.</p> <p>N/A</p> <p>65) The costs declared were incurred within the reporting period and free from non-eligible costs set out in Article II.19.4 of the Agreement.</p> <p>N/A</p>
D	OTHER ACTUAL DIRECT COSTS	
D.1	<p>COSTS OF TRAVEL AND RELATED SUBSISTENCE ALLOWANCES</p> <p>The Auditor obtained the detail/breakdown of travel and subsistence costs and sampled 23 cost items selected randomly (full coverage is required if there are fewer than 10 items, otherwise</p>	<p>66) Costs were incurred, approved and reimbursed in line with the Beneficiary's usual policy for travels.</p> <p>C</p>

<p>67) There was a link between the trip and the action.</p>		C
<p>68) The supporting documents were consistent with each other regarding subject of the trip, dates, duration and reconciled with time records and accounting.</p>	<p>The Auditor inspected the sample and verified that:</p> <ul style="list-style-type: none"> o travel and subsistence costs were consistent with the Beneficiary's usual policy for travel. In this context, the Beneficiary provided evidence of its normal policy for travel costs (e.g. use of first class tickets, reimbursement by the Beneficiary on the basis of actual costs, a lump sum or per diem) to enable the Auditor to compare the travel costs charged with this policy; o travel costs are correctly identified and allocated to the action (e.g. trips are directly linked to the action) by reviewing relevant supporting documents such as minutes of meetings, workshops or conferences, their registration in the correct project account, their consistency with time records or with the dates/duration of the workshop/conference; o no ineligible costs or excessive or reckless expenditure was declared (see Articles II.19.3 and II.19.4 of the Agreement). 	E
<p>69) No ineligible costs or excessive or reckless expenditure was declared.</p>		E
<p>70) The costs declared were incurred within the reporting period and free from non-eligible costs set out in Article II.19.4 of the Agreement.</p>		C

the sample should have a minimum of 5 items, or 10% of the total costs declared under this category, whichever number is the highest)

The Auditor inspected the sample and verified that:

- o travel and subsistence costs were consistent with the Beneficiary's usual policy for travel. In this context, the Beneficiary provided evidence of its normal policy for travel costs (e.g. use of first class tickets, reimbursement by the Beneficiary on the basis of actual costs, a lump sum or per diem) to enable the Auditor to compare the travel costs charged with this policy;
- o travel costs are correctly identified and allocated to the action (e.g. trips are directly linked to the action) by reviewing relevant supporting documents such as minutes of meetings, workshops or conferences, their registration in the correct project account, their consistency with time records or with the dates/duration of the workshop/conference;
- o no ineligible costs or excessive or reckless expenditure was declared (see Articles II.19.3 and II.19.4 of the Agreement).

<p>D.2</p>	<p>COSTS FOR EQUIPMENT, INFRASTRUCTURE OR OTHER ASSETS</p> <p>The Auditor obtained the detail/breakdown of equipment, infrastructure and other assets and sampled 5 cost items selected randomly (full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 5 items, or 10% of the total costs declared under this category, whichever number is the highest).</p> <p>In addition to the verifications listed under point B.1.1) (standard findings 34-52) or, if applicable, also under point B.1.2) (standard findings 53-59), the Auditor performed the following:</p> <ul style="list-style-type: none"> ○ If only the depreciation costs are eligible in accordance with Article II.19.2 (c) of the Agreement: the Auditor recalculated the depreciation costs and verified that they were in line with the applicable rules in the international accounting standards and the usual accounting practices of the Beneficiary (e.g. depreciation calculated on the acquisition value); ○ The extent to which the assets were used for the action (as a percentage) was supported by reliable documentation (e.g. usage overview table); ○ The Auditor verified that no ineligible costs such as deductible VAT, exchange rate losses, excessive or reckless expenditure were declared (see Articles II.19.3 and II.19.4 of the Agreement); ○ Costs of contracts for goods, works or services or of subcontracts are considered to be incurred when the contract or subcontract (or part of it) is executed, i.e. when the goods, works or services (including studies) are supplied, delivered or provided (see Article II.19.1 of the Agreement). 	<p>71) <i>[choose one option and delete the other].</i></p> <p>[Option 2: The full purchase costs are eligible in accordance with Article II.19.2 (c) of the Agreement].</p> <p style="text-align: right;">C</p>	
	<p>72) Where only depreciation costs are eligible, the depreciation method used to charge the asset to the action was in line with the applicable rules of the Beneficiary's country and the Beneficiary's usual accounting policy.</p> <p style="text-align: right;">N/A</p>		
	<p>73) Where only the depreciation costs are eligible, the amount charged corresponded to the actual usage for the action.</p> <p style="text-align: right;">N/A</p>		

		<p>74) Where the full purchase costs are eligible, the assets purchased are treated as capital expenditure in accordance with the tax and accounting rules applicable to the beneficiary, and are recorded in the fixed assets account of its balance sheet.</p>	C
<p>D.3</p>	<p>COSTS OF SUBCONTRACTING in line with Article II. 10.2</p> <p>The Auditor obtained the detail/breakdown of subcontracting costs and sampled 18 cost items selected randomly (full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 5 items, or 10% of the total costs declared under this category, whichever number is the highest).</p> <p>For the items included in the sample, in addition to the verifications listed under point B.1.1) (standard findings 34-52) or, if applicable, also under point B.1.2) (standard findings 53-59), the Auditor reviewed the following in order to confirm standard factual finding 75 in the next column:</p> <ul style="list-style-type: none"> o the use of subcontractors was foreseen in Annex I or communicated by the coordinator and approved by the Commission (see Article II.10.2 of the Agreement); o for Agreements signed under the CEF-Telecom, subcontracting costs were declared in the subcontracting category of Annex III and the Financial Statement. 	<p>75) The use of claimed subcontracting costs was foreseen in Annex I for all sectors of CEF and for CEF Telecom the costs were declared in Annex III and the Financial Statements under the subcontracting category.</p>	C
<p>D.4</p>	<p>COSTS RELATED TO LAND AND BUILDING ACQUISITION</p> <p><u>Only applicable for Agreements signed under the CEF-Transport, which specifically provide for the eligibility of land and building acquisition.</u></p>	<p>76) Land / building acquisition costs are eligible in accordance with Article 15 of the Agreement.</p>	N/A

	<p>The Auditor obtained the detail /breakdown of land and building acquisition costs and sampled 0 cost items selected randomly (full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 5 items, or 10% of the total costs declared under this category, whichever number is the highest).</p> <p>For the purchase of land included in the sample the Auditor verified that:</p> <ul style="list-style-type: none"> o the costs of purchase of land not built on and land built on were eligible in accordance with Article 15 of the Agreement and did not exceed 10 % of the total eligible costs of the action; o the costs of purchase of derelict sites and purchase of sites formerly in industrial use which comprise buildings were eligible in accordance with Article 15 of the Agreement and did not exceed 15 % of the total eligible costs of the action; o the costs did not exceed the limit agreed upon in the Agreement for operations concerning environmental conservation (Article 15 of the Agreement); o they were correctly identified, and allocated to the proper action. <p>The Auditor verified that no ineligible costs were declared (Articles II.19.3 and II.19.4 of the Agreement).</p>	<p>77) Costs were allocated to the correct action.</p> <p>78) Costs do not exceed the maximum ceiling as specified in the Agreement.</p> <p>79) Costs were charged in line with the Beneficiary’s accounting policy and were adequately supported.</p> <p>80) The costs declared were incurred within the reporting period and free from non-eligible costs set out in Article II.19.4 of the Agreement.</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>
<p>D.5</p>	<p>OTHER DIRECT COSTS NOT COVERED BY CATEGORIES D.1-D.4</p> <p>The Auditor obtained the detail/breakdown of other direct costs and sampled 9 cost items selected randomly (full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 5 items, or 10% of the total costs declared under this category, whichever number is the highest).</p>	<p>81) The cost allocation of the declared costs was consistent with the activities performed and the activities covered by the Agreement.</p>	<p>C</p>

	<p>The Auditor inspected the sample and verified that:</p> <ul style="list-style-type: none"> o costs are relevant for the activities (or sub-activities) defined in the Agreement (Article 1 and Annex I of the Agreement); o the declared costs were allocated to the correct activity (or sub-activity) as defined in the Agreement; o the declared costs were incurred during the reporting period covered by the cost declaration; o the declared costs were accounted in line with the beneficiary's usual accounting practice; o The Auditor verified that no ineligible costs such as deductible VAT, exchange rate losses, excessive or reckless expenditure were declared (see Article II.19.4 of the Agreement) 	<p>82) The costs declared were incurred within the reporting period and free from non-eligible costs set out in Article II.19.4 of the Agreement.</p>	C
E	<p>USE OF EXCHANGE RATES</p>	<p>83) The declared costs were accounted according to the Beneficiary's usual accounting practice.</p>	C
E.1	<p>a) For Beneficiaries with accounts established in a currency other than euros</p> <p>The Auditor sampled 0 cost items selected randomly and verified that the exchange rates used for converting other currencies into euros were in accordance with the following rules established in the Agreement (full coverage is required if there are fewer than 5 items, otherwise the sample should have a minimum of 5 items, or 10% of the total, whichever number is the highest):</p> <p><i>Costs incurred in another currency shall be converted into euro at the average of the daily exchange rates published in the C series of Official Journal of the European Union (http://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html), determined over the corresponding reporting period.</i></p> <p><i>If no daily euro exchange rate is published in the Official Journal of the European Union for the currency in question, conversion shall be made at the average of the monthly accounting rates established by the Commission and published on its website</i></p>	<p>84) The exchange rates used to convert other currencies into Euros were in accordance with the rules established in the Grant Agreement and there was no difference in the final figures.</p>	N/A

	<p>(http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/infoeuro_en.cfm), determined over the corresponding reporting period. A guide to currency conversion to euro is available from the INEA website: https://ec.europa.eu/inea/sites/inea/files/practical_help_to_the_implementation_of_article_ii_23_4_final.pdf</p> <p>b) For Beneficiaries with accounts established in euros The Auditor sampled 0 cost items selected randomly and verified that the exchange rates used for converting other currencies into euros were in accordance with the following rules established in the Agreement (full coverage is required if there are fewer than 5 items, otherwise the sample should have a minimum of 5 items, or 10% of the total, whichever number is the highest): <i>Costs incurred in another currency shall be converted into euro by applying the Beneficiary's usual accounting practices.</i></p>	<p>85) The Beneficiary applied its usual accounting practices.</p> <p>N/A</p>
<p>F</p>	<p>COMPLIANCE WITH ELIGIBILITY PERIOD</p>	
<p>F1</p>	<p>a) Regardless of their nature, the Auditor samples the 10 earliest dated and 10 latest dated transactions in the financial statement). If cost items falling into this category have already been sampled under previous checked, and eligibility verified, the test does not have to be repeated. The Auditor inspected the sample and verified that:</p> <ul style="list-style-type: none"> o the declared costs were incurred during the reporting period covered by the cost declaration; o the declared costs were accounted in line with the beneficiary's usual accounting practice; o The Auditor verified that no ineligible costs such as deductible VAT, exchange rate losses, excessive or reckless expenditure were declared (see Article II.19.4 of the Agreement) <p><i>'cost were incurred' is when the generating event that triggers the costs takes place. It must be during the action duration.</i> <i>If costs are invoiced or paid later than the action completion date (Article 2.2), they are eligible only if the debt existed already during the action duration (supported by documentary evidence) and the final cost was known at the moment of the financial report.</i></p>	<p>86) The costs declared were incurred within the reporting period and free from non-eligible costs set out in Article II.19.4 of the Agreement.</p> <p>C</p> <p>87) The declared costs were accounted according to the Beneficiary's usual accounting practice.</p> <p>C</p>

Costs of services or equipment supplied to a beneficiary may be invoiced and paid after the end date of the action if the services or equipment were delivered to the beneficiary during the action duration. By contrast, costs of services or equipment supplied after the end of the action (or after GA termination) are not eligible.

'C' stands for 'confirmed' and means that the Auditor can confirm the 'standard factual finding' and, therefore, there is no exception to be reported.

'E' stands for 'exception' and means that the Auditor carried out the procedures but cannot confirm the 'standard factual finding', or that the Auditor was not able to carry out a specific procedure (e.g. because it was impossible to reconcile key information or data were unavailable).

'N.A.' stands for 'not applicable' and means that the Finding did not have to be examined by the Auditor and the related Procedure(s) did not have to be carried out. The reasons of the non-application of a certain Finding must be obvious i.e. i) if no cost was declared under a certain category then the related Finding(s) and Procedure(s) are not applicable; ii) if the condition set to apply certain Procedure(s) are not met then the related Finding(s) and Procedure(s) are not applicable. For instance, for 'beneficiaries with accounts established in a currency other than the euro' the Procedure related to 'beneficiaries with accounts established in euro' is not applicable. Similarly, if no additional remuneration is paid, the related Finding(s) and Procedure(s) for additional remuneration are not applicable.

Annex 2: Certified financial statements sampled transactions

CFS Annex 2 - Costs selected by the Auditors for the Certificate of the Financial Statements CFS											
Action Number :		2014-EU-TM-0401-M									
Beneficiary's Legal Name :		TELT SAS									
Indicate the currency of the general accounts used by the beneficiary (art. II.23.4) :		/EUR									
Calculated exchange rate :		1									
Total direct costs declared for all activities in EUR (including only eligible VAT) :											
Activity N° according to the Grant Agreement	Item selected for the CFS	Name of Beneficiary / implementing bodies / affiliated entity as mentioned in the Grant Agreement	Type of procurement contract (services/supplies/works/not applicable)	Short description of the cost declared	Supplier	Date of invoice	Unique Accounting number	Internal reference of the procurement contract	Amount excluding VAT (in the currency of the general accounts)	Amount of eligible VAT (in the currency of the general accounts)	Amount in EUR (including eligible VAT)
27	Item selected for CFS	TELT	WORKS	Trvx - Rotonde Modane - GC		31/12/2020	2020-0100022429-000001	C180932-2	-3.204.043,51		-3.204.043,51
17	Item selected for CFS	TELT	WORKS	Proposition Technique et Financière de R		31/12/2020	2020-0100022429-000009	C17210-1	-2.568.800,00		-2.568.800,00
17	Item selected for CFS	TELT	WORKS	Création d'un poste de transformation el		31/12/2020	2020-0100022429-000007	C17007-1	-821.500,00		-821.500,00
26	Item selected for CFS	TELT	WORKS	Alimentation électrique 5.8MW		31/12/2020	2020-0100022429-000002	C181347-1	-501.209,60		-501.209,60
17	Item selected for CFS	TELT	WORKS	Convention Travaux GC 225KV		31/12/2020	2020-0100022429-000008	C192432-1	-277.000,00		-277.000,00
28	Item selected for CFS	TELT	WORKS	Convention Travaux GC 225KV		31/12/2020	2020-0100022429-000003	C192432-1	-154.932,18		-154.932,18
6	Item selected for CFS	TELT	SERVICES	Contratto Manutenzione Immobili TELT IT		31/12/2020	2020-0200002427-000002	C180317-1	-59.500,00		-59.500,00
6	Item selected for CFS	TELT	SERVICES	Location immobilière pour commissions		30/11/2020	2020-1200000158-000002	C200122-1	-41.502,65		-41.502,65
6	Item selected for CFS	TELT	SUPPLIES	Abbonamento 1 anno Teamviewer		31/12/2020	2020-0200002437-000002	C200343-1	-997,30		-997,30

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6	Item selected for CFS	TELT	NOT APPLICABLE	Commissione 100Mb simmetrica 50Mbps BMG et	31/12/2020	2020-0200002437-000004	C200428-1	-720,00	-720,00
6	Item selected for CFS	TELT	SERVICES	Location maintenance Copieurs Rome	31/12/2020	2020-0200002437-000001	C200519-1	-579,57	-579,57
6	Item selected for CFS	TELT	SERVICES	LEG noleggio auto scorta Roma	31/12/2020	2020-0200002441-000001	C181070-1	-441,49	-441,49
6	Item selected for CFS	TELT	SUPPLIES	Développement Phase 2 JEDOX	07/01/2020	2020-5100007438-000001	C181360-1	35.232,78	35.232,78
6	Item selected for CFS	TELT	SUPPLIES	Developpement report finance	23/09/2019	2020-5100007482-000001	C192041-1	71.285,52	71.285,52
6	Item selected for CFS	TELT	SUPPLIES	Developpements sur SAP Achat	16/03/2020	2020-5100008662-000001	C192062-1	192.465,34	192.465,34
6	Item selected for CFS	TELT	SUPPLIES	User License	06/01/2020	2020-5100007436-000001	C192243-1	220.016,16	220.016,16
6	Item selected for CFS	TELT	SUPPLIES	Licences plate-forme Bentley 2019-2020	25/11/2019	2020-5100007614-000001	C192310-1	7.771,85	7.771,85
6	Item selected for CFS	TELT	SUPPLIES	Developpement et implementation	17/09/2020	2020-5100009656-000001	C192334-1	196.689,01	196.689,01
6	Item selected for CFS	TELT	SUPPLIES	Sviluppo e personalizzazione	17/09/2020	2020-5100009654-000001	C192351-1	239.462,08	239.462,08
6	Item selected for CFS	TELT	SUPPLIES	Developpements DMS AGE	15/09/2020	2020-5000005569-000001	C200060-3	137.066,31	137.066,31
6	Item selected for CFS	TELT	SUPPLIES	charge de personnel	07/09/2020	2020-2000010906-000001	Charges de fonctionnement-ACHF	93,66	93,66
6	Item selected for CFS	TELT	SUPPLIES	charge de personnel	20/10/2020	2020-0200002314-000002	Charges de fonctionnement-POSI	130,00	130,00
6	Item selected for CFS	TELT	SUPPLIES	charge de personnel	18/06/2020	2020-5100008870-000002	Charges de fonctionnement-COSF	137,95	137,95
6	Item selected for CFS	TELT	SUPPLIES	charge de personnel	31/01/2020	2020-0100021665-000002	Charges de fonctionnement-SENF	149,86	149,86
6	Item selected for CFS	TELT	NOT APPLICABLE	charge de personnel	09/07/2020	2020-2200000832-000002	Charges de fonctionnement-COSI	310,00	310,00
6	Item selected for CFS	TELT	SUPPLIES	LEG carburants véhicules TELT	08/01/2020	2020-5100007412-000002	C180768-2	386,68	386,68
6	Item selected for CFS	TELT	SERVICES	Traduction documents AUTOPORTO IT>FR	07/01/2020	2020-5100007409-000002	C17386-3	440,00	440,00
6	Item selected for CFS	TELT	NOT APPLICABLE	charge de personnel	31/03/2020	2020-01000021819-000030	Charges de fonctionnement-CREF	500,10	500,10

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	Item selected for CFS	TELT	NOT APPLICABLE	charge personnel de		2020- 2200000859- 000002	Charges de fonctionnement- TECI	503,64	503,64
6	Item selected for CFS	TELT	SERVICES	Traduction Convezione ARPA Piemonte		2020- 5100007406- 000002	C17386-3	524,16	524,16
6	Item selected for CFS	TELT	NOT APPLICABLE	charge personnel de		2020- 0100021819- 000032	Charges de fonctionnement- SENF	568,79	568,79
6	Item selected for CFS	TELT	NOT APPLICABLE	charge personnel de		2020- 0200002362- 000005	Charges de fonctionnement- TECI	654,50	654,50
6	Item selected for CFS	TELT	NOT APPLICABLE	charge personnel de		2020- 2200000548- 000002	Charges de fonctionnement- TECI	720,00	720,00
6	Item selected for CFS	TELT	NOT APPLICABLE	charge personnel de		2020- 5100007399- 000002	FNP CDCF-	790,89	790,89
6	Item selected for CFS	TELT	NOT APPLICABLE	charge personnel de		2020- 0200002331- 000006	Charges de fonctionnement- TECI	795,60	795,60
6	Item selected for CFS	TELT	NOT APPLICABLE	charge personnel de		2020- 2200000549- 000002	Charges de fonctionnement- COSI	810,00	810,00
6	Item selected for CFS	TELT	NOT APPLICABLE	charge personnel de		2020- 2200000428- 000004	Charges de fonctionnement- COSI	825,00	825,00
6	Item selected for CFS	TELT	NOT APPLICABLE	charge personnel de		2020- 0100021731- 000010	Charges de fonctionnement- CREF	842,06	842,06
6	Item selected for CFS	TELT	NOT APPLICABLE	Catering 22 23 24/06 carriere Chiomonte		2020- 5000000386- 000001	C200336-1	858,00	858,00
6	Item selected for CFS	TELT	NOT APPLICABLE	accueil café + buffet 25 personnes		2020- 5000000709- 000001	C200482-1	858,18	858,18
6	Item selected for CFS	TELT	NOT APPLICABLE	charge personnel de		2020- 2200000550- 000002	Charges de fonctionnement- PACI	900,00	900,00
6	Item selected for CFS	TELT	NOT APPLICABLE	charge personnel de		2020- 51000010301- 000002	FNP CDCF-	1.026,64	1.026,64
6	Item selected for CFS	TELT	NOT APPLICABLE	abonnement péage autoroutes France 2019		2020- 5100008020- 000002	C192434-1	2.137,41	2.137,41
6	Item selected for CFS	TELT	SERVICES	LOT 2 Téléphonie Mobile		2020- 5100007408- 000002	C16198-2	2.161,46	2.161,46
6	Item selected for CFS	TELT	NOT APPLICABLE	abonnement péage autoroutes France 2019		2020- 5100008016- 000002	C192434-1	2.250,21	2.250,21
6	Item selected for CFS	TELT	NOT APPLICABLE	charge personnel de		2020- 0100022256- 000001	Charges de fonctionnement- TECF	3.843,28	3.843,28
4	Item selected for CFS	TELT	SERVICES	Suivi SMP4_BdC24		2020- 5100007816- 000002	C14165-1	7.000,00	7.000,00

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	Item selected for CFS	TELT	NOT APPLICABLE	charge de personnel		30/11/2020	2020-0100022254-000001	Charges de fonctionnement-SENF	7.334,23	7.334,23
6	Item selected for CFS	TELT	SUPPLIES	EQUANCY BDC 59		28/02/2020	2020-5000000066-000001	C17354A-1	60.410,00	60.410,00
6	Item selected for CFS	TELT	SUPPLIES	EQUANCY - BDC 63		16/07/2020	2020-5000000381-000001	C17354A-1	60.410,00	60.410,00
6	Item selected for CFS	TELT	SUPPLIES	EQUANCY - BDC 65		30/09/2020	2020-5000000680-000001	C17354A-1	60.410,00	60.410,00
22	Item selected for CFS	TELT	SUPPLIES	Fornitura elettrica		10/12/2020	2020-2200001513-000002	C181096-1	61.473,72	61.473,72
6	Item selected for CFS	TELT	SUPPLIES	EQUANCY BDC 58		28/02/2020	2020-5000000068-000001	C17354A-1	64.200,00	64.200,00
6	Item selected for CFS	TELT	SUPPLIES	EQUANCY - BDC 62		16/07/2020	2020-5000000380-000001	C17354A-1	64.200,00	64.200,00
6	Item selected for CFS	TELT	SUPPLIES	EQUANCY - BDC 64		30/09/2020	2020-5000000678-000001	C17354A-1	64.200,00	64.200,00
6	Item selected for CFS	TELT	SUPPLIES	BDC 51		30/09/2020	2020-5000000672-000001	C17354C-1	64.822,50	64.822,50
22	Item selected for CFS	TELT	SUPPLIES	Fornitura elettrica		09/10/2020	2020-2200001256-000002	C181096-1	66.828,07	66.828,07
6	Item selected for CFS	TELT	SERVICES	SFE 2020 Coût person STTL.T.A.I.5		31/10/2020	2020-5000001071-000001	C209045-2	70.063,49	70.063,49
22	Item selected for CFS	TELT	SUPPLIES	Fornitura elettrica		08/02/2020	2020-2200000138-000002	C181096-1	70.480,60	70.480,60
22	Item selected for CFS	TELT	SUPPLIES	Fornitura elettrica		10/08/2020	2020-2200001003-000002	C181096-1	71.223,82	71.223,82
22	Item selected for CFS	TELT	SUPPLIES	Fornitura elettrica		09/09/2020	2020-2200001070-000002	C181096-1	71.258,38	71.258,38
6	Item selected for CFS	TELT	SERVICES	SFE 2020 Coût person STTL.T.A.I.5		31/12/2020	2020-5000001211-000001	C209045-2	74.454,25	74.454,25
6	Item selected for CFS	TELT	SERVICES	Loyer et charges de siège de Technolac		06/01/2020	2020-5100007411-000002	C192191-1	89.919,00	89.919,00
4	Item selected for CFS	TELT	SERVICES	C12037 - MOE SMP4 BC1 à 12-Contrôle Txv		10/03/2020	2020-5100008002-000002	C12037-1	96.165,03	96.165,03
4	Item selected for CFS	TELT	SERVICES	C12037 - MOE SMP4 BC1 à 12-Contrôle Txv		29/02/2020	2020-5100008001-000002	C12037-1	109.874,95	109.874,95
22	Item selected for CFS	TELT	WORKS	Supporto FFOO e Manut Maddalena		31/10/2020	2020-5000001199-000001	C192187-1	189.259,00	189.259,00

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15	Item selected for CFS	TEL	WORKS	MOE Puits d'av - TRAVAUX jusqu'à BC11	19/06/2020	2020-510009057-000002	C15201-2	218.102,00	218.102,00	218.102,00
3	Item selected for CFS	TEL	SERVICES	Convenzione - Service Safety Car	07/07/2020	2020-2200001274-000002	C15183-1	257.302,00	257.302,00	257.302,00
16	Item selected for CFS	TEL	SERVICES	Assurance TRC Clément + Digue C11137-	25/11/2020	2020-5100010336-000002	C191813-1	259.762,38	259.762,38	259.762,38
22	Item selected for CFS	TEL	WORKS	Convenzione 25-5-2011	18/12/2020	2020-2200001712-000002	C11137-2	361.490,00	361.490,00	361.490,00
4	Item selected for CFS	TEL	SERVICES	Assurance DAB descendentes	03/03/2020	2020-5100008480-000002	C17331D-1	371.131,25	371.131,25	371.131,25
22	Item selected for CFS	TEL	WORKS	Supporto logistico alle FFOO per i Cant	10/02/2020	2020-2200000210-000002	C17365-2	483.187,00	483.187,00	483.187,00
16	Item selected for CFS	TEL	WORKS	travaux de réalisation de la tranchée co	31/12/2020	2020-5100010615-000002	C17297-1	490.006,45	490.006,45	490.006,45
16	Item selected for CFS	TEL	WORKS	travaux de réalisation de la tranchée co	31/12/2020	2020-5100010618-000002	C17297-1	490.006,45	490.006,45	490.006,45
22	Item selected for CFS	TEL	WORKS	Supporto FFOO e Manut Maddalena	30/06/2020	2020-5000000479-000001	C192187-1	508.574,00	508.574,00	508.574,00
4	Item selected for CFS	TEL	SERVICES	assurances	01/05/2020	2020-0100021935-000002	FNP AFCF-	-305.276,05	-305.276,05	-305.276,05
4	Item selected for CFS	TEL	SERVICES	assurances	15/06/2020	2020-0100021967-000002	FNP AFCF-	-2.188.497,21	-2.188.497,21	-2.188.497,21
17	Item selected for CFS	TEL	WORKS	Convention Travaux GC 225KV	31/12/2020	2020-5000001152-000001	C192432-1	603.000,00	603.000,00	603.000,00
16	Item selected for CFS	TEL	WORKS	travaux de réalisation de la tranchée co	31/12/2020	2020-5100010620-000002	C17297-1	645.597,83	645.597,83	645.597,83
16	Item selected for CFS	TEL	WORKS	travaux de réalisation de la tranchée co	30/07/2020	2020-5100009366-000002	C17297-1	717.072,57	717.072,57	717.072,57
17	Item selected for CFS	TEL	WORKS	Convention Travaux GC 225KV	28/09/2020	2020-5000000638-000001	C192432-1	804.000,00	804.000,00	804.000,00
16	Item selected for CFS	TEL	WORKS	travaux de réalisation de la tranchée co	30/07/2020	2020-5100009365-000002	C17297-1	943.910,15	943.910,15	943.910,15
17	Item selected for CFS	TEL	WORKS	Création d'un poste de transformation el	18/12/2020	2020-5100010674-000002	C17007-1	1.417.400,00	1.417.400,00	1.417.400,00
27	Item selected for CFS	TEL	WORKS	CFI 4_ MOE 9B	12/03/2020	2020-5100008024-000002	C181106-1	1.483.376,00	1.483.376,00	1.483.376,00
27	Item selected for CFS	TEL	WORKS	M - Trvx Rotonde Modane - Eqt	10/07/2020	2020-5100008877-000002	C180932-2	2.089.595,55	2.089.595,55	2.089.595,55

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4	Item selected for CFS	TELT	SERVICES	Assurance Tous Risques Chantiers	13/05/2020	2020-5100008609-000002	C17331A-1	2.363.576,99	2.363.576,99
6	Item selected for CFS	TELT	SERVICES	assurances	26/05/2020	2020-0100021936-000001	Charges de fonctionnement-AFCF	175.079,78	175.079,78
6	Item selected for CFS	TELT	SERVICES	assurances	31/03/2020	2020-0100021811-000001	Charges de fonctionnement-AFCF	262.619,67	262.619,67
6	Item selected for CFS	TELT	SUPPLIES	ABONMT BDD JOURNALISTES EU - ITALIE	31/12/2020	2020-0200002437-000003	C200226B-1	-3.227,67	-3.227,67
6	Item selected for CFS	TELT	SUPPLIES	contrôle techniques	01/06/2020	2020-0200002196-000002	FNP CREI-	-1.000,00	-1.000,00
6	Item selected for CFS	TELT	SUPPLIES	contrôle techniques	31/12/2020	2020-0200002438-000001	FNP CREI-	50,00	50,00
16	Item selected for CFS	TELT	SERVICES	assurances	30/11/2020	2020-1200000156-000002	FNP AFCF-	-176.638,42	-176.638,42
16	Item selected for CFS	TELT	SERVICES	assurances	30/11/2020	2020-1200000157-000002	FNP AFCF-	-42.172,33	-42.172,33
4	Item selected for CFS	TELT	SERVICES	Réalisation des travaux ouvrage SMP4	01/11/2020	2020-5100010040-000003	C14064-3	3.309.813,55	3.309.813,55
17	Item selected for CFS	TELT	SERVICES	Proposition Technique et Financière de R	10/12/2020	2020-5100010673-000002	C17210-1	3.895.800,00	3.895.800,00
4	Item selected for CFS	TELT	SERVICES	Réalisation des travaux ouvrage SMP4	01/12/2020	2020-5100010442-000003	C14064-3	4.297.561,27	4.297.561,27
27	Item selected for CFS	TELT	WORKS	CFI5_Travaux 12Y	19/08/2020	2020-5100009434-000002	C181166-3	4.830.135,00	4.830.135,00
27	Item selected for CFS	TELT	WORKS	CFI5_Travaux 12Z	16/10/2020	2020-5100009859-000003	C181166-4	5.000.000,00	5.000.000,00
4	Item selected for CFS	TELT	SERVICES	Réalisation des travaux ouvrage SMP4	28/01/2020	2020-5100007609-000003	C14064-3	6.037.917,74	6.037.917,74
4	Item selected for CFS	TELT	SERVICES	Réalisation des travaux ouvrage SMP4	18/10/2020	2020-5100009847-000003	C14064-3	12.246.372,92	12.246.372,92
18	Item selected for CFS	TELT	WORKS	CFI5_Travaux 9B	01/06/2019	2020-5100005073-000002B	C181166-1	14.058.308,00	14.058.308,00
27	Item selected for CFS	TELT	WORKS	CFI5_Travaux 12Y	16/10/2020	2020-5100009859-000002	C181166-3	15.668.179,00	15.668.179,00
33	Item selected for CFS	TELT	SERVICES	Install. équipements raccordement 230V	31/12/2020	2020-5000001315-000001	C191951-3	500,00	500,00

Annex 4: Terms of Reference signed

Terms of Reference for an Independent Report of Factual Findings on costs declared under a Grant Agreement financed under the Connecting Europe Facility (CEF)

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

Tunnel Euralpin Lyon Turin (TELT SAS) (‘the Implementing Body), entity designated by the Beneficiaries Ministero delle Infrastrutture e dei Trasporti (also referred as “the Coordinator”) and Ministère de la Transition Ecologique et Solidaire (previously Ministère de l’Ecologie, du Développement Durable et de l’Energie) (individually “the Beneficiary” or Collectively “The Beneficiaries” for the implementation of the action agrees to engage

██████████ (‘the Auditor’)

to produce an independent report of factual findings (‘the Report’) concerning the Financial Statement(s)² drawn up by the Implementing Body for the CEF grant agreement Number INEA/CEF/TRAN/M2014/1057372 (‘the Agreement’), action entitled “Cross Border Section of the New Lyon-Turin Rail Link Mont Cenis Base Tunnel (TBM)”, Action number 2014-EU-TM-0401-M duration from 01/01/2014 until 31/12/2022, and to issue a Certificate on the Financial Statements’ (‘CFS’) referred to in Article II.23.2 of the Agreement based on the compulsory reporting template stipulated by the Commission.

The Agreement has been concluded under the Connecting Europe Facility (CEF) Transport sector between the Beneficiary and the Innovation and Networks Executive Agency (INEA) (‘the Agency’), under the powers delegated by the European Commission (‘the Commission’).

The Agency is 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

The coordinator must submit to the Agency the request for interim payment within 8 months following the end of the reporting period which should include, amongst other documents, a CFS for each beneficiary, each Affiliated Entity and Implementing Body, for which a total contribution of EUR 325 000 or more is requested, as reimbursement of actual eligible costs and unit costs calculated on the basis of its usual cost accounting practices (see Article II.23.2 of the Agreement). The CFS must cover all reporting periods of the beneficiary, Affiliated Entity or Implementing Body indicated above.

The Beneficiary must submit to the coordinator the CFS covering the total declared costs for itself, its Affiliated Entity(ies) and its Implementing Body(ies), if the CFS must be included in the request for interim payment according to Article II.23.2 of the Agreement.

The CFS is composed of two separate documents:

- The Terms of Reference (‘the ToR’) to be signed by the Implementing body and the Auditor;
- The Auditor’s Independent Report of Factual Findings (‘the Report’) to be issued on the Auditor’s letterhead, dated, stamped and signed by the Auditor (or the competent public officer) which

² By which costs under the Agreement are declared (see template ‘Model Financial Statement(s)’ in Annex VI to the Grant Agreement).

includes the agreed-upon procedures ('the Procedures') to be performed by the Auditor, and the standard factual findings ('the Findings') to be confirmed by the Auditor.

If the CFS must be included in the interim report according to Article II.23.2 of the Agreement, the request for interim payment relating to the Agreement cannot be made without the CFS. However, the payment for reimbursement of costs covered by the CFS does not preclude the Commission, the Agency, the European Anti-Fraud Office and the European Court of Auditors from carrying out checks, reviews, audits and investigations in accordance with Article II.27 of the Agreement.

1.2 Responsibilities

The Implementing Body:

- must draw up the Financial Statement(s) for the action financed by the Agreement in compliance with the obligations under the Agreement. The Financial Statement(s) must be drawn up according to the Implementing Body's accounting and book-keeping system and the underlying accounts and records;
- must send the Financial Statement(s) to the Auditor;
- is responsible and liable for the accuracy of the Financial Statement(s);
- is responsible for the completeness and accuracy of the information provided to enable the Auditor to carry out the Procedures. It must provide the Auditor with a written representation letter supporting these statements. The written representation letter must state the period covered by the statements and must be dated;
- accepts that the Auditor cannot carry out the Procedures unless it is given full access to the Implementing Body's staff and accounting as well as any other relevant records and documentation.

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 and the Implementing Body, in particular, it must not have been involved in preparing Implementing Body's Financial Statement(s) or providing consultancy advice on the related operations and underlying transactions;
- 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 this 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 Implementing Body.

The Agency sets out the Procedures to be carried out 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 with³:

- 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 Agency requires that the Auditor also complies with the Code's independence requirements.

The Auditor's Report must state that there is no conflict of interests in establishing this Report between the Auditor and the Beneficiary and the Implementing Body 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 English in accordance with Article 4.3 of the Agreement.

Under Article II.27 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 (e.g. recalculation of hourly rates, verification of the time declared for the action) 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 15th of July 2021.

1.6 Other terms

Not Applicable.

Tunnel Euralpin Lyon Turin (TELT SAS)]

12 July 2021

Signature of the Implementing Body

³ 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.