



EUROPEAN COMMISSION
RESEARCH DIRECTORATE-GENERAL

The Director-General

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Mr. Martin Grabert
Director
Koordinierungsstelle EG der
Wissenschaftsorganisationen
Rue du Trône 98

B-1050 BRUXELLES

Dear Dr Grabert,

With reference to your letter of 15/9/2003 concerning the audit certificates to be provided to the Commission by a certification authority within the rules applicable in the 6th RTD Framework Programme I would like to confirm the following.

As established in the first paragraph of Article 14, indents (a) and (c) of the regulation concerning the rules for participation and dissemination of results for the EC FP6 and in the second and third paragraphs of Article II.26 of Annex II to the model contract for the 6th Framework programme, the audit certificates can be delivered by:

- an **external auditor**, for any legal entity;
- an **external auditor** or a **public competent officer** for public bodies.

Therefore each contractor has the freedom to choose any qualified external auditor or competent public officer, including its usual external auditor, provided that it meets the cumulative following professional requirements:

- a) The external auditor/competent public officer must be **independent** from the contractor.

The auditor independence is usually defined as independence from the audited "in fact and/or in appearance". This qualification in fact permits the auditor to apply unbiased judgement and objective consideration to established facts in arriving at an opinion or a decision. Independence means that the auditor's work is carried out without direction or interference of any kind from the contractor concerned.

In the case of public bodies, a preliminary condition should be that the public competent public officer selected has not been involved in any way in the processing of the Financial Statement per Activity (Form C).

If "in fact and/or in appearance", the auditor is not independent from the contractor concerned (example of an internal auditor who is an official of the contractor concerned), its independence may nevertheless be established by the relevant national authorities.

- b) The external auditor must be qualified to carry out statutory audits of accounting documents, in accordance with the 8th Council Directive 84/253/EEC of 10 April 1984 or similar national regulations for an external auditor.

Public bodies having opted for a competent public officer must prove that relevant national authorities have established the legal capacity of that competent public officer to audit the public body. In some specific cases, the auditor may not "in fact" be independent of the audited body (university etc), since he/she is an official of the same organisation being audited. However in those cases, the "functional independence" of the auditor should be sufficient for the proposes.

Therefore, any solution proposed by contractors that meets the criteria identified above should be acceptable to the Commission.

Yours sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a vertical line and a horizontal stroke at the bottom.

Achilleas Mitsos

c.c.: M. W. Zschwarzenbrunner (DG INFSO), M. E. Rille, Mme M. Richards,
M. E. Campogrande