

Appendix A

Work Programme for Independent Accountants 2007

A)	Preparation of the check:	
A.1	Read the Funding Agreement, including all annexes. Where there is a lack of clarity in relation to any aspect of the terms of the agreement, the accountant should request the grantee to seek clarification from the granting agency. Note the terms of the grant and any specific requirements.	
A.2	Obtain a copy of all amendments to the Funding Agreement approved to date by the Accel Programme.	
A.3	Obtain a copy of the Accel Operating Guidelines, including all annexes.	
A.4	Obtain a copy of Accel Fact Sheets on <ul style="list-style-type: none"> • The Purchase of Equipment • VAT • Revenue Received by the Project • Project Closure 	
A.5	Obtain a copy of the Project Income & Expenditure statement for the reporting period which should be dated and signed (by the directors ¹). (This statement should be printed from the AccelIT project management system by the Project Manager or Project Promoter, as appropriate.)	
A.6	Check if any changes were made to the 2006 Income & Expenditure statement. If changes were made, subject the relevant items to the procedures described below and refer to these changes in your report.	

B)	Checklist	
B.1	Assess whether the classes of expenditure in the Income & Expenditure statement are worded consistently with the terms set out in the approved budget as annexed to the Funding Agreement and amendments to the Funding Agreement where appropriate.	
B.2	Check the maintenance of an adequate and reliable accounting system and the maintenance of an audit trail (Commission Regulation 438/2001 Annex I) at all levels within the project.	
B.3	Enquire about and document the process by which the grant claimant identifies each class of expenditure eligible for grant. <ol style="list-style-type: none"> a. identify controls operated in that process. b. undertake walkthrough tests to establish that such processes/procedures operate as expected. c. determine the extent to which reliance can be placed on the operation of those controls for the purpose of reporting on the grant claim. 	
B.4	For expenditure other than payroll obtain a schedule of the costs and	

¹ Or equivalent persons in unincorporated organisations. This definition applies to the whole document, wherever the term director is mentioned.

	<ul style="list-style-type: none"> a. agree amounts to company's books of account. b. check arithmetical accuracy. c. test check controls over compilation of relevant costs. d. trace a sample of payments to source third party invoices or other appropriate source documents of equivalent probative value and to bank records. e. assess whether source documents for the sample at d.) indicate that expenditure falls within approved categories as set out in the Funding Agreement. f. check that the costs of the sample at d.) were incurred after the start date and before the end date of the project g. determine that all costs have been actually paid out after the start date and before the end date of the project h. verify the appropriateness of the classification of external consultant and expert costs with invoices, quotations, orders or tender documents i. where expenditure inclusive VAT has been claimed, check that the organisation has received written confirmation from the Revenue that it is not entitled to recover VAT expense j. check that the basis of overheads charged to the Project by the Promoter or related parties is properly substantiated (percentages of salary costs must be declared as ineligible) k. check that fixed assets costs (purchased, leased or depreciated) comply with the requirements detailed in the Accel Fact Sheet on "The Purchase of Equipment" l. obtain written representation from the directors that travel & subsistence allowances are in line with the ESF guidelines (Circular No. ESF/PA/3-2001 and clarification notes to ESF/PA/3-2001) m. obtain written representation from the directors that all procurement rules of the Accel Operating Guidelines have been complied with and test check that procedures within those guidelines have been implemented. Check that procedures are properly documented. 	
<p>B.5</p>	<p>For expenditure on payroll costs (if included), obtain schedule of relevant costs and</p> <ul style="list-style-type: none"> a. agree totals to company's books of account. b. check arithmetical accuracy. c. test operation of relevant controls over determination of relevant payroll. d. trace a sample of payments from schedule to payroll records and to bank records evidencing payment e. examine employment contracts establishing identity, employment status and role of the personnel whose costs are included in the Income & Expenditure Statement. f. assess whether information concerning employee's role in the employment contracts examined appears consistent with expenditure eligible for grant. g. for a sample of Project staff costs for part time staff check details are supported by signed time sheets h. check that all costs were incurred after the start date and before the end date of the project 	

B.6	<p>Company Staff Contributions</p> <ul style="list-style-type: none"> a. select a sample of contributions and agree to supporting documentation b. check that supporting documentation is consistent with details of meetings and activities (e.g. dates and list of attendees in Minutes of Meetings of the Project Advisory Group) c. for each cost agree that member rate charged is less than or equal to the actual employer's cost of the member of the Project Advisory Group d. agree that company staff contributors are recorded as members of the Project Advisory Group 	
	<p><i>Note for steps B4 to B6 - In arriving at sample sizes accountants should determine an appropriate sample size in accordance with their professional judgement², taking into account the nature of the expenditure concerned and the quality of the claimants' procedures and controls. Sample sizes should be selected with the objective of reducing risk to an acceptably low level as a basis for the accountant's opinion.</i></p>	
B.7	<p>Matching funding received</p> <ul style="list-style-type: none"> a. check that all funding was received after the start date and before the end date of the project b. obtain written representation from the directors that cash contributions received did not come from any public or other EU funded source c. obtain written representation from the directors that income received by the Project is in compliance with Rule the Accel Fact Sheet on "Revenue Received by the Project" 	
B.8	<p>Check that the project maintains a designated project bank account for the purpose of receiving and paying all the project's income and expenditure. Or in the case of an educational establishment, check that the organisation maintains a separate ledger account for all project related transactions.</p>	
B.9	<p>Review previous claims made under this agreement, and management's control processes to ensure that no duplication occurs.</p> <p>Mark all paid invoices with "Accel Grant claim, date _____"</p>	
B.10	<p>Obtain such explanations and information from the directors as considered necessary to assess whether expenditure incurred and paid and/or employment numbers meet(s) grant conditions.</p>	
B.11	<p>Consider the results of the work performed and whether evidence obtained in the course of carrying out these procedures warrants expression of a reservation concerning information in the grant claim. Prepare a report appropriately reflecting conclusions drawn in the format agreed. Append to the report details of exceptions and matters arising where these arise regardless of whether an unqualified report is given.</p>	
B.12	<p>Check that the Project Income & Expenditure statement referred to at A.5 above is consistent with the totals shown in the AccelIT project management system at the end of the project term.</p>	

² In arriving at sample sizes accountants should have regard to guidance on best practice for example as set out in International Standard on Auditing (UK and Ireland) 530 'Audit sampling and other means of testing'.