

European Commission
Send by e-mail

Postbus 242
2130 AE Hoofddorp
Mercuriusplein 3
2132 HA Hoofddorp
T 088 4960 301
nba@nba.nl
www.nba.nl

Datum	Onderwerp	Referentie
17 januari 2024	COPRO	Horizon 2020

e-mail
j.dejong@nba.nl

Dear Sir, Madam

At the end of 2020 the European Commission adopted the Horizon Europe grant programme. The programme, which replaced the Horizon 2020 programme, refers to the European budget period 2021-2027.

As was also the case with the Horizon 2020 programme, a 'Certificate on the Financial Statements' (CFS) must be provided with the financial statements for a Horizon Europe project, to be issued by a qualified independent (external) auditor, as set out in Article 393 section 1 of the Dutch Civil Code 2 (DCC 2).

The website of the European Commission contains a model for the CFS that is prescribed for this purpose. It prescribes that the auditor must perform specific agreed activities, under application of international standard ISRS 4400 (Revised) *Agreed-Upon Procedures Engagements*.

The current model (V1.1 – 15.03.2023) has been analyzed by the Royal Netherlands Institute of Chartered Accountants (NBA). This analysis was carried out by the NBA Subsidy Audits Community with the assistance of the NBA Audit Protocols working group (COPRO). The NBA Subsidy Audits Community includes subsidy audit specialists of numerous public audit firms. The COPRO includes representative from public audit firms and the State Audit Service (ADR). COPRO examines grant schemes and audit protocols used in the public and private sector.

At the end of 2022 this resulted in an advice that was published on the NBA's website, we refer to: <https://www.nba.nl/themas/controleprotocollen/uitkomst-copro-beoordelingen/europese-subsidies/horizon-europe/>. Due to technical objections the NBA advises not to use the model for the CFS, as published in December 2021 and revised in March 2023, in its present form. These technical objections are set out in more detail in the annex to our previous letter, send to you dated 26th of April 2023.

As a result of these objections, auditors have not accepted or performed engagements on the basis of this CFS. The number of participants facing deadlines for submitting their Financial Statements increases. Your respond to our previous letter mentioned that an updated version of the CFS will be published.

Koninklijke Nederlandse
Beroepsorganisatie
van Accountants



NBA

On 13th of December 2023 we send an letter again to the EC with the question regarding the timeframe. When can we expect an updated version of the CFS which includes a follow-up on our arguments? Thus far, we haven't received a response from you.

Recently we have been informed by several of our members that the EC, has made several requests, regarding the final reporting of project, to use the current template (V.1.1 – 15.03.2023) as it is and record comments/disagreements by the auditor into the CFS. The template is not amended, but the auditor is able to express its comments or disagreements. We have been informed that exceptionally for the CFS, DG BUDGET can agree to this ad-hoc solutions until their new corporate CFS is adopted.

After careful considerations within our organization we advised the audit firms not to make use of the current template (V.1.1 – 15.03.2023) nor to record all comments/disagreements with the current template in the CFS. This latter approach would result in numerous comments etc. regarding the wording, the execution of tasks, the nature of the report etc. This opinion is also published on our website.

As a result of these objections, auditors are not able to accept or perform engagements on the basis of this current CFS. The number of participants facing deadlines for submitting their Financial Statements increases. Therefore an urgent solution from your site is necessary.

We hope that the EC will publish soon a revised CFS in compliance with the international standard ISRS 4400 (Revised) Agreed-Upon Procedures Engagements.

We would be willing to explain further details and to assist in helping to draft the CFS in compliance with the international standard ISRS 4400 (Revised) Agreed-Upon Procedures Engagements.

We would welcome the opportunity to discuss with you how we may come to a (temporary) solution that meets the technical objections and your need for a clear and transparent reporting by auditors.

This letter will also be published on our website.

With kind regards,

The Royal Netherlands Institute of Chartered Accountants

George Straatman
Chairman NBA COPRO

Robert Mul
MT-member NBA

