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| Logo of the European Commission, 12 yellow stars on a blue background arranged in a circle and framed by two light grey graphic elements representing the Berlaymont building, which is the headquarter of the European Commission. | EUROPEAN CLIMATE, INFRASTRUCTURE ANDENVIRONMENT EXECUTIVE AGENCY (CINEA)CINEA.B - Sustainable networks and investments |

Subject: Guidance on the sampling method (and size of the sample) for the template Certificate on the Financial Statement (CFS)

For Grant Agreements where the Grant form is budget based (article 3 of the data sheet), the certificate on the financial statements (CFS) must be provided in the Interim/Final Periodic Report by all Entities (Beneficiary or Affiliated Entity) submitting a Financial Statement when the CFS threshold is reached. The threshold, applicable by Entity, is of EUR 325 000 of cumulative requested EU contribution, in accordance with article 4.3 of the data sheet and article 24.2 of the grant agreement.

The CFS template is available on the [funding and tender portal](https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/how-to-participate/reference-documents).

In order to maximise the effectiveness of the CFS and to help the CFS auditor in completing the form some additional guidance is provided here-below;

Signing the CFS:

At the top of the first page the CFS template provides the instruction that the CFS is “*to be filled out by the CFS auditor, printed on their own letterhead and signed (on paper). The scanned PDF should be submitted by the beneficiary through the Portal (both for themselves and their affiliated entities).*”

The term “signed (on paper)” means that the auditor can provide the CFS either as an e-signed PDF or signed (and scanned) in blue-ink.

Submitting the CFS in REPA:

When submitting (uploading) the signed CFS it is important to include all pages of the template including the **Terms of reference** and the **Certificate** itself.

Description of the sampling method

Point 4 of the Terms of Reference of the Certificate on the Financial Statements requires that ‘*The sample-based testing of transactions should be based on the confidence level following the basic systems checks. The sampling method (and size of the sample) should be explained*’. Please use the box for ‘**Additional observations and comments**’ in Article 3 of the Certificate to provide such explanation.

Sampling size

While each auditor can define the sample size and sampling method independently in order to ensure the requested confidence level, the European Climate, Infrastructure and Environment Executive Agency (CINEA) strongly recommends a sample size of at least 10% for each cost category. Please find here-below more details of CINEAs recommendations:

**Cost Categories A, D.2, D.3, D.4, - PERSONNEL COSTS**

Personnel costs can be incurred under cost categories A, D.2, D.3 and D.4.

The Auditor draws a sample of persons whose costs were declared in the Financial Statement(s). The sample should be selected randomly so that it is representative. For each of the above four cost categories, 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 under this category, whichever number is the highest.

**Cost Categories A, D.2, D.3, D.4, - SUBCONTRACTING COSTS**

Subcontracting costs can be incurred under cost categories A, D.2, D.3 and D.4

The Auditor obtains by the concerned Entity (Beneficiary or Affiliated Entity) the detail/breakdown of subcontracted costs. The sampled cost items are selected randomly. For each of the above four cost categories, 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.

**Cost Categories C.1, D.2, D.3, D.4 - TRAVEL AND SUBSISTENCE**

Travel and subsistence costs can be incurred under cost categories C.1, D.2, D.3 and D.4

The Auditor obtains by the concerned Entity (Beneficiary or Affiliated Entity) the detail/breakdown of travel, accommodation and subsistence costs. The sampled cost items are selected randomly. For each of the above four cost categories, 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.

**Cost Categories C.2, D.2, D.3, D.4 - EQUIPMENT**

Equipment costs can be incurred under cost categories C.2, D.2, D.3 and D.4

The Auditor obtains by the concerned Entity (Beneficiary or Affiliated Entity) the detail/breakdown of equipment costs. The sampled cost items are selected randomly. For each of the above four cost categories, 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.

**Cost Categories C.3, D.2, D.3, D.4 - OTHER GOODS, WORKS AND SERVICES**

Other goods, works and service costs can be incurred under cost categories C.3, D.2, D.3 and D.4

The Auditor obtains by the concerned Entity (Beneficiary or Affiliated Entity) the detail/breakdown of other goods, works and services costs. The sampled cost items are selected randomly. For each of the above four cost categories, 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.

**cost category D.1 - FINANCIAL SUPPORT TO THIRD PARTIES**

The Auditor obtains by the concerned Entity (Beneficiary or Affiliated Entity) the detail/breakdown of the costs of providing financial support to third parties. The sampled cost items are selected randomly. Full coverage is required if there are fewer than 5 items, otherwise the sample should have a minimum of 5 item, or 10% of the total costs declared under this category, whichever number is the highest.

**cost category D.5 - Land purchases**

This category is only applicable for Agreements signed under the CEF-Transport Cohesion envelope, which specifically provide for the eligibility of land and building acquisition.

The Auditor obtains by the concerned Entity (Beneficiary or Affiliated Entity) the detail /breakdown of land purchases costs. Sampled cost items are 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.