

Cover Letter

The following are the conditions on which Florida International University ‘the beneficiary’ agrees to engage Florida International University’s Office of Internal Audit, ‘the auditor’ to provide an independent Report of Factual Findings on the Final Financial Report - Type I prepared by the beneficiary in connection with a European Union financed Grant Agreement/Decision concerning *Jean Monnet Centre of Excellence (Renewal Grant ‘Global Europe’)*, Agreement Number 2018-1707/001-001 for Project No. 600080-EPP-1-2018-1-US-EPPJMO-CoE (the ‘Grant Agreement’/‘Decision’). Where in this letter the ‘Agency’ is mentioned, this refers to the Agency in its capacity as signatory of the Grant Agreement/Decision with the beneficiary, providing the grant funding. The Agency is not a party to this agreement.

1) Responsibilities of the Parties to the Engagement

‘**The beneficiary**’ refers to the organisation that is receiving the grant funding and that has signed the Grant Agreement/Decision with the Agency.

- The beneficiary is responsible for providing the Agency with a Final Financial Report for the Action financed by the Grant Agreement/Decision which complies with the terms and conditions of the Grant Agreement/Decision and for ensuring that this Final Financial Report can be reconciled to the beneficiary’s accounting and bookkeeping system and to the underlying accounts and records. The beneficiary is responsible for providing sufficient and adequate information, both financial and non-financial, in support of the Final Financial Report. Notwithstanding the procedures to be carried out, the beneficiary remains at all times responsible and liable for the accuracy of the Final Financial Report.
- The beneficiary accepts that the ability of the auditor to perform the procedures required by this engagement effectively depends upon the beneficiary, and as the case may be its partners/co-beneficiaries, providing full and free access to the beneficiary’s staff and its accounting and bookkeeping system and underlying accounts and records.

‘**The auditor**’ refers to the auditor responsible for performing the agreed-upon procedures as specified in this letter, and for submitting an independent Report of Factual Findings to the beneficiary. The auditor must be independent from the beneficiary. By agreeing to this engagement, the auditor confirms that the following condition has been met:

- The auditor is a Competent Public Officer who was not involved in the preparation of the Final Financial and meets the following competency criteria:
 - 1) Professional experience: minimum three years' professional experience in one of these fields: accounting, financial, taxation and auditing;
 - 2) Qualifications: a level of education which corresponds to completed university studies of at least 4 years attested by a diploma in the accounting, finance and/or auditing field, or professional training/a professional qualification of an equivalent level relevant to these fields.

The procedures to be performed are specified by the Agency and the auditor is not responsible for the suitability and appropriateness of these procedures.

2) Subject of the engagement

The subject of this engagement is the Final Financial Report in connection with the Grant Agreement/Decision, *2018-1707/001-001 for Project No. 600080-EPP-1-2018-1-US-EPPJMO-CoE* for the period covering 1 September 2018 to 31 August 2021 and the Action entitled *Jean Monnet Centre of Excellence (Renewal Grant 'Global Europe')*, the 'Action'. Annex 1 to this letter contains information about the Grant Agreement/Decision.

3) Reason for the engagement

The beneficiary is required to submit to the Agency a Report of Factual Findings on the Final Financial Report - Type I in the form of an independent certification produced by an auditor in support of the payment requested by the beneficiary in accordance with Article I.4 of the Grant Agreement and Article 4 of the Grant Decision. The Agency's Responsible Authorising Officer requires this Report as a condition for the final payment requested by the beneficiary.

4) Engagement type and objective

This constitutes an engagement to perform specific agreed-upon procedures regarding an independent verification of costs claimed under the Grant Agreement/Decision. The objective of this expenditure verification is for the auditor to carry out the specific procedures listed in Annex 2 to this letter and to submit to the beneficiary a Report of Factual Findings with regard to the specific verification procedures performed. Verification means that the auditor examines the factual information in the Final Financial Report of the beneficiary.

As this engagement is not an assurance engagement, the auditor does not provide an audit opinion and expresses no assurance. The Agency assesses for itself the factual findings reported by the auditor and draws its own conclusions from these factual findings on the Final Financial Report and the payment request of the beneficiary relating thereto.

The auditor shall include in his/her report the amount of the fees and travel & subsistence reimbursement(s) received for providing the Report of Factual Findings and shall certify

that no conflict of interest exists between him/her and the beneficiary in establishing the report.

5) Standard and ethics

The auditor shall undertake this engagement in accordance with:

- the International Standard on Related Services ('ISRS') 4400 (Revised) *Engagements to perform Agreed-upon Procedures regarding Financial Information* as promulgated by the IFAC;
- the *Code of Ethics for Professional Accountants* issued by the IFAC. Although ISRS 4400 (Revised) provides that independence is not a requirement for agreed-upon procedures engagements, the Agency requires that the auditor is independent from the beneficiary and complies with the independence requirements of the *Code of Ethics for Professional Accountants*.

6) Procedures, evidence and documentation

The auditor plans the work so that effective expenditure verification can be performed. The auditor performs the procedures listed in Annex 2 and applies the related guidelines ('Specific procedures to be performed'). The evidence to be used for performing the procedures in Annex 2 is all financial and non-financial information which makes it possible to examine the expenditure claimed by the beneficiary in the Final Financial Report. The auditor uses the evidence obtained from these procedures as the basis for the Report of Factual Findings. The auditor documents matters which are important in providing evidence to support the Report of Factual Findings, and evidence that the work was carried out in accordance with ISRS 4400 (Revised) and the specific guidance provided by the Agency.

7) Reporting

The report on this expenditure verification should describe the purpose, the agreed-upon procedures and the factual findings in sufficient detail to enable the beneficiary and the Agency to understand the nature and extent of the procedures performed by the auditor.


The use of the reporting template attached hereto (Annex 3 - Compulsory report format and procedures to be performed) is mandatory. This report must be provided by the auditor to Florida International University within 15 working days after the day of signature of this engagement.

8) Other Terms

In addition to the foregoing mandatory text, in recognition of the standards and ethical principles that we are required to comply with in the United States of America, we will conduct our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants' Auditing Standards Board (*Statement on Standards for Attestation Engagements (SSAE) No. 19, Agreed-Upon Procedures Engagements*, issued December 2019) and in conformance with the *International*

Standards for the Professional Practice of Internal Auditing and Code of Ethics promulgated by The Institute of Internal Auditors. We are required to be independent of the management of Florida International University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. The auditor shall certify that no conflict of interest exists between him/her and the beneficiary in establishing the report. For the performance of this engagement, the beneficiary has assigned a representative having sufficient knowledge about the program and the authority to act upon requests and interrogatories of the auditor in a timely manner. At the conclusion of our engagement, we will request certain written representations from you to confirm oral representations given to us and to indicate and document the continuing appropriateness of such representations and reduce the possibility of misunderstanding concerning matters that are the subject of the representations.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement.



Digitally signed by Roberto M. Gutierrez, Assistant Vice President for Research
Date: 2022.05.18 11:26:22 -04'00'

Signature of Beneficiary



Signature of Auditor

Annex 1 – Information about the Grant Agreement/Decision

Information about the Grant Agreement/Decision	
Reference number and date of the Grant Agreement/Decision	2018-1707/001-001, 23/08/2018
Programme	Erasmus+
Grant Agreement/Decision subject	<i>Jean Monnet Centre of Excellence (Renewal Grant 'Global Europe')</i>
Country	United States
Beneficiary	Florida International University 11200 SW 8 th Street, MARC 430, Miami, FL 33199
Start date of the Action	01 September 2018
End date of the Action	31 August 2021
Total cost of the Action	EUR 125,000.39
Grant maximum amount	EUR 100,000.00
Total amount received to date by the beneficiary from Agency	EUR 70,000.00 as of 18/05/2022
Total amount of the payment request	EUR 1,830.00
Auditor	Office of Internal Audit Florida International University 11555 SW 17th Street, CSC 447 Miami, FL 33199 Trevor L. Williams, CPA, Chief Audit Executive

Annex 2 – Listing of Specific Procedures to be performed

I. Procedures to be carried out for the Report of Factual Findings on the Final Financial Report - Type I

The Agency has designed these procedures in order to obtain standardised and comparable reports from all auditors, who are expected to carry out the procedures without adaptation for the particular circumstances of the beneficiary. In particular all procedures have to be carried out in full and **unaltered**.

It should be noted that the Responsible Authorising Officer will be in charge of taking the relevant decisions on the eligibility of costs declared in the Final Financial Report.

II. List of Procedures to be performed and specific guidance

II.1. General procedures

(1) Terms and Conditions of the Grant Agreement/Decision

The auditor obtains an understanding of the terms and conditions of the Grant Agreement/Decision by reviewing:

- a signed copy of the Grant Agreement/Decision, its annexes and other relevant information. Particular attention should be paid to the Description of the Action and the Budget;
- the Final Report (which includes a narrative and a financial section).

The auditor should also verify that the budget in the Final Financial Report corresponds to the budget of the Grant Agreement/Decision and whether there have been amendments to the Grant Agreement/Decision.

Particular attention should be paid to the amendment having an impact on the budget and/or eligibility period.

(2) Final Financial Report for the Grant Agreement/Decision

- The Final Financial Report must conform to the model annexed to the Grant Agreement/Grant Decision;
- The Final Financial Report should cover the Action or the Work Programme as a whole, regardless of which part of it is financed by the Agency.

(3) Rules for Accounting and Record Keeping

- The auditor examines whether the beneficiary has complied with the rules for accounting and record keeping in accordance with Articles II.19, II.20 and II.27.2 of the Grant Agreement/General Conditions n° 19, 20 and 27.2 of the Grant Decision;;;
- The accounts kept by the beneficiary for the implementation of the Action must be accurate, up-to-date and exhaustive (including all expenditure and income);
- The auditor examines whether the coordinator has a double-entry bookkeeping system;
- The income and expenditure relating to the Action must be easily identifiable and verifiable.

The auditor is only required to perform the four procedures listed above on the coordinator's accounting system and records i.e. there is **no requirement to test the co-beneficiaries/project partners' accounting systems as well**. However, one would expect to see evidence of transactions between the coordinating beneficiary and co-beneficiaries/partners recorded in the accounting system of the coordinating beneficiary e.g. transfers of project funds between the two entities. Note, however, that supporting documentation from co-beneficiaries/partners such as invoices and payslips are still required for verification (please see Section II.3.2 below).

II..2. Verification evidence

The beneficiary will allow the auditor to carry out verifications on the basis of supporting documents for the accounts, accounting documents and any other document relevant to the financing of the Action.

The beneficiary will allow the auditor access to all documents concerning the technical and financial management of the Action (Article II.27 of the Grant Agreement and General Condition n° 27 of the Grant Decision). **It should also be noted further that it is the beneficiary's responsibility to obtain the accounting documents necessary to enable the auditor to verify costs incurred by co-beneficiaries/project partners.**

Supporting documentation must be available in the form of original documents for the beneficiary (or certified copies of originals for the co-beneficiaries) rather than photocopies or facsimiles.

If the auditor encounters any discrepancies/exceptions in carrying out the performance of the procedures detailed in these guidance notes, e.g. missing supporting documentation, the general rule is for the cost item to be corrected in the Final Financial Report to be submitted to the Agency, i.e. the applicable cost is excluded from the Final Financial Report.

There will be many instances where a discrepancy/exception is not easily rectified by excluding it from the Final Financial Report, for example non-compliant sub-contracting costs or costs incurred during the eligibility period but not yet paid at the date of submission of the Final Financial Report or incurred after the end of eligibility (e.g. cost of audit report). In such instances, the auditor should report this in the dedicated section of report format (see Section IV of this guidance).

Section II.3 contains some specific instances where the auditor is required to report any deviations in the report format irrespective of the fact that the resulting financial errors would have already been corrected in the Final Financial Report, e.g. exchange rates differences or errors in staff time recording.

Where the auditor is in any doubt as to how to deal with a discrepancy/exception, it is recommended that it is reported in the dedicated section of the report format and with a sufficient amount of detail that would allow the Agency to be able to make a decision on the issue.

II..3. Procedures to verify the expenditure

The following substantive procedures are required to be performed by the auditor to verify expenditure.

(1) All costs are justified by the relevant supporting documents

The auditor verifies, for each expenditure item, that the criteria set out below have been met.

– Costs actually incurred

The auditor verifies that the items declared in the Final Financial Report were actually incurred by and pertain to the beneficiary. For this purpose the auditor examines supporting documentation (e.g. invoices, contracts) and proof of payment. The auditor verifies that the monetary value of all the expenditure items agrees with underlying documents (e.g. invoices, payroll documents).

- Exchange Rates

The auditor verifies that expenses incurred in a currency other than Euro have been converted in accordance with the provisions of the Grant Agreement/Decision. Where the beneficiary is required to use the website of the Commission, this refers to InforEuro.

- Cut-off - Implementation period:

The auditor verifies that the items were incurred during the period of implementation or the eligibility in accordance with Article 1.2 of the Grant Agreement/Article 2 of the Grant Decision. Invoices related to the eligibility period but not yet paid at the date of submission of the Final Financial Report as well as those costs incurred after the end of the eligibility period should be detailed in the dedicated section of the report format (see Section IV of this guidance).

- Compliance with sub-contracting and procurement rules

Where applicable, the auditor examines which procurement rules (as provided for the Grant Agreement/Decision) apply for any given expenditure (sub) heading, class of expenditure or expenditure item. The auditor verifies whether the expenditure was incurred in accordance with such rules by examining the underlying documents for the procurement and purchase process, e.g. tenders/quotes. Where the auditor finds instances of non-compliance with procurement rules, the nature of the case and the details of the costs should be included in the dedicated section of the report format (see Section IV of this guidance).

(2) Direct costs:

In addition to carrying out the procedures listed above in point (1), the following procedures need to be performed by the auditor for the specific cost categories listed below.

(a) Staff costs

The auditor verifies that the relevant supporting documents for Staff costs are available and that costs claimed in the Final Financial Report are accurate.

Specifically, the auditor verifies:

- the existence of an employment contract (permanent or temporary) in accordance with relevant national legislation;

- that Staff costs claimed in the Final Financial Report are supported by payslips;
- the time recording of employees (paper/computer, daily/weekly/monthly, signed, authorised). If applicable, this verification might be done by checking the timesheets justifying the number of working days claimed;
- that costs attributable to the project are calculated accurately i.e. the daily rate is correct.

Reminder: for the co-beneficiaries it will be sufficient, for the coordinator, to provide the auditor with the certified copies of staff supporting documents (e.g. payslips).

Which documents should the beneficiary prepare for the auditor?

- Employment contracts for the staff in question;
- Payslips;
- Time recording of employees (e.g. time sheets if applicable);
- Detailed calculations supporting the daily cost claimed in the Final Financial Report.

Reminder: for the co-beneficiaries it will be sufficient, for the coordinator, to provide the auditor with the certified copies of staff supporting documents (e.g. payslips).

(i) Specific considerations for time recording

What is the objective of the time recording check?

This procedure will provide the Agency with the information it needs to assess whether the recording of project time is in line with the costs charged for staff working on the Action.

Normally, time recording should be carried out regularly and authorised by the project manager to ensure that the time worked on the Action can be traced and charged correctly. For the employees declared in the Final Financial Report, the hours charged to the Action should have been accurately recorded in the time recording system. Any discrepancies between the amount charged to the Action and the amount in

the recording system (or the absence of a recording system) should be recorded in the dedicated section of the report format (see Section IV of this guidance) and, where possible, the discrepancy should be corrected directly in the Final Financial Report.

Which documents should the beneficiary prepare for the auditor for the time recording check?

The beneficiary should provide a description of the time-recording system and, for the employees declared in the Final Financial Report, make available all the time sheets or provide full access to the computer system which records the time of the employees. The auditor should be able to trace the time charged to the time records of each individual employee.

The auditor also verifies the daily rate by dividing the actual personnel costs by the actual working days, and then comparing it to the daily rate charged by the beneficiary.

Reminder: for the co-beneficiaries it will be sufficient, for the coordinator, to provide the auditor with the certified copies of staff supporting documents (e.g. payslips).

(ii) Specific considerations for the Staff cost reconciliation

The auditor verifies the daily rate by dividing the actual personnel costs by the actual working days, and then comparing it to the daily rate charged by the beneficiary.

What is the objective of this procedure for Staff cost reconciliation?

The objective of this check is to verify that the daily rates being charged have been correctly calculated from the actual underlying cost information for the period in question, namely the costs to the employer (salary/wages including benefits and other employment costs), divided by the number of working days with a reconciliation of the payroll information to the accounting records and payments.

Which documents should the beneficiary prepare for the auditor for Staff cost reconciliation?

The actual payroll information for the period in question (base salary, benefits of all kinds, pension contributions, employers'

payroll taxes, social security contribution, etc.) and working days figures used to calculate the daily rates. The beneficiary should also provide a reconciliation/calculation showing how the daily rates were calculated from the payroll information.

If the working days or costs of personnel cannot be identified *or justified by the beneficiary*, the related costs should not be included in the Final Financial Report.

Reminder: for the co-beneficiaries it will be sufficient, for the coordinator, to provide the auditor with the certified copies of staff supporting documents (e.g. payslips).

(b) Other direct costs

For the purpose of these guidance notes, the heading 'Other direct costs' refers generically to all direct cost categories within the approved budget other than Staff costs, for example, travel & subsistence, equipment or production & dissemination costs, etc.

Which documents should the beneficiary prepare for the auditor?

For most transactions in these cost categories, it should be sufficient proof of expenditure if the beneficiary has kept original third-party invoices (or certified copies for co-beneficiaries).

For air travel costs, it is noted further that flight tickets and boarding passes may represent suitable documentation where both the cost of the trip and passengers' names/ dates/ start point & destination are evident.

For subsistence costs, reimbursement may be on the basis of actual costs (reimbursement of hotel invoices and restaurant receipts) or daily allowances. The beneficiary should prepare supporting documentation or calculations of daily allowances, whichever is appropriate. The daily allowances rate to be applied is the one from the destination country e.g., the country in which accommodation costs are incurred.

In either case, proof of attendance and overnight accommodation will be required to substantiate the costs declared.

(3) Indirect Costs

For flat rate indirect costs: no checks need to be carried out by the auditor.

This paragraph applies only to Grants for an Action as in the Operating Grants there are not indirect costs.

(4) Contributions in kind

If contributions in kind are provided for they must be indicated and valued in the budget for the Action and/or in the Grant Agreement/Decision.

The auditor verifies that the values declared in the Final Financial Report match the values entered in the initial budget.

The auditor verifies that the values entered for the contributions in kind in the Final Financial Report are correct.

II..4. Procedures to verify revenues

The auditor examines whether revenues which should be attributed to the Action (including inter alia grants and funding received from other donors, revenue generated by the Action, contributions in kind) have been allocated to the Action and disclosed in the Final Financial Report. For this purpose the auditor should consult the beneficiary and examines documentation obtained from the beneficiary, e.g. income accounts in the General Ledger.

Annex 3 – Compulsory Report Format and Procedures to be Performed



Independent Internal Auditor's Report of Factual Findings – Type I on costs claimed under a Grant Agreement/Decision financed under the Erasmus+ Programme

Ms. Tonja Moore, Associate V.P. for Strategic Planning and Operations
Florida International University
11200 S.W. 8th Street, MARC 430
Miami, FL 33199

May 18, 2022

In accordance with the terms of our engagement letter dated 25 March 2022 with Florida International University hereinafter referred to as “the beneficiary,” we hereby provide our Independent Internal Auditor's Report of Factual Findings (“the Report”), as specified below.

Objective

We, the Florida International University Office of Internal Audit, established in 11555 SW 17th Street, CSC 447, Miami, FL 33199, United States of America represented for signature of this Report by Trevor L. Williams, CPA, Chief Audit Executive, have performed agreed-upon procedures regarding the costs declared in the Final Financial Report of Florida International University, the beneficiary, to which this Report is attached, and which is to be presented to the Education, Audiovisual and Culture Executive Agency, hereinafter referred to as “the Agency,” under Grant Agreement/Decision Jean Monnet Centre of Excellence (Renewal Grant ‘Global Europe’), Agreement Number 2018-1707/001-001 for Project No. 600080-EPP-1-2018-1-US-EPPJMO-CoE for the following period 1 September 2018 to 31 August 2021. This engagement involved performing the procedures listed in Annex 2 of the engagement letter, the results of which the Agency uses to draw conclusions as to the eligibility of the costs claimed.

Standards and ethics

Our engagement was undertaken in accordance with:

- the specific guidance provided by the Agency;
- International Standard on Related Services (‘ISRS’) 4400 (Revised) *Engagements to perform Agreed-upon Procedures regarding Financial Information as*

promulgated by the International Federation of Accountants ('IFAC');

- the *Code of Ethics for Professional Accountants* issued by the IFAC. Although ISRS 4400 (Revised) provides that independence is not a requirement for agreed-upon procedures engagements, the Agency requires that the auditor also complies with the independence requirements of the *Code of Ethics for Professional Accountants*.
- attestation standards established by the American Institute of Certified Public Accountants' Auditing Standards Board (*Statement on Standards for Attestation Engagements (SSAE) No. 19, Agreed-Upon Procedures Engagements*, issued December 2019); and
- in conformance with the *International Standards for the Professional Practice of Internal Auditing* and *Code of Ethics* promulgated by The Institute of Internal Auditors.

Procedures performed

As requested, we have only performed the procedures listed in Annex 2 to the engagement letter.

These procedures have been determined solely by the Agency and were performed solely to assist the Agency in evaluating whether the expenditure claimed by the beneficiary in the accompanying Final Financial Report has been claimed in accordance with the Grant Agreement/Decision. The auditor is not responsible for the suitability and appropriateness of these procedures.

Because the procedures performed by us did not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the Final Financial Report.

Had we performed additional procedures, or had we performed an audit or review of the Final Financial Report of the beneficiary in accordance with International Standards on Auditing, other matters might have come to our attention that would have been reported to you.

Sources of information

The Report sets out information provided to us by the management of the beneficiary in response to specific questions or as obtained and extracted from the beneficiary's information and accounting systems.

Factual findings

The above-mentioned Final Financial Report was examined, and all procedures specified in Annex 2 to our engagement letter were carried out.

The total expenditure which is the subject of this expenditure verification amounts to EUR 91,677.47.

On the basis of the results of these procedures, we found that the total expenditure declared in the Final Financial Report has been justified to us by the beneficiary with the relevant documentation as foreseen in Annex 2 to the engagement letter.

We report the details of the exceptions which result from the procedures that we performed in Annex of this Report.

Exceptions

i) Cases of non-compliance:

a) Staff costs: We noted a difference of EUR 707.62 between the preliminary Final Financial Report issued to the Agency on 24 November 2021 that was provided to us for review and our recalculation of staff costs. This difference is a result of the University using the European Commission's monthly exchange rate at the time of the transaction, rather than the September 2018 European Commission exchange rate.

b) Travel and subsistence costs: We noted a difference of EUR 534.12 between the preliminary Final Financial Report issued to the Agency on 24 November 2021 that was provided to us for review and our recalculation of travel costs. This difference is a result of the University using the European Commission's monthly exchange rate at the time of the transaction, rather than the September 2018 European Commission exchange rate.

c) Other direct costs: We noted a difference of EUR 1,006.53 between the preliminary Final Financial Report issued to the Agency on 24 November 2021 that was provided to us for review and our recalculation of other direct costs. This difference is a result of the University using the European Commission's monthly exchange rate at the time of the transaction, rather than the September 2018 European Commission exchange rate.

d) Indirect costs: Although the University calculated indirect costs based on a flat rate of 7% of the total eligible costs, as a result of our exceptions noted above, where transactions were exchanged at the European Commission's monthly exchange rate, rather than the September 2018 European Commission exchange rate, we found a difference of EUR 157.38 in indirect costs.

ii) Additional information for the consideration of the Agency

As a result of our findings, the preliminary Final Financial Report the beneficiary submitted to the Agency on 24 November 2021, was revised and there are no findings with respect to the attached Final Financial Report.

Use of this Report

This Report is intended solely for the purpose set forth in the above objective.

This Report is prepared solely for the confidential use of the beneficiary and the Agency and solely for the purpose of submission to the Agency in connection with the requirements as set out in Articles Article 1.4 of the Grant Agreement/Article 4 of the Grant Decision. This Report may not be relied upon 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 this Report to others who have regulatory rights of access to it, in particular the European Commission, the European Anti-Fraud Office and the Court of Auditors.

This Report relates only to the Final Financial Report specified above and does not extend to any other financial statements of the beneficiary. We have also issued our Independent Internal Auditor's Report, dated May 18, 2022, on the agreed-upon procedures referenced herein in accordance with attestation standards issued by the American Institute of Certified Public Accountants and in conformance with the *International Standards for the Professional Practice of Internal Auditing and Code of Ethics* promulgated by The Institute of Internal Auditors. (Annex 5)

This Report revised our previously issued Agreed-Upon Procedures for the European Union-financed Grant Agreement concerning the Jean Monnet Centre of Excellence Erasmus+ Programme, Grant Agreement Number – 2018-1707/001-001 for Project No. 600080-EPP-1-2018-1-US-EPPJMO-CoE for the Period Covering September 1, 2018, to August 31, 2021, Report No. 21/22-06, dated April 15, 2022. This report reflects the Agency's interpretation that Article 1.10.8 of the Agreement required the University to use the monthly accounting rate established by the European Commission in effect at the start date of the Agreement (September 1, 2018) throughout the entire period of the Agreement to translate those transactions transacted in a currency other than EURO (European Monetary Unit) rather than the current exchange rate at the date of the transaction. As such, all transactions transacted in a currency other than EURO have been translated at the monthly accounting rate of .85529 (the exchange rate as of September 1, 2018), while transactions transacted in EURO have been reported at the amount expended at the time of the transaction. Our previously issued agreed-upon procedures report dated April 15, 2022, therefore, should not be relied upon.

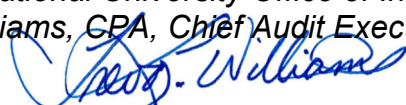
No conflict of interest exists between the auditor and the beneficiary in establishing this Report. The auditor was not paid a fee for providing the Report and did not incur any related travel or subsistence costs to be reimbursed.

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

Florida International University Office of Internal Audit

Trevor L. Williams, CPA, Chief Audit Executive

18 May 2022,



Annex 4 – Final Financial Report/Cost Breakdown



Erasmus+

**JEAN MONNET CENTRES OF EXCELLENCE
JEAN MONNET SUPPORT TO ASSOCIATIONS
JEAN MONNET NETWORKS**

Before completing this table please read carefully the instructions available on
CALL FOR PROPOSAL 2018 - EAC/A05/2017 - Erasmus+ programme (2016/C 386/09)
Programme guide and instructions for applicants

The EU grant for:	Select Activity from drop down menu	is maximum :	100,000.00 €
	Jean Monnet Centre of Excellence		
Contract reference (Contract N°: 2018-XXXX or 2017-33334/XXX)	2018-1707/001-001		
Organisation Name			
Project Acronym	MF-JMCE		
Project Title	Jean Monnet Center of Excellence (Renewal Grant 'Global Europe')		

	Budget Items	ORIGINAL BUDGET by agreement
E x p e n d i t u r e	A. Staff costs	20,757.88
	B1. Travel & subsistence costs	32,650.00
	B2. Equipment costs (up to 10%)	
	B3. Subcontracting costs (up to 30%)	
	B4. Teaching Costs	
	B5. Other costs	63,414.92
	Total Direct Costs	116,822.80
	Indirect costs (up to 7%)	8,177.59
	Total Costs	125,000.39

EXPENSES		
ACTUAL-FINAL- DECLARED - EXPENSES		
(This table is automatically filled, following the data you should have given in the tabs related to your declaration)		
	20,880.15	
	12,470.81	
	0.00	0.00%
	0.00	0.00%
	0.00	
	52,328.92	
	85,679.88	
	5,997.59	7.00%
	91,677.47	

R e v e n u e	EU grant Requested	100,000.00
	COFINANCING (1+2)	25,000.39
	1. Partner's own funding	25,000.39
	2. Other sources of funding	0.00
	Total revenue	125,000.39

REVENUES (= Total Costs)	% Revenues / Total Costs
73,341.97	80.00%
18,335.50	20.00%
18,335.50	
0.00	
91,677.47	100.00%

W a r n i n g s	Warning Messages:	No errors

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Equipment

[illegible]

Subcontracting

[illegible]

[illegible]

[illegible]

			Taught Hours (whole number, no decimals)			Amount in €			
Partner (use dropdown menu)	Name of the Professor	Cost per Hour (in €)	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	Total costs in €
TOTAL TEACHING COSTS						0.00 €	0.00 €	0.00 €	0.00 €

[illegible]

Digitally signed by Roberto M. Gutierrez, Assistant Vice President for Research
Date: 2022.05.18 11:27:11 -0400'

Beneficiary Signature and Title

18-May-2022

Date _____

Thos. Williams

Auditor Signature and Title

18-May-2022

Date _____



**Agreed-Upon Procedures for the
European Union-financed Grant Agreement Concerning the Jean Monnet
Centre of Excellence Erasmus+ Programme, Grant Agreement Number –
2018-1707/001-001 for Project No. 600080-EPP-1-2018-1-US-EPPJMO-CoE
(Revised)**

**For The Period Covering September 1, 2018, to August 31, 2021
Report No. 21/22-06
May 18, 2022**

We have reissued the Agreed-Upon Procedures for the European Union-financed Grant Agreement concerning the Jean Monnet Centre of Excellence Erasmus+ Programme, Grant Agreement Number – 2018-1707/001-001 for Project No. 600080-EPP-1-2018-1-US-EPPJMO-CoE for the Period Covering September 1, 2018, to August 31, 2021, Report No. 21/22-06, dated April 15, 2022, to correct for the exchange rate used to translate those transactions transacted in a currency other than EURO (European Monetary Unit). It is the Agency's interpretation that Article 1.10.8 of the Agreement, required the University to use the monthly accounting rate established by the European Commission in effect at the start date of the Agreement (September 1, 2018) throughout the entire period of the Agreement rather than the current exchange rate at the date of the transaction. As such, all transactions transacted in a currency other than EURO have been translated at the monthly accounting rate of .85529 (the exchange rate as of September 1, 2018), while transactions transacted in EURO have been reported at the amount expended at the time of the transaction. Our previously issued agreed-upon procedures report dated April 15, 2022, therefore, should not be relied upon.




Office of Internal Audit

FLORIDA INTERNATIONAL UNIVERSITY

DATE: May 18, 2022

TO: Tonja Moore, Associate V.P. for Strategic Planning and Operations
Donna Kiley, Director Post Award

FROM: Trevor L. Williams, Chief Audit Executive 

SUBJECT: Agreed-Upon Procedures - Jean Monnet Centre of Excellence, Report No. 21/22-06 (Revised)

Pursuant to your request, we have completed an agreed-upon procedures engagement for the European Union-financed Grant Agreement concerning the Jean Monnet Centre of Excellence Erasmus+ Programme, Grant Agreement Number - 2018-1707/001-001 for Project No. 600080-EPP-1-2018-1-US-EPPJMO-CoE for the period covering September 1, 2018, to August 31, 2021.

Please find attached our Independent Internal Auditor's Report (Revised) in connection with the Agreed-Upon Procedures Engagement as outlined in our Engagement Letter dated March 25, 2022. Should you have any questions, please do not hesitate to contact us.

Attachment

C: FIU Board of Trustees

Kenneth A. Jessell, Interim University President

Elizabeth M. Béjar, Interim Provost, Executive Vice President, and Chief Operating Officer

Aime Martinez, Interim Chief Financial Officer and Vice President for Finance and Administration

Javier I. Marques, Vice President and Chief of Staff, Office of the President

Andres Gil, Vice President for Research and Economic Development

Independent Internal Auditor's Report (Revised)

Ms. Tonja Moore, Associate V.P. for Strategic Planning and Operations
Florida International University
11200 S.W. 8th Street, MARC 430
Miami, FL 33199

We have performed the procedures enumerated below on the Final Financial Report prepared by Florida International University (the "University" or "FIU") management in connection with a European Union-financed Grant Agreement concerning the Jean Monnet Centre of Excellence Erasmus+ Programme, Grant Agreement Number - 2018-1707/001-001 (the "Grant Agreement") for Project No. 600080-EPP-1-2018-1-US-EPPJMO-CoE ("Project") for the period covering September 1, 2018, to August 31, 2021, prepared in accordance with Article 1.4 of the Grant Agreement. The University's management is responsible for the Final Financial Report, which is attached hereto as Annex 1.

The University has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing an independent certification and report of factual findings with regards to the Final Financial Report covering the period September 1, 2018, to August 31, 2021, and is solely to assist The Education, Audiovisual and Culture Executive Agency (the awarding "Agency") in independently verifying the cost claimed by the University under the Grant Agreement as reported in the Final Financial Report. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures and associated findings are as follows:

1. We verified that the budget presented in the Final Financial Report corresponds to the budget of the Grant Agreement and whether there have been amendments to the Grant Agreement by comparing the budget presented in the Final Financial Report with the budget of the Grant Agreement, as amended and approved on October 22, 2020.

We found no exceptions as a result of applying the procedure.

2. We examined the accounting records compiled by Florida International University and compared them with the rules for accounting and recordkeeping as directed in the steps below derived from Articles II.19 and II.27.2 of the Grant Agreement.

Article II.19 Eligible Costs

II.19.1 - We verified the following conditions for 100% of the eligibility of costs:

- (a) Verified that expenses were incurred in the period of the grant. This was performed by reviewing invoices and ensuring that expenses fell within the Project's eligibility period.
- (b) Verified expenses were included in the estimated budget for the Project. This was performed by validating that every expense incurred pertained to a budget line on the Grant Agreement budget.
- (c) Verified expenses were applicable to the Project. This was performed by reviewing invoices and ensuring that the nature of expenses aligned with the Project's purpose.
- (d) Verified expenses were identifiable and verifiable and recorded in accordance with U.S. Generally Accepted Accounting Principles ("GAAP").
 - i) GAAP requires that expenses be translated using the exchange rate at the date on which the transactions are recognized or a weighted average exchange rate for the period. The Agency required the use of the currency exchange rate applicable at the start of the Grant Agreement (September 1, 2018) for translating all transactions transacted in a currency other than EURO. We applied the Agency's foreign currency translation requirements when determining the valuation of transactions and did not apply GAAP for this determination.

- (e) Verified expenses were reasonable and justified. This was performed by reviewing invoices and ensuring that expenses aligned with the nature of the Project and that the costs did not appear to be frivolous or wasteful.

We found no exceptions as a result of applying these procedures in (a) through (e), except for (d) as noted therein. As a result of our finding, the preliminary Final Financial Report was revised and there are no findings with respect to the attached Final Financial Report.

II.19.2 - For the *eligible direct costs*,

We verified 100% of expenses associated with the Project fell into the following eligible categories:

- (a) The cost of personnel working under an employment contract and the corresponding salary costs of personnel of national administrations.
- (b) Cost of travel and related subsistence allowances, provided that these costs are in line with FIU's usual practices on travel and do not exceed the scales approved annually by the Commission.
- (c) The depreciation cost of equipment or other assets. Only the portion of the equipment's depreciation, rental, or lease costs corresponding to the period of the Project.
 - i) No depreciation costs were charged to the Project.
- (d) Cost of consumables and supplies.
- (e) Costs arising directly from requirements imposed by the Grant Agreement.
 - i) No such costs were charged to the Project.
- (f) Costs entailed by subcontracts within the meaning of the Project.

- (g) Cost of financial support to third parties within the meaning of the Project.
- (h) Duties, taxes, and charges paid by FIU, notably value added tax (VAT), provided that they are included in eligible direct costs, and rules specified otherwise in the Grant Agreement.

We found no exceptions as a result of applying these procedures in (a) through (h).

II.19.3 - For the *eligible indirect costs*,

We verified eligible indirect costs were calculated based on a flat rate of 7% of the total eligible direct costs.

Although the University calculated indirect costs based on a flat rate of 7% of the total eligible costs, as a result of our finding in step 4(a)(ii) (page 5), where transactions in U.S. dollars were not converted at the European Commission's September 2018 exchange rate, but rather at the respective exchange rate when the transactions were posted, we found a difference of €157.38. As a result of our finding, the preliminary Final Financial Report that was provided to us for review was revised and there are no findings with respect to the attached Final Financial Report.

Article II.27.2 - Duty to keep documents

We verified that FIU has kept all original documents, including accounting and tax records that are stored in an appropriate medium, including digitalized originals when they are authorized by national law and under the conditions laid down therein, for a period of five years starting from the date of payment of the balance.

We found no exceptions as a result of applying these procedures.

3. We examined whether the accounting records have a double-entry bookkeeping system, that income and expenditures relating to the Project are identifiable and verifiable, and that the accounts were accurate, up-to-date, and exhaustive (including all expenditure and income).

This was performed by reviewing the Project's Trial Balance and ensuring that debits equaled credits. Additionally, we

ensured that general ledger accounts were up-to-date and exhaustive by agreeing the detailed transactions to the Trial Balance.

We found no exceptions as a result of applying these procedures.

4. We performed substantive procedures to verify Project expenditures as follows:

a. All costs were substantiated by the relevant supporting documents. We verified that 100% of expenses were included in the Final Financial Report and met the following criteria:

- i. Verified that costs actually incurred and declared in the Final Financial Report were incurred by and pertained to the Project, and examined supporting documentation (e.g., invoices, contracts) and proof of payment and verified that the monetary value of all expenditure items agreed with underlying documents (e.g., invoices, payroll documents). This was performed by ensuring that all costs reported in the Final Financial Report were posted to the University's general ledger and had corresponding invoices, contracts, etc.
- ii. Verified that exchange rates used related to expenses incurred in a currency other than EURO have been converted by following the provisions of the Grant Agreement. This was performed by ensuring that each expense was converted at the European Commission's month-end (September 2018) exchange rate.

After conducting this analysis, we noted a grand total difference of €2,405.65. This resulted from transactions in other than EURO being converted at the respective exchange rate when the transactions were posted rather than at the European Commission's September 2018 exchange rate. As a result of our finding, the preliminary Final Financial Report was revised and there are no findings with respect to the attached Final Financial Report.

- iii. Verified that 100% of expenses incurred for the Project fell within the period of implementation based

on Article 1.2 of the Grant Agreement. Invoices related to the eligibility period but not yet paid at the date of the submission of the Final Financial Report as well as those costs incurred after the end of the eligibility period should be detailed in the dedicated section of report format. This was performed by analyzing the dates on the invoices and ensuring they fell within the eligibility period. We did not note any expense which fell outside of the eligibility period.

- iv. Examined procurements for compliance with specified rules in the Grant Agreement were applied for any given expenditure. Verified that expenses that were incurred have complied with such rules by examining the underlying documents for the procurement and purchase process (e.g., tenders/quotes). This was performed by reviewing invoices, contracts, etc., and ensuring that procurement rules in the Grant Agreement were adhered to.
- b. Verified that the relevant supporting documents for 100% of direct costs related to Staff costs claimed in the Final Financial Report for the Project were accurate by performing the following:
- i. Verified the existence of an employment contract (permanent or temporary). This was performed by ensuring that active contracts were on file for temporary employees and that full-time employees were active within the University's system of financial records (PantherSoft) for the period they worked on the Project.
 - ii. Corroborated that staff costs are supported by pay slips. This was performed by tracing each staff cost to the corresponding pay slip/advice.
 - iii. Substantiated that the time recording of employees by checking timesheets, justifying the number of working days/hours claimed. This was performed by reviewing Effort Certifications (when applicable).
 - iv. Verified that the costs attributable to the Project were calculated accurately. This was performed by recalculating the staff cost (salary and fringe) for

each employee that worked on the Project and tracing it to the contract (when applicable) or Cost Share Form (when applicable).

- c. Verified that the relevant supporting documents for 100% of other direct costs claimed in the Final Financial Report for the Project were accurate by performing the following:
 - i. Verified that original third-party invoices exist. This was performed by ensuring that each expense had a supporting invoice on file.
 - ii. Corroborated proof of attendance and overnight accommodation for air travel and subsistence costs. This was performed by ensuring that travel and subsistence costs had supporting invoices on file, which corroborated the related costs.
 - iii. Substantiated and corroborated the accuracy of the expenditure claimed for any other direct costs. This was performed by ensuring that the amount, date, and nature of the expense agreed to the corresponding invoice.

We found no exceptions as a result of performing these procedures in (a) through (c), except for (a) ii, as noted therein.

- 5. We performed substantive procedures to verify whether revenues which should be attributed to the Project have been allocated to the Project and disclosed in the Final Financial Report.

We found no exceptions as a result of performing this procedure.

We were engaged by the University's management to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and in conformance with the International Standards for the Professional Practice of Internal Auditing, promulgated by The Institute of Internal Auditors. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Final Financial Report of Florida International University in connection with a European Union-financed Grant Agreement concerning the Jean Monnet Centre of Excellence Erasmus+ Programme. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other

matters might have come to our attention that would have been reported to you. We are required to be independent of the management of Florida International University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report revised our previously issued Agreed-Upon Procedures for the European Union-financed Grant Agreement concerning the Jean Monnet Centre of Excellence Erasmus+ Programme, Grant Agreement Number – 2018-1707/001-001 for Project No. 600080-EPP-1-2018-1-US-EPPJMO-CoE for the Period Covering September 1, 2018, to August 31, 2021, Report No. 21/22-06, dated April 15, 2022. This report reflects the Agency's interpretation that Article 1.10.8 of the Agreement required the University to use the monthly accounting rate established by the European Commission in effect at the start date of the Agreement (September 1, 2018) throughout the entire period of the Agreement to translate those transactions transacted in a currency other than EURO (European Monetary Unit) rather than the current exchange rate at the date of the transaction. As such, all transactions transacted in a currency other than EURO have been translated at the monthly accounting rate of .85529 (the exchange rate as of September 1, 2018), while transactions transacted in EURO have been reported at the amount expended at the time of the transaction. Our previously issued agreed-upon procedures report dated April 15, 2022, therefore, should not be relied upon.

This report is intended solely for the information and use of the management of Florida International University and The Education, Audiovisual and Culture Executive Agency, and is not intended to and should not be used by anyone other than these specified parties.



Miami, FL
May 18, 2022

Annex I



Erasmus+

JEAN MONNET CENTRES OF EXCELLENCE JEAN MONNET SUPPORT TO ASSOCIATIONS JEAN MONNET NETWORKS

Before completing this table please read carefully the instructions available on
CALL FOR PROPOSAL 2018 - EAC/A05/2017 - Erasmus+ programme (2016/C 386/09)
Programme guide and instructions for applicants

The EU grant for:	Select Activity from drop down menu	is maximum :	100,000.00 €
	Jean Monnet Centre of Excellence		
Contract reference (Contract N°: 2018-XXXX or 2017-33334/XXX)	2018-1707/001-001		
Organisation Name			
Project Acronym	MF-JMCE		
Project Title	Jean Monnet Center of Excellence (Renewal Grant 'Global Europe')		

	Budget Items	ORIGINAL BUDGET by agreement
E x p e n d i t u r e	A. Staff costs	20,757.88
	B1. Travel & subsistence costs	32,650.00
	B2. Equipment costs (up to 10%)	
	B3. Subcontracting costs (up to 30%)	
	B4. Teaching Costs	
	B5. Other costs	63,414.92
	Total Direct Costs	116,822.80
	Indirect costs (up to 7%)	8,177.59
	Total Costs	125,000.39

EXPENSES		
ACTUAL-FINAL- DECLARED - EXPENSES		
(This table is automatically filled, following the data you should have given in the tabs related to your declaration)		
	20,880.15	
	12,470.81	
	0.00	0.00%
	0.00	0.00%
	0.00	
	52,328.92	
	85,679.88	
	5,997.59	7.00%
	91,677.47	

R e v e n u e	EU grant Requested	100,000.00
	COFINANCING (1+2)	25,000.39
	1. Partner's own funding	25,000.39
	2. Other sources of funding	0.00
	Total revenue	125,000.39

REVENUES (= Total Costs)	% Revenues / Total Costs
73,341.97	80.00%
18,335.50	20.00%
18,335.50	
0.00	
91,677.47	100.00%

W a r n i n g s	Warning Messages:	No errors

See Independent Internal Auditor's Report.