

## Annex 3 Other Questions

SPECIFIC ACCOUNTING ASPECTS	Entity comments	Auditor comments
<p>The purpose of the questions in this section is to <b>collect information</b> with regard to some specific accounting policies / methods which the Entity may apply and on which the European Commission would like to be informed for the purpose of managing future specific agreements / contracts that the Commission may conclude with the Entity.</p> <p><b>These accounting policies / methods are not subject of the Pillar Assessment.</b> The Auditor is requested to obtain relevant and appropriate information and to report on these matters in Chapter 10 Other Specific Matters of the Pillar Assessment report.</p>		
<p>1 Does the Entity make use of a system and procedures for the computation of average / standard costs (e.g. % ratio's, flat rates or unit costs) to allocate expenditure to actions and projects?</p> <p>If yes which costs (nature, categories / classifications) are included and which sources (accounting / cost accounting system) does the Entity use to compute them?</p> <p><i>Example:</i> the Entity uses a costing system / method for salaries and related costs (social security, taxes, pension scheme contributions etc.) to compute hourly / daily rates / pro forma costs (or equivalent terms) which can be used to allocate these costs to actions and projects.</p>	TBCBE	
<p>2 Does the Entity make use of a system and procedures for the computation and allocation of indirect costs to actions and projects?</p> <p>If yes which costs (nature, categories / classifications) are included and which sources (accounting / cost accounting system) does the Entity use to compute them?</p> <p><i>Example:</i> the Entity applies a standard 7% mark-up (in accordance with the conditions in the contact concluded with the Commission) for indirect costs of actions and projects.</p>	TBCBE	
<p>3 Does the Entity have a clear policy / method to account for interest which is generated by pre-financing / advance payments made by the Commission for an action or project?</p> <p>Are there clear rules / conditions which set out how and under which circumstances such interest must be paid back to the Commission?</p>	TBCBE	