

GUIDELINES FOR PRIVATE MEMBERS AND INDEPENDENT AUDIT BODIES

IN-KIND CONTRIBUTION TO ADDITIONAL ACTIVITIES

v.1 - September 2025

Disclaimer

This document is intended for guidance purposes only and will be updated when necessary. Its latest version is available on the CBE JU website. Bio-Based Industries Consortium members with specific queries or doubts on the interpretation of these guidelines should contact the CBE JU via the following address: CBE-IKAA@cbe.europa.eu.

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Abbreviations/ acronyms

- BIC: Bio-based Industries Consortium
- CAAR: Consolidated Annual Activity Report of CBE JU
- EC: European Commission
- FC: Financial contribution
- GB: Governing Board of CBE JU
- HE: Horizon Europe (programme)
- CBE JU: Circular biobased Europe Joint Undertaking
- IKA: in-kind contributions to additional activities
- IKOP: in-kind contributions to operational activities
- LEAR: Legal Entity Appointed Representative
- MGA: Model Grant Agreement
- PIC: Participant Identification Code
- AWP: Annual Work Programme of the CBE JU

1. INTRODUCTION

The CBE JU is a public-private partnership between the European Union, represented by the European Commission, and the Bio-based Industries Consortium (hereafter "BIC").

According to Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe (hereafter "Council Regulation"), members of the CBE JU other than the Union – its constituent or affiliated entities – shall make or arrange for their constituent or affiliated entities to make a total contribution of at least EUR 1 000 000 000, including up to EUR 23 500 000 for administrative costs as follows:

- in-kind contributions to operational activities (IKOP)¹;
- in-kind contributions to additional activities (IKAA);
- and financial contributions to the administrative budget of CBE JU.

Only BIC, its constituent and affiliated entities (hereafter "private members"), are entitled to contribute to Additional Activities.

This document provides guidance regarding the main principles on what can constitute IKAA from CBE JU private members. In particular, it describes the applicable legal framework and the parties involved in the different stages of planning, assessment, reporting and certification of IKAA, defining their role and laying down the relevant practical aspects to follow along these processes.

2. DEFINITION OF IKAA

In-kind contributions to additional activities (IKAA) means contributions by the private members, consisting of the costs incurred by them in implementing Additional Activities (AA) less any contribution to those costs from the Union.

Definition of additional activities

Following Article 2 of the Council Regulation, AA means an activity, included in the annual AA plan annexed to the main part of the CBE JU annual work programme, that does not receive financial support from the joint undertaking but contributes to its objectives and is directly linked to the uptake of results from projects under that joint undertaking or the preceding initiatives (BBI JU) or that has a significant Union added value.

¹ The present guidelines concern uniquely IKAA. For more information on the distinction between IKAA and IKOP please refer to the FAQs on CBE JU website.

AA are activities that fulfil the following cumulative criteria:

1. contribute to the objectives of the CBE JU, as defined in the Council Regulation, in particular in article 46 and 47;
2. do not receive financial support from CBE JU or other EU funding programmes;
3. be either Project- or Programme-related:
 - *Project-related* AA contribute towards the achievement of objectives of the CBE JU funded projects, or the dissemination, sustainability or exploitation of CBE JU project results. This is the most common type of AA.
 - *Programme-related* AA contribute to the uptake of results from BBI JU projects or have a significant added value for the Union.²

Scope of AA

According to article 51 of the Council Regulation, AA include in particular:

- (a) investments in new facilities demonstrating a new value chain, including investments in durable equipment, tools and accompanying infrastructure, in particular related to regional deployment and its sustainability verification;
- (b) investments in a new innovative and sustainable production plant or flagship;
- (c) investments in new research and innovation and justified infrastructure, including facilities, tools, durable equipment or pilot plants (research centres);
- (d) standardisation activities;
- (e) communication, dissemination and awareness-raising activities.

To be considered **directly linked** to projects the investments are in particular:

- (a) non-eligible investments needed for the implementation of a CBE JU project during the duration of that project;
- (b) investment made in parallel with a CBE JU project, complementing the results of the project and bringing it to a higher TRL;
- (c) investments needed for the deployment of a CBE JU project's results following the closure of the project until the winding up of the CBE JU. In justified cases, the investment related to

² CBE JU strongly encourages to plan Project-related AA. Programme-related AAs are uniquely those related to the previous Joint Undertaking, the Bio-based Industry JU (BBI JU). If your entity plans Programme-related AAs, please contact the following functional mailbox: CBE-IKAA@cbe.europa.eu for guidance.

deployment of results of projects from the preceding initiative (BBI Joint Undertaking) may be taken into account (i.e., Programme-related AAs).

IKAA costs valuation

Following article 11.2 of the Council Regulation, for the purpose of valuing IKAA, the costs shall be determined in compliance with:

- the usual cost accounting practices of the entity concerned;
- the applicable accounting standards of the country where the entity is established;
- the applicable International Accounting Standards and International Financial Reporting Standards.

IKAA can consist of any types of costs necessary for the implementation of an approved AA (e.g. personnel costs, subcontracting costs, financial contributions, other direct costs, etc...).

IKAA Eligibility timeframe

IKAA are eligible from the year of project proposal submission until the winding up of the CBE JU (currently 31 December 2031).

This means, AA may also be incurred before the signature of the Grant Agreement or after project end, as long as they fulfil the conditions provided for under article 51 of the Council Regulation³.

IKAA process

The IKAA process is composed of the four following main steps, further detailed in these guidelines:

- **Planning:** private members identify all planned AA and their estimated costs over the years. The AA Plan must be prepared during the Grant Agreement Preparation and submitted in the IKAA IT tool before Grant Agreement signature (see section 3).
- **Amendment** (if necessary): in case of major adjustments compared to the original plan, private members shall amend the AA plan (see section 4).
- **Reporting:** private members shall report on the costs they incurred regarding AA annually, by 31st May of the year following the implementation of the AA (see section 5).
- **Certification:** private members shall provide a certification regarding each reported AA and related costs (see section 6).

³ In case of doubts about AA incurred before Grant Agreement signature, please consult CBE-IKAA@cbe.europa.eu when encoding the planned AA.

3. IKAA PLANNING

IKAA planning process

During the Grant Agreement Preparation, each private member, who declares an IKAA in the awarded project proposal, shall provide the CBE JU with its planned AA broken down per type and category of AA with a description of the planned activities and an overview of the closest estimated IKAA value broken down per year (in euro) together with the total amount (covering all relevant years). The AA Plan shall be submitted via the [IKAA IT tool](#) developed and managed by the European Commission for the Joint Undertakings under Horizon Europe.

More specifically, when compiling the IKAA Plan in the IKAA IT tool, the following fields shall be completed for each AA:

- Title of the AA;
- Complete description of the AA (**confidential**);
- Brief description of the AA (*public*);
- Number and acronym of the project to which the AA is linked;
- Category, scope, and type (project or programme related) of IKAA;
- Contribution to CBE JU's general and specific objectives;
- Estimated total duration (in months);
- Country of the contributor;
- IKAA value yearly breakdown.

The information included in the AA Plan, in particular the AA title, descriptions and link to the project(s)⁴, shall be clear (e.g. free of acronyms) and sufficiently detailed to enable the CBE JU and its Governing Board to assess whether AA meet the criteria mentioned under section 2. While the CBE JU will assess the AA on the basis of the full description provided, the Governing Board will only have access to the confidential version of the AA provided by the private members.

It is strongly recommended to select (as a “buffer”) more years than the one(s) planned for the AA to account for possible delays, as only years selected in the IKAA Plan IT Tool will be open for the reporting (see Section 5), as in the example below.

⁴ If your entity plans in programme-related AAs, please contact the functional mailbox: CBE-IKAA@cbe.europa.eu for guidance.

If the Grant Agreement is signed in 2023 and AAs are planned to take place in 2024, 2025 and 2026, it is recommended to the Private member to select in the AA Plan not only years 2024, 2025, 2026, but also 2027 and 2028 (i.e., two “buffer” years indicating only a symbolic amount, e.g. 1 euro). In this way, private members will be able to report costs for those years, even if the activity is delayed compared to the initial plan.

A planned AA may be linked to multiple CBE JU projects, and the overall costs accounted as IKAA may be **shared** among these CBE JU projects, provided that:

- the private member can provide a clear rationale of funding breakdown across projects;
- the total declared over the different projects does not exceed the total costs of the AA;
- this is properly captured and described in the AA plan of the member.

IKAA Plan form (IKAA IT tool)

As mentioned above, private members that have planned AA in a project proposal shall encode them in the IKAA Plan form via the Funding & Tenders (F&T) Portal during the Grant Agreement Preparation and submit them before signing the grant agreement. This step is mandatory as it will enable entities to report costs for these activities at a later stage (see Section 5 on IKAA reporting).

The [instructions on how to access, fill in and submit the IKAA Plan form](#) are available here.

Entities shall have a PIC and a LEAR to access the F&T Portal and the IKAA Plan form.

Each coordinator of project proposals selected for funding will have to inform the CBE JU via the project officers during the Grant Agreement Preparation if private members participating in the consortium have planned AA. Each concerned Entity will then receive a notification from the Portal with the request to encode its AA in the IKAA Plan form. Such notification will be sent to the LEAR, the account administrator if any, and the IKAA reporter, if this role has been assigned.

Only the persons with the role of LEAR, account administrator or IKAA reporter can view, edit, and submit the IKAA Plan form.

Note: the [LEAR](#) is validated by the EC during the validation process of an organisation and can then assign/revoke ‘account administrator’ and ‘IKAA reporter’ roles (those are ‘organisation roles’). The account administrator can also assign/revoke the ‘IKAA reporter’ role. Here are instructions on [how to assign/revoke organisation roles](#).

For each AA encoded in the IKAA Plan form, a unique reference will be created automatically in the tool. This unique reference enables the quick identification of an AA planned in the IKAA Plan form

and, most importantly, enables the reporting of its costs in the IKAA Report form at a later stage (see section 5). There should be no empty fields in the filling in of the IKAA Plan.

The CBE JU will verify the IKAA Plan of the awarded proposal, assess the nature of the activities, the costs declared, and check that they are in line with the JU objectives and linked to the project(s). Where necessary, CBE JU will request clarifications and/or corrections to private members.

Once the IKAA Plan is approved, the CBE JU will draft the overall Annual IKAA Plan and annex a confidential version of it (as provided by private members) to the CBE JU Work Programme, which will be sent for adoption to the Governing Board. The confidential version should be an aggregated report without referring to any individual or companies name.

4. AA PLAN AMENDMENT

AA may differ during the implementation from the initial plans. Major adjustments shall require a formal amendment of the IKAA Plan, while minor adjustments may be justified in the reporting stage without necessitating an amendment.

Major adjustments of the AA Plan are defined as:

1. Addition of a new activity not yet foreseen in the Plan taking place during the ongoing or future year(s). If an AA is not encoded in the IKAA Plan form via the IKAA IT tool, the related costs cannot be reported/certified and accepted as IKAA.
2. Addition of extra years of implementation for planned AA (to enable the reporting of costs for those years);
3. Significant modification of the nature or purpose of an activity foreseen in the Plan;
4. Significant increase/decrease of the estimated costs of more than 25% for the activity foreseen, representing an adjustment of at least EUR 50,000;

Minor adjustments are not subject to an amendment, and they should be explained at the time of IKAA reporting, provided that the AA have actually taken place.

Amendment requests of the AA Plan should be concise and consolidated as much as possible to limit the impact on the reliability of the existing plans.

Private members shall send their request of AA Plan amendment to the CBE JU via the functional mailbox CBE-IKAA@cbe.europa.eu, by the end of Q3 of year N (year N being the year when the AA take place) to adjust the planned activities of year N and following years.

When the IKAA IT tool amendment workflow is opened, private members shall follow the instructions on how to encode an amendment, which are available [here](#).

The amended AA Plan will be approved by the CBE JU Governing Board according to the same procedure as described in section 3 (IKAA Planning).

5. IKAA REPORTING

Following article 11.2 of the Council Regulation, private members shall report on the value of the incurred AA by 31st May of year N+1 (N being the year when the AA take place) to the CBE JU Governing Board. Private members should report on IKAA annually except for the first reporting on the project-related IKAA, where the private members are allowed to include the costs incurred during the proposal stage in year K in the costs of year K+1 (to be done by 31st May K+2).

Each concerned private member shall report for it(s) affiliated entity(ies), if any, by including in its reported costs the ones of it(s) affiliated entity(ies).

The costs incurred in AA shall be reported by the private member in the IKAA Report form via the IKAA IT tool. At the beginning of the year, each concerned entity will receive a notification from the IKAA IT tool with the request to fill in and submit the IKAA Report form by 31st May. Only the LEAR account administrator or IKAA reporter roles can view, edit and submit the IKAA Report form.

Useful links about how to launch and use the IKAA reporting workflow in F&T Portal:

- how to manage and assign [organisation](#) roles,
- [how to access the IKAA process](#),
- [how to use it to complete the report form](#).

Costs for AA incurred in year N can be reported (in year N+1) only if:

- the AA has been encoded in the IKAA Plan and approved;
- year N has been selected as implementation year for the AA in the IKAA Plan.

Private member shall report per AA. Each AA is identified by the unique reference assigned when encoding the AA plan (e.g.: CBE.2023.PJ.12345.1). Each private member can only access and select the references of the AA linked to its PIC.

When selecting the unique reference of an AA, information already encoded in the IKAA Plan form for the concerned activity will be automatically pre-filled in the IKAA Report form. Therefore, the data introduced in the IKAA Plan may not be edited during reporting.

The information private members shall report in the IKAA Report form for each AA shall consist of:

- the actual amount in euro incurred by the entity during year N as recognised in its accounts (and of its affiliate(s), if any);

- the amount in euro certified during year N (i.e.; certified by an external and independent auditor, see under section 6), if supported by an audit certificate;
- the amount in euro not yet certified (calculated automatically by the tool as the difference between the two above-mentioned elements);
- in case of deviations⁵, a solid justification must be provided, and the CBE JU will assess this justification. In case of major deviations that have impact on following years, an amendment of the AA Plan for future years shall be required.
- the success story description, if any (optional).

Only costs necessary for the implementation of an approved AA can be reported. Costs that are not directly incurred in implementing the AA should not be reported.

After private members have submitted the IKAA Report form, the CBE JU will review its content and, if necessary, will reopen the IKAA Report form to request clarifications and/or corrections.

6. IKAA CERTIFICATION

CBE JU private members that have incurred IKAA during year N shall have these costs certified by an independent external auditor appointed by the entity concerned (who can also be the entity's usual external auditor) to have it counted towards the target established under article 50 of the Council Regulation.

The CBE JU private members shall provide the IKAA certification at the time of reporting. The audit certificate shall be uploaded in the IKAA Report form via the IKAA IT tool and submitted together with the reporting. In cases where the yearly certification is not feasible, please contact the functional mailbox CBE-IKAA@cbe.europa.eu.

The certificate provided by each CBE JU Private Member shall follow the CBE JU template for the Terms of Reference (Annex 1) and the model report and the annex for the IKAA Certification (Annexes 2 and 3).

IKAA certificates that do not comply with the CBE JU template will not be accepted unless evidence is provided to the CBE JU that they comply with article 11.2. In case of doubt, please liaise with CBE-IKAA@cbe.europa.eu.

The IKAA certificate shall certify that:

⁵ Major deviations which were not subject to an amendment must be residual and limited to cases where amendments could not be timely proceeded.

- the costs reported have been incurred and recorded in the accounts according to the private member's usual cost accounting practices, the applicable accounting standards of the country where the private member is established, the applicable International Accounting Standards and the International Financial Reporting Standards;
- these practices are formalised, documented and consistently applied by the private member concerned;
- the costs have been incurred during the period declared by the private member concerned;
- the costs are identifiable, verifiable and are backed up by supporting documents (originals or alternatively scanned version of the original documents/certified copy of original documents if in line with the entity's usual practice), which will be provided to the independent audit body upon request;
- the costs have not been financed by any EU funding.

Private members can upload their IKAA certificate on the IKAA IT tool by selecting the button "Proceed with additional information" before submitting the IKAA report form.

Once submitted, the CBE JU will review the content of the IKAA Report form, including the IKAA certification and, if necessary, will reopen the IKAA Report form to request clarifications and/or corrections to the concerned private members.

7. IKAA APPROVAL AND REPORTING

Each year, after verification by the CBE JU of the submitted information in the IKAA Report form, the CBE JU Governing Board will approve the total IKAA reported and certified for the previous year (and potential adjustments to prior years) and will take note of the explanations provided in cases of major deviations. The CBE JU Governing Board may request further clarifications and the IKAA Report form may need to be reopened for corrections, as necessary.

Furthermore, the Consolidated Annual Activity Report ('CAAR') covering year N shall include information on the AA reported by the private members. The CBE JU Governing Board will subsequently approve the certified IKAA by approving the CAAR. The CAAR will present the amount of IKAA certified, IKAA reported and not yet certified, as well as a breakdown by country where concerned entities providing IKAA are established. The IKAA section in the CAAR shall follow the template adopted by the European Commission and be published each year on the CBE JU website following approval by the CBE JU Governing Board. The template presents consolidated and cumulative amounts throughout the execution of the programme, with no reference to individual or companies name.

Following the CBE JU Governing Board approval of the reported and certified IKAA, the concerned private members shall receive a notification from the F&T Portal regarding the formal approval of the certified costs of their carried-out AA. In case certificates are provided after the 31st of May of year N+1, those costs will be added to the CAAR of N+1 drafted in year N+2.

8. SPECIFIC GUIDANCE FOR INDEPENDENT AUDIT BODY

Assessing the cost accounting system

The independent audit body should consider evaluating whether the system in place fulfils the basic criteria of a cost accounting system, which is appropriate for allocating cost to individual cost centres/projects. To be able to issue a certificate on the Annual IKAA Report, the independent audit body may consider the following basic principles:

- nature of the costs which are included in the calculation;
- figures must be traceable to the records in the general ledger and the system must allow reconciliation to the general ledger;
- use of actual cost vs. standard cost vs. unit costs: to be noted that in accordance with the Council Regulation the use of lump sums or unit costs for the IKAA shall be authorized by the Governing Board in advance and only in duly justified cases;
- the system needs to be transparent: the accounting data and the respective costs must be obtained in a way that enables the identification of potential exceptional circumstances, which would have an impact on the costs in specific years;
- allocation of direct and indirect costs: the system must allow a reasonable allocation of cost and a clear identification of type of costs (material cost, personnel costs, etc.) incurred in specific cost centres/projects;
- allocation keys, which are used for distributing the costs on the specific projects, must be reasonable: this means that the parameters to be considered are verifiable e.g. based on documentary evidences depending on the nature of costs. They should be based on reality, not being excessive or extreme. The method used by the company must be described to the Audit Bodies;
- allocation keys must be consistently applied during the years: this means that any adaptations necessary for updating the allocation keys should be described by the company. The cost accounting system should be updated on a regular basis;
- cost accounting system used must follow the general principles of completeness and reliability.

Assessing if the cost accounting system meets the criteria of being “usual”?

A system could be considered as “usual” in the following cases:

- the system is also used by the entity to run its core or specific business and calculate product prices or margins, or
- the system is also used by the entity’s management for establishing targets and monitoring performance of cost centres/departments, or
- the system is also used to allocate costs of the research department (in that the funded project is conducted) to other departments / internal R&D projects / etc...

In practice, there are several different systems in place. As long as the same system/method is used by the private members for the purpose of managing the business and/or calculation of product prices, it can be generally concluded that the criteria of being usual is fulfilled. However, if a system has been customized or adapted for the particular purpose of calculating the IKAA in the context of CBE JU, it clearly does not meet the criteria of being usual in the meaning of these guidelines.

Independent audit body’s certificate submission

Following established practice, it was concluded that the following standards provide sound basis for the certification in accordance with article 11.2 of the Council regulation:

- International Standard on Auditing (ISA805 (Revised));
- International Standard on Assurance Engagements (‘ISAE’) 3000 (revised), Accounts or Items of a Financial Statements as promulgated by the IFAC.

The CBE JU strongly encourage the use of the above-mentioned accounting/audit standards as the use of others may prevent the CBE JU to confirm the implementation of the adopted IKAA plans.

Annexes 1 and 2 include the “Model report” which reflects the above.

Annex 1 contains the proposed Terms of References (“ToR”) and Annex 2 the Model Report. Nevertheless, in case an Independent Audit Body would consider applying other ToRs than those included in Annex 1 of this document, with the agreement of the private member concerned, the CBE JU shall be consulted ex-ante.

Annex 2 of this document contains the Model report which shall be provided in English.

The Independent Audit Body shall be qualified to carry out statutory audits of accounting documents in accordance with Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC or similar national

regulations. Where the aforementioned Audit Body would not comply with the above, the CBE JU will assess how to deal with different approaches.

Scope of work

The scope of work of the independent audit bodies shall provide assurance that the IKAA declared by private members comply with articles 2.9, 2.10 and 11.2 of the Council regulation. In doing so, independent audit bodies shall provide assurance that the IKAA resulting from the respective accounting system of private members is determined according to:

- (i) the usual cost accounting practices of the entities concerned;
- (ii) the applicable accounting standards of the country where each entity is established;
- (iii) the applicable international accounting standards and international financial reporting standards.

In addition, the Independent audit body:

- shall ensure that the calculation of IKAA is mathematically correct;
- shall bring to the attention of the CBE JU any issue, which, although not material to impact the overall report, might be deemed as useful based on their professional audit experience.

Annex 1: Terms of reference for reporting on IKAA

Terms of Reference for an Independent Audit Body's report on the declarations of In-kind contribution to additional activities (Article 11.1(b) of the Council Regulation, hereinafter IKAA) of CBE Joint Undertaking's Private Members in accordance with Article 11.2 of Council Regulation (EU) 2021/2085

The following are the terms of reference ('ToR') on which

[Name of the Private Member] 'the Private Member', Member of Bio-based Industries Consortium [and its constituent or affiliated entities.....,,]

agrees to engage

[name of the independent Audit Body] 'the Auditor'

to certify the declaration of the IKAA submitted by the Private Member of the CBE JU in accordance with Article 11.2 of Council Regulation (EU) 2021/2085 (hereinafter 'Council Regulation').

In these ToR, the CBE JU is mentioned in its capacity as signatory of the aforementioned Grant Agreement(s). The JU is not a party to this engagement.

1. Subject of the engagement

In accordance with Article 11.2 of the Council Regulation, the Private Member must report by 31 May each year the value of its IKAA incurred in each of the previous financial years to the Governing Board of the JU (according to the AA plan).

In accordance with Article 11.2 of the Council Regulation, for the purpose of valuing these IKAA, the costs shall be determined in accordance with the usual cost accounting practices of the Private Member, to the applicable accounting standards of the country where the Private Member is established, and to the applicable International Accounting Standards and International Financial Reporting Standards.

In accordance with Article 11.2 of the Council Regulation, the costs shall be certified by an independent audit body appointed by the Private Member and this is the subject of this engagement.

In accordance with Article 11.2 of the Council Regulation, the costs shall not be audited by the CBE JU or any Union body. The valuation method may be verified by the JU should there be any uncertainty arising from the certification by the independent audit body.

The subject of this engagement is to certify the cost incurred to implement the AA, in accordance with the provisions of Article 11.2 of the Council Regulation.

2. Responsibilities of the parties to the engagement

The Member is responsible for preparing the IKAA declarations submitted in accordance with the model template provided in Annex 3 to the “CBE Guidelines for Private members and independent audit bodies: in-kind contribution to additional activities”, according to the provisions of the Council Regulation. The Private Member shall provide the IKAA declarations to the Auditor and ensures that the costs so declared can be properly reconciled to the Member’s cost accounting system and underlying accounts and records.

Notwithstanding the audit to be carried out, the Private Member remains at all times responsible and liable for the accuracy of the aforementioned declarations.

- The Private Member is responsible for providing all statements and supporting information, which will enable the Auditor to perform its work and certify the declared IKAA. The Private Member will provide the Auditor with a written representation letter supporting the declaration and all supporting statements, clearly dated and stating the period covered by the statements.
- The Private Member accepts that the ability of the Auditor to perform the audit required by this engagement effectively depends upon the Private Member providing full and free access to the Members’ staff and its accounting and other relevant records.

‘The Auditor’ is responsible for performing the procedures necessary to be able to certify the value of the declared IKAA.

The Auditor shall be independent from the Member.

The Auditor shall be qualified to carry out statutory audits of accounting documents in accordance with Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC or similar national regulations.

3. Engagement type and scope

This constitutes an audit engagement to provide an audit report on the annual declarations of the IKAA sustained during the period [...] to the Private Member, in compliance with the provisions of the Council Regulation, in particular Article 11.2 thereof.

The Auditor shall include in its Report that no conflict of interest exists with the audited Member in establishing this Report.

4. Applicable standards

The Auditor shall undertake this engagement in accordance with these ToR and:

- in accordance with the relevant International Standard on Auditing (ISA805 (Revised)) or with International Standard on Assurance Engagements ('ISAE') 3000 (Revised), Accounts or Items of a Financial Statements as promulgated by the IFAC;
- in compliance with the Code of Ethics for Professional Accountants issued by the IFAC.

5. Reporting

The Report on the annual declarations of the IKAA must be established in the format of the Model Report (either based on ISA805 (Revised) or on ISAE3000 (Revised)) as attached to these Terms of Reference (provided in the Annex 2 to the document "CBE Guidelines for Private members and independent audit bodies: in-kind contribution to additional activities",) and shall be written in English.

6. Timing

The Report shall be provided by [insert date].

7. Other terms

(The Private Member and the Auditor can use this section to agree other specific terms, such as the Auditor's fees, liability, applicable law, etc. Those specific terms must not contradict the terms specified above.)

Legal name of the Private Member

Name and function of the authorized representative

Signature, date

Legal name of the Independent auditor

Name and function of the authorized representative

Signature, date

Annex 2A: Model report ISA 805 (revised)

Model Report on the declarations of In-kind contribution of Private Members in accordance with Article 11.2 of Council Regulation (EU) 2021/2085

for the period 01/01/20XX to 31/12/20XX [.....]

established by [Name of the Private Member]

To: [name and address of the Private Member]

Dear [name of contact person]

As agreed under the terms of reference dated

()

with (insert name of the Private Member)

we (insert name of the independent Audit Body) (the Auditor)

established at (full address)

represented by (insert name and function of authorised

representative) have audited:

the accompanying declarations of the in-kind contribution in implementing additional activities (hereinafter IKAA) from [Name of the Private Member] related to the calendar year [...]

and hereby provide our Report on the declaration of IKAA using the report format agreed with you.

OPINION

We have audited the accompanying declaration of IKAA of (insert name of the Private Member) (the Member) for the period 01/01/20XX to 31/12/20XX prepared and submitted to the CBE Joint Undertaking (hereinafter “CBE”) in accordance with the Article 11.2 of Council Regulation (EU) 2021/2085 (hereinafter ‘Council Regulation’).

In our opinion, the accompanying IKAA is determined, in all material respects, in accordance with Article 11.2 of the Council Regulation submitted by (insert name of the Private Member) for the period 01/01/20XX to 31/12/20XX.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), ISA 805 (Revised) Special Considerations, Audit of Single Financial Statements and Specific Elements, Accounts or Items of Financial Statements as promulgated by the IFAC.

Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the declared IKAA section of our report. We are independent of the Member in accordance with the ethical requirements that are relevant to our audit of the declaration of the IKAA, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matters

(This section should be used by the auditor to bring to the attention of the CBE JU any matters to be considered as a recommendation and as such to be changed in future calculations.)

Despite the additional explanations provided in this section to be considered as improvement recommendations, our opinion is not modified in respect of this matter.

Responsibility of the Private Member

The Member is responsible for the preparation and submission to the CBE of the declaration of IKAA in accordance with Article 11.2 of the Council Regulation and to maintain adequate accounting records and documentation to support and justify the cost and information declared.

Auditor’s responsibility

Our objectives are to obtain reasonable assurance about whether the declared IKAA as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this IKAA statement.

Our audit, subject to the “Additional Conditions” mentioned in the next section of this report, comprised assessing whether the amounts declared as IKAA is determined, in all material aspects, in accordance with the Council Regulation.

Additional conditions

We conducted this engagement:

1. in accordance with the International Standard on Auditing ('ISA') 805 Special Considerations, Audit of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statements as promulgated by the IFAC;
2. in compliance with the Code of Ethics for Professional Accountants issued by the IFAC; and
3. the provisions of the Council Regulation.

An audit engagement involves performing procedures to obtain audit evidence about the amounts and disclosures in the Declaration of IKAA. The audit engagement also includes procedures to obtain audit evidence about the appropriateness of accounting practices used for the preparation of the declaration of IKAA as well as about the overall presentation of the declaration of IKAA. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the declaration, whether due to fraud or error.

In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and presentation of the declaration of IKAA in order to design audit procedures that are appropriate in the circumstances relevant for the scope of this engagement, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system.

Furthermore, we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

Our work is not designed specifically to identify incidences of fraud. Accordingly, fraud may occur and not be detected. We have nevertheless obtained representations made by the member in relation to the authenticity and completeness of the supporting documentation provided to us.

(Name legal entity of Auditor)

(Auditor address)

(Date)

(Signature)

(Name Auditor)

Annex I: Signed declaration of IKAA from [Name of the Private Member] for the calendar year [.]

Annex 2B: Model report ISAE 3000 (revised)

Model report on the declarations of In-kind contribution of Private Members in accordance with Article 11.2 of Council Regulation (EU) 2021/2085

for the period 01/01/20XX to 31/12/20XX [.....]

established by [Name of the Private Member]

To: [name and address of the Private Member]

Dear [name of contact person]

As agreed under the terms of reference dated

()

with (insert name of the Private Member)

we (insert name of the independent Audit Body) (the Auditor)

established at (full address)

represented by (insert name and function of authorised representative)

have been engaged to provide a report of reasonable assurance in respect of the accompanying declarations of the in-kind contribution in implementing additional activities (hereinafter IKAA) from [Name of the Private Member] related to the calendar year [...]

and hereby provide our Report on the declaration of IKAA using the report format agreed with you.

Responsibility of the Private Member

The Member is responsible for the preparation and submission to the CBE of the declaration of IKAA in accordance with Article 11.2 of Council Regulation (EU) 2021/2085 (hereinafter 'Council Regulation') and to maintain adequate accounting records and documentation to support and justify the cost and information declared.

Reporting accountant's responsibility

Our responsibility is to express an opinion, based on the procedures performed and evidence obtained, to confirm with reasonable assurance the value of IKAA declared; and the additional information presented based on our procedures.

Our engagement, subject to the "Additional Conditions" mentioned in the next section of this report, comprised assessing whether the amounts declared as IKAA is determined, in all material aspects, in accordance with Article 11.2 of the Council Regulation.

Additional conditions

We conducted this engagement:

1. in accordance with the International Standard on Assurance Engagements 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board;
2. in compliance with the Code of Ethics for Professional Accountants issued by the IFAC; and
3. the provisions of the Council Regulation.

ISAE 3000 requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence to give reasonable assurance over the Declaration. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the Declaration whether due to fraud or error. In making those risk assessments we considered internal control relevant to the Private Member's preparation and presentation of the Declaration to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion on the effectiveness of the Private Member's internal control over the preparation and presentation of the Declaration.

Furthermore, we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by the management.

Our work is not designed specifically to identify incidences of fraud. Accordingly, fraud may occur and not be detected. We have nevertheless obtained representations made by the Private Member in relation to the authenticity and completeness of the supporting documentation provided to us.

We believe that the evidence we have obtained is sufficient with respect to the objectives relevant for our engagement and appropriate to provide a basis for our report.

Opinion

In our opinion the IKAA is determined, in all material respects, in compliance with Article 11.2 of the Council Regulation.

We would like to point out that this work is limited in its scope to provide reasonable assurance that the declared IKAA are determined in compliance with Article 11.2 of the Council Regulation, as described in the section "Reporting accountant's responsibility" for the purpose of valuing the in-kind contribution without providing any certainty for other purposes.

Emphasis of matters

(This section should be used by the auditor to bring to the attention of CBE any matters to be considered as a recommendation and as such to be changed in future calculations.)

Despite the additional explanations provided in this section to be considered as recommendations for improvements, our conclusion is not qualified in respect of these matters.

(Name legal entity of Auditor)
(Auditor address)
(Date)

(Signature)
(Name Auditor)

Annex I: Signed declaration of IKAA from [Name of the Private Member] for the calendar year [.]

Annex 3: Signed declaration of IKAA from a Private Member (Annex 1 of the Audit report)

[MEMBER XXX] - OVERVIEW ESTIMATED AMOUNT OF IKAA FOR [YEAR XXXX]							
Reference of the additional activity (as in the adopted IKAA Plan)	Title of the AA (as in the adopted IKAA Plan)	AA category	AA type	Linked project number	Project acronym	Total Amount (in EUR)	Country of establishment of the contributor
CBE.202X.PG.XXXXXXXXXX.XX		1. Support to additional R&I	IKAA related to programme				
CBE.202X.PJ.XXXXXXXXXX.XX		2. Scale-up of technologies	IKAA related to Project				
TOTAL CERTIFIED IKAA						-	