

Tender Document

Audit methodology, system audits, audits of accounts and general coordination tasks

21.8.2023

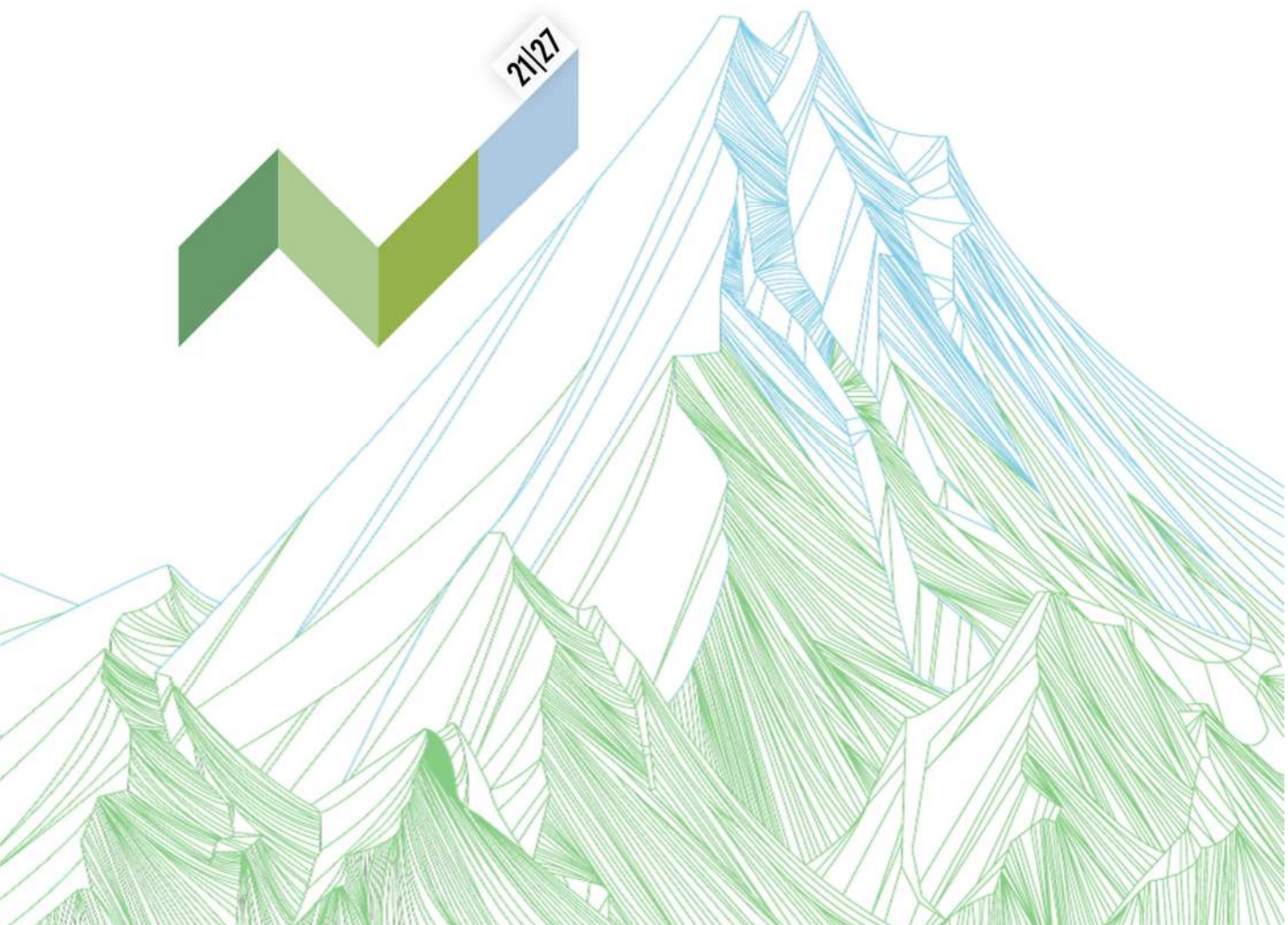


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I. Context

The Interreg Alpine Space programme finances cooperation projects across the borders of seven Alpine countries. It tackles common challenges and improves the quality of life of the 80 million inhabitants of the Alpine region. The programme addresses public authorities on national, regional and local level, institutions of higher education, as well as enterprises, business support organisations, NGOs and associations.

The programme area of the Interreg Alpine Space programme 2021-2027 comprises the following territories:

- Austria: the whole territory,
- France - NUTS 2: Alsace, Franche-Comté, Provence-Alpes-Côte d'Azur, Rhône-Alpes,
- Germany - NUTS 2: Oberbayern, Niederbayern, Oberpfalz, Oberfranken, Mittelfranken, Unterfranken, Schwaben; Stuttgart, Karlsruhe, Freiburg, Tübingen,
- Italy - NUTS 2: Lombardia, Friuli Venezia Giulia, Veneto, Provincia Autonoma di Trento, Provincia Autonoma di Bolzano / Bozen, Valle d'Aosta / Vallée d'Aoste, Piemonte, Liguria,
- Liechtenstein: the whole territory,
- Slovenia: the whole territory and
- Switzerland: the whole territory.

The programme is financed through the European Regional Development Fund (ERDF) as well as through national public and private co-funding of the Partner States. The overall programme budget is 142,7 million Euro, of which 107,05 million Euro come from the ERDF. The ERDF co-financing rate for projects is 75 %. The programme expects to co-fund around 100 projects during programme duration. To learn more about the programme, please consult the website www.alpine-space.eu.

The Land Salzburg (Austria), department for economy, tourism and municipalities, unit regional development and EU regional policy, as managing authority (MA) bears the overall responsibility for the implementation of the programme. Amongst others it carries out procurements of external services needed to support programme implementation. The MA and the partner states of the programme are supported by a joint secretariat (JS) which is rooted in the same unit as the MA. The Land of Salzburg as MA/JS runs the current procurement procedure and is the contracting authority.

II. Specification of services

1. Legal basis and documents to be taken into consideration

1.1. Community law and other documents set up by the EU

The following Community law and other documents set up by the EU and later amendments to and replacements of those documents shall be taken into consideration:

- Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (in the following named as „CPR“),
- Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund,
- Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments.

The above mentioned regulations are applicable in their valid version and can be downloaded from the following website, as well as can be other delegated legal acts that will be issued at European level:

https://ec.europa.eu/regional_policy/information-sources/legislation-and-guidance_en.

Apart from the regulations mentioned above there is a number of guidance notes that is expected to be issued by the European Commission and that will be published on the above-indicated website.

Moreover, the INTERACT programme is constantly preparing and publishing guidance documents as well as templates that shall ensure harmonisation of audit work across programmes and that the Alpine Space programme intends to apply as well. Thus, the successful bidders will be asked to use these documents. Relevant documents issued so far can be found at the INTERACT-website [Interact | cooperation works | Library \(interact-eu.net\)](#).



1.2. Programme related documents

The following programme related documents as well as later amendments or replacements have to be taken into consideration:

- The Interreg Alpine Space Programme (Document 2021TC16RFTN001), approved by the European Commission 5 May 2022 (C(2022) 2881 final), available for download on the programme website https://www.alpine-space.eu/wp-content/uploads/2022/05/Interreg_Alpine_Space_programme_2021-2027-1.pdf
- the description of the management and control system according to article 69 (1) of CPR;
- the rules of procedure of the group of auditors;
- the audit strategy according to article 78 of CPR;

Documents from the list above that are not available on the programme website will be provided by the managing authority after contract award.

2. Programme Bodies

Based on the provisions of the ESI-funds regulations a number of programme bodies have been set up, whereby the ones relevant for the present assignment are:

- the managing authority (in the following referred to as "MA"),
- the audit authority (in the following referred to as "AA"),
- the group of auditors (in the following referred to as "GoA"),
- the programme committee (in the following referred to as "PC"),
- the joint secretariat (in the following referred to as "JS"),
- the Alpine Space Contact Points (in the following referred to as "ACP"),
- the national control coordinating bodies (in the following referred to as "NCCB").



2.1. The Managing Authority

The partner states have appointed the Land of Salzburg (Austria), represented by the department for economy, tourism and municipalities, unit regional development and EU regional policy, to act as managing authority.

The MA bears the overall responsibility of managing and implementing the programme and fulfils - supported by the JS - the functions respectively the tasks laid down in article 72 of CPR and in articles 46 of Regulation (EU) 2021/1059.

In application of article 72 (2) of CPR the Land Salzburg as managing authority of the programme also bears the responsibility for the accounting function and performs this function itself. Its tasks include drawing up and submitting payment applications to the EC, drawing up and submitting the accounts, confirming the completeness, accuracy and veracity of the accounts, keeping records of all elements of the accounts, including payment applications, registering payments made by the EC, registering payments made to the lead partners of the projects.

2.3. The Audit Authority

The audit authority is functionally independent from the managing authority and performs its functions according to article 77 of CPR and article 48 of Regulation (EU) 2021/1059. The audit authority is set up in the Federal Ministry of Agriculture, Forestry, Regions and Water Management, EU financial control and Internal Audit Department.

2.4. The Group of Auditors

The group of auditors consists of representatives from each member state participating in the programme (i.e. Austria, Germany, France, Italy, and Slovenia) and assists the audit authority in carrying out its functions in accordance with article 48 (1) of Regulation (EU) 2021/1059. The GoA is chaired by the AA.

2.5. The Programme Committee

The programme committee steers the programme and ensures the quality and effectiveness of its implementation, selects projects for co-funding and examines the results of the implementation in conformity with articles 38 pp of CPR and articles 28 pp of Regulation (EU) No 2021/1059. The

programme committee consists of representatives of all seven partner states of the programme. The managing authority, the European Commission and the Alpine Convention participate in an advisory capacity.

2.6. The Joint Secretariat

According to article 46 (2) of Regulation (EU) 2021/1059 the managing authority has set up a joint secretariat which is embedded in the department for economy, tourism and municipalities, sub-department regional development and EU regional policy. The joint secretariat assists the managing authority, the programme committee and, where appropriate, the audit authority in carrying out their respective duties. It undertakes the day-to-day implementation of the programme and provides technical support to the management bodies and guidance to projects.

2.7. The Alpine Space Contact Points

A contact point has been set up in each partner state taking part in the programme. The Alpine Space Contact Points (ACP) secure the link between the transnational and national/regional level during programme implementation and serve as contact points for project applicants and partners in the respective country.

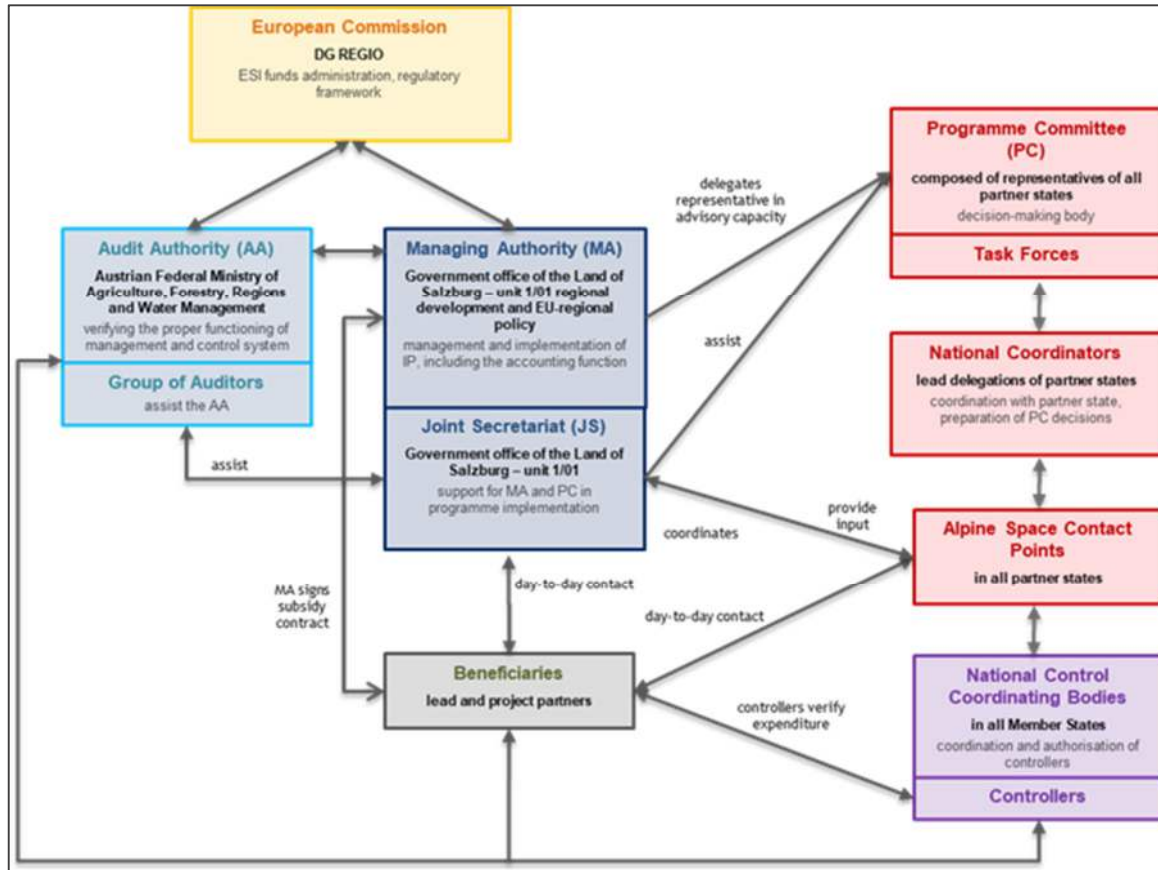
2.8. Bodies involved in the national control systems

Following article 46 (3) of Regulation (EU) 2021/1059, each member state has set up a control system ensuring a proper verification of the expenditure occurred ("national control system").

For the verification of expenditure the beneficiaries will provide their respective national controller (according to article 46 (3) of Regulation (EU) 2021/1059) with all documents necessary in due time. The national controller will carry out management verifications as defined in point (a) of article 74 (1) of CPR and issue certificates of expenditure according to the respective provisions.

Moreover, the programme has established so-called national control coordinating bodies (NCCB) in each member state. In case of decentralised control systems the NCCB is responsible for the authorisation, coordination and support of controllers, whereby in centralised systems the NCCB is in charge of the implementation of the verifications, either by performing them itself or by outsourcing this task to external experts.

An overview of the programme’s management and control system is illustrated below:



3. Place, time and further aspects of execution

The audit work to be carried out will cover the area of the member states participating in the programme. Thus, the tenderer shall be legally authorised to carry out the required work in the respective territory.

The MA will be the successful tenderer’s contact point and act as intermediary for AA and GoA in order to inform the successful tenderer about any issue regarding the execution of the work entrusted to it. All information regarding the preparation of the audits will be provided to the successful tenderer through MA/JS (copy to the AA), usually in electronic form.

The audit authority, assisted by the group of auditors, will supervise the tasks performed by the external auditor; it is in particular responsible for the approval of the audit methodology and any



audit report. Furthermore, the AA and the members of the GoA are entitled to participate in the audits carried out by the successful tenderer on the territory of the respective member state.

Please note that the programme expects the successful bidder to commence work immediately after the contract has been awarded. Thus, companies interested in the present tender are expected to allocate respective resources.

The official language of the programme is English. Therefore, all outputs (reports, checklists, etc.) and communication of the successful bidder shall be in English.

4. Tasks to be carried out by the successful bidder

The selected auditor shall perform the following tasks:

- prepare and update an audit methodology including a classification as well as a categorisation of errors, draft checklists and model reports for system audits, audits of operations and audits of accounts (using already available templates provided by INTERACT);
- once a year, prepare a draft update of the audit strategy;
- carry out system audits;
- carry out audits of accounts;
- prepare the annual reports on controls;
- schedule the above-mentioned audits and establish the related resource plans;
- ensure digital accessibility of documents and computerized follow-up of irregularities;
- participate in meetings of the group of auditors (if considered necessary by the AA).

For every service provided, the successful tenderer shall submit a written report in order to inform the audit authority, assisted by the group of auditors, of the activities carried out and their results.

All the tasks carried out by the successful tenderer shall comply with internationally accepted audit standards.

4.1. Drafting and updating the audit methodology

For the execution of the audits, the successful tenderer shall describe the audit methodology (checklists, templates, schedules, etc.) that will be applied by itself or any other authorised audit

body. This document will be approved - with possible amendments - by the audit authority, assisted by the group of auditors. The successful bidder shall use already available templates and supporting tools elaborated by the INTERACT programme and provided by the MA in case they are not available on the INTERACT website, adapt them to the programme specifics and apply them after approval by the group of auditors.

The audit methodology shall cover system audits, audits of operations and audit of accounts. It has to be submitted for approval to the audit authority, assisted by the group of auditors, within two months after contracting. The audit authority may request amendments before approving the document.

In the course of the programme implementation, the audit methodology may have to be updated by the successful tenderer, which may then be revised and has to be approved again by the AA, assisted by the GoA. The proposed methodology shall be in accordance with the audit strategy of the programme.

4.1.1 System audits

The purpose of the system audit is to provide assurance on the proper functioning of the management and control system. The list of key requirements of this system and their classification for the system audit is set out in annex XI of CPR.

The methodology for the system audits shall ensure that the key requirements are respected and that all the procedures described in the description of the management and control system (DMCS) are effectively implemented. The audit of the successful tenderer will have to cover the first 10 key requirements by the end of the programming period.

These 10 key requirements will concern MA, JS and national control systems. Its scope may be adapted following the latest indications of the European Commission on the definition and implementation of audit strategies.

4.1.2 Audits of operations

In the period 2021-2027 the EC will draw a common sample for these audits for all Interreg programmes. To this end the programme authorities shall provide the information necessary for the selection of a common sample to the EC after the end of the accounting year. The EC will draw a common sample and will inform the AA of the Interreg programmes concerned about which project

partners are to be audited. The Alpine Space programme intends to submit the population for sampling to the EC using an early cut-off date (approx. by 1 May).

With regard to the number of expected approved and running projects, the programme expects 3-4 operations to be audited per year. For this reason, the members of the group of auditors have declared their potential availability to carry out these audits by themselves. In case the resources are not given at the respective GoA-member in the respective year the programme will externalise this task to an external audit company. Please note that these audits are not part of the present procurement procedure. However, the successful bidder of this procurement procedure are encouraged to submit an offer for audits of operations in case these are externalised.

The successful tenderer shall propose a methodology for the implementation of audits of operations.

The methodology shall in particular comprise the identification and the preliminary definition of the findings. The errors shall be classified according to the programme specific typology of errors.

4.1.3. Audits of accounts

The successful tenderer shall propose a draft methodology including a checklist for the audits of accounts and verification of the management declaration to the AA within two months after contracting.

The audits of accounts shall be performed as specified in the applicable EU regulations and the EGESIF guidances.

4.2. Updating the audit strategy

Following the system audits and/or the audits of operations and/or the audits of accounts, the successful tenderer shall make proposals with a view to annually update the audit strategy in case any major risks can be expected. Such proposals shall regard the various elements of the audit strategy. They should be presented to and approved by the AA, supported by the GoA, in January/February each year.

4.3. System Audits

When performing the system audits the successful tenderer shall consider the following 10 key requirements set out in annex XI of CPR:



- 1 Appropriate separation of functions and written arrangements for reporting, supervising and monitoring of delegated tasks to an intermediate body
- 2 Appropriate criteria and procedures for the selection of operation
- 3 Appropriate information to beneficiaries on applicable conditions for support for the selected operations
- 4 Appropriate management verifications, including appropriate procedures for checking fulfilment of conditions for financing not linked to costs and for simplified cost options
- 5 Effective system to ensure that all documents necessary for the audit trail are held
- 6 Reliable electronic system (including links with electronic data exchange systems with beneficiaries) for recording and storing data for monitoring, evaluation, financial management, verifications and audits, including appropriate processes to ensure the security, integrity and confidentiality of the data and the authentication of users
- 7 Effective implementation of proportionate anti-fraud measures
- 8 Appropriate procedures for drawing up the management declaration
- 9 Appropriate procedures for confirming that the expenditure entered into the accounts is legal and regular
- 10 Appropriate procedures for drawing up and submission of payment applications and of accounts and confirming completeness, accuracy and veracity of the accounts

The system audits of the above mentioned key requirements shall be complemented within two years after contracting. Follow-up audits may take place afterwards.

Additional system audits may be requested by the AA and Land Salzburg as contracting authority in the case it is necessary to re-perform certain aspects of a previous system audit or if other key aspects shall be examined e.g. on entities in charge of implementing control (management verifications) at the member state level. These audits may result from the conclusions drawn from the audit of operations and/or the system audits.

The successful tenderer may carry out the system audits on-the-spot - if considered necessary. The place of execution will depend on the audited body. The AA or the respective GoA members may

attend such audits and will be entitled to comment on the working documents. The AA may consult the competent GoA member on a case by case basis if necessary.

All information regarding the preparation of the system audits will be provided to the successful tenderer through MA/JS (copy to the AA), usually in electronic form.

The results of the system audits shall be recorded in the draft version of the audit report that shall clearly describe the findings addressed and clearly state the potential problems encountered together with recommendations. The successful tenderer shall indicate if these findings only require a formal improvement of the procedures or if they have already had financial consequences (in this case the financial consequences shall be specified) or could have financial consequences (in this case, their potential scope shall be detailed). If applicable, the successful tenderer shall propose corrective actions for errors that could have a systemic nature.

The findings shall form the subject of a contradictory procedure carried out with the audited organisation/authority by the successful tenderer, which shall take into account the answers given in order to draw the final conclusions.

The final audit report established by the successful tenderer shall clearly describe and explain the confirmed findings and, should expenses be finally considered as ineligible, put them into precise figures if possible. It shall present the reasons why the successful tenderer accepted or did not accept the answers and the additional information provided by the audited structure.

The successful tenderer shall give its opinion on the measures implemented by the audited structures in response to its recommendations to remedy the systemic errors. In particular, if needed, it shall give its opinion on the action plans that have been implemented to identify ineligible expenses and to correct the operations involved in the cases where a systemic error is likely to have generated ineligible expenses within a scope defined by the successful tenderer in the conditions described above.

Finally, it shall clearly describe the subsequent actions which require a follow-up.

The audited structure shall implement corrective measures and provide the relevant supporting documents to the MA/JS, within the timeframes indicated in this document. The MA/JS shall then provide the documents to the successful tenderer (with copy to the AA) to enable their assessment. The successful tenderer shall inform the AA and, except the case the MA/JS is the audited body, the MA/JS of the results of its evaluation.



The successful tenderer shall include its conclusions on the follow-up phase finding by finding and recommendation by recommendation in the annual control report that has to be submitted to the GoA for discussion and transmitted to the European Commission afterwards.

The process steps are set out in the following.¹

Audit on-the-spot

1. Notification by the MA/JS to the body concerned by the system audit.
2. Audit date scheduled by the auditor with the audited body/ies.
3. Information of the audit date to the AA (and GoA members concerned if applicable) at least 20 working days prior to the audit.
4. Audit on-the-spot.

First draft report

5. The first draft report shall be set up by the successful tenderer who will send it to the AA, the MA/JS within 10 working days after the audit.
6. The AA and the MA/JS shall check the completeness of the documents and make comments in a template provided by the successful tenderer.
7. The successful tenderer shall examine the comments received, amend the first draft report accordingly and send it to AA within five working days.
8. The GoA receives the first draft report from the AA (supported by MA/JS) and shall return it to the audit authority after having performed an examination, which will be done within five working days. It will then be provided to the successful tenderer.
9. The successful tenderer adapts the first draft report according to the comments of the GoA within five working days.

Revised draft report

10. The successful tenderer sends the revised draft report to the AA. The AA reviews the revised draft and sends it to the MA/JS as soon as possible. The JS/MA shall communicate it to the audited structure(s) with copy to the AA and the relevant GoA member(s) without delay.

¹ Please note that the process is still being set up at the time when this tender is launched, therefore all timelines indicated in this document for the various audits are indicative and may change slightly.



Contradictory phase/ Draft final report

11. The audited structure(s) shall provide the answer elements to the MA/JS in case of only small deficiencies within 10 working days and otherwise within 15 working days.
12. The MA/JS provides on the basis of the received answer elements a statement on the final draft report and sends it to the AA within five working days.
13. The successful tenderer shall examine the answer elements from the audited structures received via the AA, incorporate them in the draft final report, modify its findings if applicable and write the draft final report. The conclusions drawn shall be described by the successful tenderer as well as the measures proposed in order to put an end to any error identified (systemic or not). This shall be done within five working days.
14. The successful tenderer sends the draft final report to the AA (copy to the MA/JS) who then forwards it to the GoA.
15. The GoA reviews the draft final report within five working days. The successful tenderer shall examine the reviewed elements of the GoA and modify its findings if applicable. It shall send the revised documents to the AA within three working days after having received the GoA reviews by the AA.

Final report

16. The AA approves the draft final report. The report approved by the AA will be considered as final.
17. The final report will be sent by the AA to the MA/JS. The MA/JS will ensure its diffusion to the audited structure(s).

Follow-up of the corrective measures

18. Once the final report has been received, the audited structure implements the corrective measures (incl. any necessary recoveries) stipulated in the final report.
19. The audited structure shall then provide the MA/JS with the evidence that the corrective measures have effectively been implemented. The MA/JS cares about the diffusion of the evidence of the implementation of the corrective measures to the successful tenderer and to the AA.



20. On an annual basis, the MA/JS reports and informs the AA on the follow-up measures undertaken and the management of irregularities. This information is relevant for the successful tenderer for drafting the annual control report.

The successful tenderer should use the results of the system audits to carry out the audits of accounts as mentioned in the European Guidance for Member States on Audit of Accounts.

4.4. Audits of operations

The successful tenderer shall use the results of the audits of operations to carry out the audits of accounts as mentioned in article 77 (1) of CPR and to set up the annual control report. For that reason, the successful tenderer will be provided with the final reports on the audits of operations by MA/JS in due time in autumn of each year.

4.5. Audits of accounts

In accordance with article 98 (1) of CPR for each accounting year for which payment applications have been submitted, the programme shall submit to the Commission by 15 February, the following documents ('the assurance package') which shall cover the preceding accounting year:

- (a) the accounts in accordance with the template set out in Annex XXIV of CPR;
- (b) the management declaration referred to in point (f) of article 74(1) in accordance with the template set out in Annex XVIII;
- (c) the annual audit opinion referred to in point (a) of article 77(3) in accordance with the template set out in Annex XIX;
- (d) the annual control report referred to in point (b) of article 77(3) in accordance with the template set out in Annex XX.

The main objective of the audit of accounts as provided for in article 77 (1) of CPR is to provide reasonable assurance on the completeness, accuracy and veracity of the amounts declared in the accounts and in particular to verify that the accounts of the programme give a true and fair view.

In accordance with article 98 (3) of CPR, the successful tenderer shall verify that the accounts include:

- (a) the total amount of eligible expenditure entered into the accounting systems of the body carrying out the accounting function which has been included in the final payment



application for the accounting year and the total amount of the corresponding public contribution made or to be made linked to specific objectives for which enabling conditions are fulfilled and operations linked to specific objectives for which enabling conditions are not fulfilled but contribute to the fulfilment of enabling conditions;

- (b) the amounts withdrawn during the accounting year;
- (c) the amounts of public contribution paid to financial instruments;
- (d) for each priority, an explanation on any differences between the amounts declared pursuant to point (a) and the amounts declared in payment applications for the same accounting year

Beside the CPR, any relevant guidance papers of the European Commission shall be taken into account.

The successful tenderer shall verify that all elements required by article 98 of CPR are correctly included in the accounts and correspond to the supporting accounting records, for the purpose of the audit opinion. The coherence between these records with the information provided in the annual summary of controls shall be part of this check. The successful tenderer shall carry out the audit of accounts for each accounting year and in accordance with the audit strategy.

The audit of accounts shall take into account the results of other audits and controls in particular system audits and audits of operations. The system audit results may provide conclusions related to the accounts. The audits of operations will provide insight on the reliability of the accounting systems, in particular on the audit trail and accuracy of the expenditure included in the sample of operations.

The successful tenderer shall, on the basis of the degree of assurance obtained from the system audits and the audits of operations, carry out final additional verifications on the (draft) certified accounts provided by the MA. The verifications shall be carried out in line with the audit methodology and further specifications agreed with the AA.

The audit of accounts will take place in two main phases:

The first phase will consist in the actual audit and the delivery of the audit report. The audits will take the form of desk checks and - if considered necessary - on-the-spot audits at the MA. The successful tenderer will have to carry out these activities based on the AA's indications. It will usually take place in October/November of each year.



A draft audit report shall be established for the audits of accounts. This draft report shall form the subject of a contradictory procedure with the audited body i.e. the MA.

The audit report shall include information on the work carried out, define clearly the conclusions of the verifications, the findings and follow-up measures including, in particular, corrections and recommendations.

The findings shall be clear, precise and conclusive and shall include the following elements:

- description of the anomaly detected,
- cause of the detected anomaly,
- financial evaluation of the detected anomaly,
- corrective measures that shall be implemented to correct the relevant anomaly and to avoid any recurrence. The timing of such corrective measure and closure of the follow-up measure shall be clearly defined (usually by the time of the submission of the final accounts).

The second phase of the audit of accounts will consist in the follow-up of the findings identified.

The successful tenderer will have to carry out this task based on the AA's indications. It will usually take place between mid-November and the date of the sending of the annual closure documents to the GoA, i.e. around mid-December following the respective accounting year.

In summary, the process steps are the following:²

Audit of the MA

1. Audit date scheduled by the auditor with the MA and listing of the required information to be made available by the audited body in view of the desk check.
2. Information of the audit date to the AA at least ten working days prior to the audit.
3. Audit on desk or on-the-spot at the MA.

First draft report

4. The first draft report shall be sent by the successful tenderer to the AA until 15 November each year.

² Please note that the process is still being set up at the time when this tender is launched, therefore all timelines indicated in this document for the various audits are indicative and may change slightly.



5. The AA checks the completeness of the draft audit report before submission to the auditee within three working days.
6. The successful tenderer shall examine the comments received by the AA and amend the first draft report accordingly.

Revised draft report

7. The successful tenderer shall send the revised draft report to the MA/JS until 25 November with AA in copy.
8. The MA shall provide the answer elements directly in the audit report to the successful tenderer with copy to the AA within five working days.
9. The successful tenderer shall examine the answer elements, modify its findings if applicable, in order to write the draft final report.
10. The successful tenderer shall indicate clear conclusions and follow-up measures to be implemented by the audited body in relation to the findings (if applicable) in the draft final report.
11. The successful tenderer shall send the draft final report to the AA within five working days.

Final report

12. The AA reviews and approves the draft final report. With the approval, the report is deemed as final and will be sent to MA/JS by 15 December.

Follow-up of the corrective measures

13. Once the final report has been received, the MA implements the corrective measures stipulated in the final report.
14. The MA shall send to the successful tenderer (with copy to AA) the final and, if applicable, corrected accounts and any other relevant document/information proving the implementation of the corrective measures until 10 January.
15. The successful tenderer shall assess the evidence and provide the result of this assessment to the AA with copy to the MA/JS by 15 January.

All information regarding the annual audit of accounts will be made available through the electronic monitoring system of the programme called JEMS and by MA/JS.

4.6 Preparation of the draft annual control report and the draft annual opinion

The successful tenderer shall prepare:

- the draft annual control report referred to in point (b) of article 77(3) of CPR in accordance with the template set out in Annex XX.
- the draft annual audit opinion referred to in point (a) of article 77(3) of CPR in accordance with the template set out in Annex XIX;

The annual control report shall include information on the system audits, the audits of operations, the audits of accounts, as well as all other relevant audits. The successful tenderer shall send a first draft of the annual control report, including the main elements and already available audit results by 15 December of each year the latest to the MA/JS and the AA. The full version of the draft annual control report including all elements related to the follow-up of the findings in the framework of the system audits, the audits of operations and the audits of accounts, including the notification of irregularities sent by the Member States to the European Commission, shall be sent by the successful tenderer to the MA/JS and the AA by 20 January of the year consecutive to the accounting year in which the audits were carried out. The AA shall check its completeness. If applicable, the MA/JS and the AA shall ask the missing elements to the successful tenderer.

The audit opinion shall be drafted by the successful tenderer and transmitted to the AA at the latest on 20 January.

Both documents shall be sent to the GoA for examination. The AA shall reach a decision regarding the final documents to be sent to the European Commission by 10 February.

If the representative of a Member State in the group of auditors disagrees with the opinion or with a specific item of the opinion, s/he will be entitled to submit a written document. This document, if received in due time (i.e. by 10 February) by the MA/JS (copy to the AA), will be appended to the annual opinion sent to the European Commission.

4.7 Scheduling of the audit work

The successful tenderer shall establish an annual plan for the execution of all audit activities. The latter shall be submitted to AA and MA/JS. The annual plan shall be established in line with the above described process steps and timeframes.

4.8 Digital accessibility of documents and computerized follow-up of irregularities

All relevant documents concerning the aforementioned activities shall be made available to the audit authority, the members of the group of auditors, the managing authority and the joint secretariat at any time throughout the programming period. In accordance with article 82 CPR, the documents shall remain available (as originals or as certified copies) at least for a 5-year period from 31 December of the year in which the last payment by the managing authority to a beneficiary was made.

The accessibility modalities (use of tenderer's own software, documentary database, the system used by the joint secretariat) for documents such as reports, follow-up forms, annual opinions, etc. shall be agreed upon before starting the aforementioned activities.

Furthermore, internal working documents and all supporting evidence will be made available in paper and/or through the database/intranet for quality control purposes or if required by the Member States when they are concerned with an audit of a partner on their territory.

4.9 Participation of the successful tenderer in the group of auditors' meetings

The successful tenderer shall participate in any relevant meeting(s) of the GoA organised in order to present the results of the work carried out regarding the aforementioned tasks. It is assumed that there is one physical meeting of the GoA per year in Vienna, any other decisions will be taken in online meetings or via written procedure.

4.10. Audit expertise

The successful tenderer may be requested to provide some audit expertise for specific missions, like for example the verification on the implementation of an action plan. The category of experts and the number of required days per expert will be determined depending on the mission and will be stipulated in an audit order issued by the AA in coordination with the MA as contracting authority.

5. Deadlines for the submission of documents and reports

Expected deliverable	Reference	Deadline
Audit methodology	chapter 4.1 of this document	Two months after contract conclusion
System audits	4.3.	Two years after contract conclusion
Audits of accounts	4.5.	Phase 1: October/November each year Phase 2: December/January each year
Update of the audit strategy (integrated in the draft annual control report)	4.2.	To be presented to GoA in January each year, in case any major risks can be expected
Draft annual control report	4.6.	1. Each year by 15 December of the year consecutive to the accounting year in which the audits were carried out: submission of a first draft report to MA/JS and AA 2. Each year by 20 January of the year consecutive to the accounting year in which the audits were carried out: submission of full version of the draft report to MA/JS and AA
Draft audit opinion	4.6.	To be sent to AA each year on 20 January of the year consecutive to the accounting year in which the audits were carried out at the latest

The submission of all the aforementioned documents and reports shall be ensured by the specified deadlines. Please note that the deadlines mentioned above might change throughout the duration of the contract.

In case of unjustified delays, penalties proportional to the duration of the delay shall be inflicted as foreseen in the service contract.

6. Expected composition and organisation of the audit team

In the offer the tenderer shall propose the audit team and provide respective CV. The tenderer shall nominate one person that shall act as team coordinator. The **team coordinator** shall be a senior expert and have at least seven years of experience in the field of audits regarding European programmes eligible for structural funds. He/she shall be a staff member of the successful bidder and shall represent the consortium of bidders in case such consortium applies. He/She is the main contact person for AA, MA/JS and GoA and is responsible for the overall execution of all tasks to be performed by the successful bidder, for the execution of all activities and for the preparation of the reports to be submitted to the AA and the GoA.

The team coordinator shall perform his/her obligations in a manner that a close and ongoing cooperation with MA and AA is guaranteed, in particular with regard to the execution of the contract and circulation of information. That includes, inter alia, that the coordinator is available for meetings upon two days advance notice without charging additional costs. The team coordinator shall be able to communicate in English language on C1-level.

The coordinator shall be assisted by one **expert in each member state** participating in the programme. This expert shall have at least three years of experience in the field of audits regarding European programmes eligible for structural funds.

He/She assists the team coordinator. Thus, he/she is responsible for the system audit tasks to be carried out in the respective member state and shall ensure that the audits are performed in conformity with the standards and the methodology defined by the team coordinator with the AA. He/she shall edit the report relating to the member state he/she is responsible for which shall have an appropriate linguistic level. Thus, the expert shall be able to communicate in English language on B2-level.

The national audit expert shall be supported in the implementation of the audit tasks by **one further auditor** that shall have at least two years of experience in the field of auditing project expenditure and accounting procedures. The experts and the further auditor (national audit team) shall cover the relevant knowledge of the different legal and administrative systems in the respective member state and the different languages.

Please note that the composition of the national audit teams submitted in connection with the final offer will be binding for the performance of the contract (if awarded). A change of team members



nominated will require the consent of the MA (after coordination with the AA) which reserves the right to object such change if the new nominee does not hold at least the same qualification as the one to be substituted. Costs for persons not agreed with MA/AA will not be chargeable.

In the offer the tenderer shall furthermore submit a detailed description of how it plans to carry out the tasks foreseen in all member states involved in the programme, taking into regard the coverage of the various languages, knowledge of the legal and administrative systems of the involved member states as well as compliance with the standards and time schedules as set out above. It has to be taken into account that the system audits have to cover all participating member states.

III. General terms of the procurement procedure

1. Awarding and contracting authority

This procurement procedure is conducted by the Land of Salzburg as managing authority of the Interreg Alpine Space programme, department for economy, tourism and municipalities, unit regional development and EU-regional policy, Südtirolerplatz 11, Postfach 527, 5010 Salzburg that will conclude the service contract with the successful tenderer.

2. Object and process of the procurement procedure

Object of the procurement procedure is the selection of a company that will carry out the tasks as set out in this tender document. The contract is awarded in a negotiated procedure with prior EU-wide publication of a contract notice. The procedure is conducted according to the rules of the Austrian procurement law, the “Bundesvergabegesetz 2018 (BVerG 2018)” in its valid version.

The entire procurement procedure is a two-step process. In the first step applicants express their interest to participate with an application. For this, the template provided by the contracting authority shall be used. Together with the application the applicants have to provide evidence of their legal status, licenses, general professional reliability, financial, economic and technical capacity. From this group, a maximum number of four candidates will be invited to submit a tender.



The aim of the second step of this procedure is to select the most economically advantageous tender (the award criteria will be the understanding of assignment including a concept for implementation (40%), profile of proposed audit team (30%) and price (30%)). The tenders of the four candidates selected in the first step are evaluated. Under the condition that these tenders comply with the specifications of this tender document, the candidates are invited to enter into negotiations. After presentation and discussion of their offer they will be invited to submit a last and final offer.

A committee, consisting of representatives of the MA/JS, AA and GoA, will perform the evaluation of the applications in the first step and the tenders in the second step.

Finally, the contracting authority concludes a contract with the successful bidder who has presented the best (i.e. the economically most advantageous) bid. The contract will last at least five years from 31 December of the year onwards in which the last payment by the managing authority to a beneficiary was made. Austrian Law applies to all questions and legal relationships between the contracting authority and the contractor.

3. Competent authority in the review procedure

Competent authority for the review procedure regarding the present public procurement is the Landesverwaltungsgericht Salzburg, Wasserfeldstraße 30, 5020 Salzburg, e-mail: post@lvwg-salzburg.gv.at according to the provisions of the law of Salzburg regarding the review of procurement procedures, “Salzburger Vergabekontrollgesetz 2018 (S.VGK 2018)” in its current version. The language of the review procedure is German.

4. Requests for further information

All questions essential for setting up the application for participation shall be submitted and will be answered via the e-procurement platform “Bieterkommunikation” of the “Auftragnehmerkataster ANKÖ”. The questions shall be formulated in English and submitted by 29 September 2023. The potential bidders are asked to formulate their questions in a way that other potential bidders cannot trace back which company raised the question. The answers to the questions will also be published on the following website by 3 October 2023. The applicants shall take note of these clarifications when elaborating their applications for participation:



<https://www.alpine-space.eu/news-events/procurement-procedures/>.

It is incumbent to the applicant to point, without delay, to possible contradictions, incompleteness or any other objections against the specifications of the tender documents so that the contracting authority is, if necessary, enabled to react and to amend the tender documents early enough. In the event of non-compliance with that obligation, the applicant will be liable for the consequences. In particular, it will not be entitled to any claims against the contracting authority due to an incorrect tender.

5. Admissibility of subcontractors

The transmission of the whole assignment to subcontractors is not allowed. Parts of the services may only be commissioned to subcontractors if these have the licences, the general professional reliability and the technical, financial and economic capacity necessary for the part of the service that they shall take over. The tenderer has to ensure that the subcontractors provide adequate skills and knowledge. In the application the candidate shall indicate the names of the companies that are intended to be commissioned with parts of the services respectively have already been commissioned. If a change of a subcontractor or an assignment of parts of the services to subcontractors not already set out in the application shall take place during the period of performance prior written approval of the contracting authority shall be requested.

The candidate(s) shall indicate all subcontractors in the application whose capacities are used for reasons related to licences and capacities. The name of the subcontractor, the part of the services which the subcontractor shall take over and the value of it in percent of the overall contract value as well as the licenses and capacities of the subcontractor used by the candidate(s) shall be set out. Upon request the candidate(s) shall furnish proof that the respective subcontractor will make available to the candidate(s) the necessary means to perform the service (in case of substitution of technical capacity) respectively that the subcontractor will be liable solidly united with the candidate(s) to the contracting authority (in case of substitution of financial and economic capacity).



6. Consortium of applicants/bidders

Setting up a consortium of applicants is admissible. The members of the consortium have to provide for a legally binding declaration in the application for participation that:

- indicates all members of the consortium as well as an authorised representative of the consortium,
- contains the declaration that this authorised representative will represent the members of the consortium in a legally binding way vis-à-vis the contracting authority, and
- contains the declaration that in case of the award of the contract the consortium will deliver the services as consortium and that each member of the consortium shall be jointly and severally liable to the contracting authority together with the other members of the consortium for the delivery of the service.

Multiple participation of a candidate or bidder, is it as single candidate or bidder and member of a consortium of applicants or bidders or as member of several consortia, is not admissible and will lead to the exclusion of this candidate or bidder and all consortia which it was part of from the procurement procedure.

Any change in the composition of the consortium after the contract award requires the consent of the contracting authority which will apply the relevant procurement regulations.

7. Observance of the provisions of the labour and social legislation

Herewith it is expressly set out that the elaboration of an offer (on the second stage of the present procurement procedure) for services to be performed on the territory of Austria has to be done in observance of the respective labour and social legislation effective in Austria. When submitting the offer the bidder has to oblige itself to respect all obligations resulting from these provisions (see § 93 BVergG 2018).

8. Compensation for the elaboration of applications or offers

No reimbursement of costs arising from the elaboration and submission of applications or offers will take place.

9. Minimum requirements and grounds for exclusion

9.1. Grounds of exclusion from the procurement procedure

§ 78 (1) BVergG 2018 states grounds for the exclusion of candidates from the procurement procedure (e.g. the candidate has been convicted of an offence concerning professional conduct, the contractor has been found guilty of grave professional misconduct, the contractor is bankrupt, is being wound up or has suspended business activities, the contractor has not fulfilled obligations relating to the payment of social security contributions or taxes).

Thus, applicants have to set out their licences, general professional reliability, technical and financial and economic capacity. Applicants that do not fulfil these requirements or cannot provide evidence will be excluded from the participation in the present procurement procedure. In the following it is set out which documents are requested by the contracting authority as proof of the above-mentioned requirements.

9.2. Documents to be provided in the application for participation

According to § 80 (2) BVergG 2018 applicants may prove their general professional reliability, technical, financial and economic capacity by submitting the so-called European single procurement document according to Commission Implementing Regulation (EU) 2016/7 of 5 January 2016 (in this case please refer to [ESPD \(ankoe.at\)](http://ankoe.at)). According to § 80 (5) BVergG 2018 the applicant may furnish proof of licences, reliability and capacity also by providing evidence of registration in a relevant, generally accessible directory maintained by a third party if the documents required by the contracting authority are available therein and can be directly accessed by the contracting authority itself (e.g. entry in the Austrian Auftragnehmerkataster ANKÖ).

According to § 80 (3) BVergG 2018 the contracting authority reserves its right to request from certain applicants the submission of the documents as set out below. In any case the contracting authority

will ask the bidder with the economically most advantageous offer to submit these documents before awarding the contract. The documents requested below shall not be older than three months.

- Evidence of general professional reliability (§ 82 BVerG 2018): the latest account statement of the competent social security institution, the latest debit note of the competent tax authority, a copy of the entry in a professional or trade register, the extract of the judicial record or an equivalent document issued by a judicial or administrative entity of the country in which the applicant is established. Failing this a declaration of honour on compliance with the exclusion criteria can be submitted. The contracting authority has to request information from the central administrative penalty register of the Federal Minister of Finance pursuant to § 28b of Ausländerbeschäftigungsgesetz and information from the central administrative penalty register of the competence center LSDB according to § 35 LSD-BG (Lohn- und Sozialdumping-Bekämpfungsgesetz) if a final punishment has been made according to these provisions regarding bidders and subcontractors to which the contract might be awarded. With submitting the application for participation companies interested in this procurement agree that the contracting authority will ask for these data related to bidders that are considered for being awarded the contract.
- Evidence of licences (§ 81 BVerG 2018): an authorisation which is required in the Member State of establishment of the applicant for the performance of the present services shall be submitted or a proof of being member of a particular organisation in order to perform the respective services in its country of origin.
- Evidence of financial and economic capacity (§ 84 BVerG 2018): a balance sheet or extracts from balance sheets where publication of the balance sheet is required under the law of the country in which the economic operator is established or a self-declaration on the total annual turnover for the last three financial years whereby the minimum requirement is met if the applicant's total annual turnover in each of these years was at least 400.000 Euro (net of VAT), a declaration that the subcontractor will be jointly and severally liable to the contracting authority (in case the applicant uses the capacity of a subcontractor to furnish proof of its financial and economic capacity).
- Evidence of technical capacity (§ 85 BVerG 2018): information on the technical staff or technical entities, regardless of the fact whether they form part of the company or not, in particular of those responsible for performing quality controls, proof that the subcontractor which the applicant makes use of to provide evidence of the required technical capacity will provide for the necessary resources to the applicant in case of assignment,

confirmation that the applicant holds the required licences for performing the relevant services and has the required capacities and experience.

According to Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine potential contractors and subcontractors are excluded from this tender in case they fulfil the criteria set out in that regulation. The companies interested in this procurement shall provide proof that they are not excluded from the award of the tender according to this regulation. To this end the companies interested in this procurement procedure will be asked to fill in a respective self-declaration when submitting the application for participation.

10. Selection criteria

10.1. Criteria and weighting

The following criteria will be used to assess the requests for participation and to select - amongst the applicants having the required licences, general professional reliability, technical and financial capacity - the four candidates with the highest scores in order to invite them to submit an offer on the second stage of the present procedure.

Criterion	Weighting
Experience with relevant audits	60% = 60 points
Professional capabilities	40% = 40 points
Total	100% = 100 points

10.2. Experience with audits relevant to the present procurement

60 points will be awarded at maximum for this criterion. The applicants have to prove that they could gain experience in performing audits in programmes co-funded by the European Regional Development Fund respectively Cohesion fund.



For this reason the applicants have to set out in their request for participation to the present procurement procedure the most important audit works performed in the last three years (if the company exists only since a shorter period of time then within this period) and relevant to the present assignment. Place, time and value of the contract (in Euro net of VAT) shall be indicated as well as name, address and contact data of the contract partner (recipient of the respective service).

In case an assignment has not been completed yet the respective audit shall only be listed in the application if already more than 70% of the volume of the service (i.e. of the tasks to be delivered) according to the contract have been performed and if the applicant has performed relevant services like system audits, audits of accounts and audits of operations. In case of an audit carried out in a consortium, the activities carried out by the applicant shall be described and the share of the applicant as percentage of the value of the contract (in Euro net of VAT) shall be set out. The contracting authority reserves its right to get in touch with the recipient of the respective service to collect further information respectively to validate the information provided in the request for participation.

The higher the value of the contract and the higher the relevance of the delivered service to the present procurement procedure the more points will be awarded for this criterion.

For each contract related to a system audit 10 points will be awarded (maximum 30 points), for any contract related to audit of operations 2 points (maximum 10 points) and any contract related to the audit of accounts 5 points will be awarded (maximum 10 points).

Maximum 10 points will be awarded as follows:

For contracts with values between 50.000 and 100.000 Euro (net of VAT) 1 point will be awarded, for contracts above 100.000 Euro 2 points.

10.3. Professional capabilities

A maximum of 40 points can be achieved for this criterion, whereby a maximum of points for each sub-criterion has been set.



Sub-criterion corporate network (maximum 20 points):

This criterion will be rated with a view to the following questions:

- Which arrangements are in place in order to guarantee that the applicant may perform the audits in a uniform manner in all relevant countries (e.g. transnational network, other forms of transnational cooperation)?
- How do such arrangements work, in particular with regard to human resources, knowledge base, quality assurance, professional development and other resources to support the work?
- How could the availability of the above mentioned arrangements assist with the cost-effective completion of the audits?
- In case staff employed with legal entities other than the applicant perform audit-tasks for the applicant: what arrangements does the applicant have in case staff proposed for the audits cannot be made available, must be substituted during the course of the engagement, or must rotate in accordance with the firms rotation policy, that similarly qualified and experienced staff can be assigned in their place in a timely fashion?

Please provide for a description in the application that responds in particular to the questions. In case a corporate network exists, please provide details about the (legal) relations especially to those offices that - in case of award of the contract - would be involved in the fulfilment of the contract.

In case a consortium applies: please indicate details to the questions mentioned above concerning all members of the consortium and their corporate networks.

Sub-Criterion quality control and assurance (maximum 10 points):

This criterion will be rated with a view to the following questions:

- What is the audit firm's internal quality control procedure for specific audit assignments and the firm's quality assurance programme?
- When was the audit firm last subject to an independent quality assurance review and what was the nature of that review?

Handling of conflicts of interest (maximum 10 points):

This criterion will be rated with a view to the following question:

What arrangements are in place at the applicant in order to assure that conflicts of interests are avoided where the applicant and/or its staff is also or was involved in the auditing of enterprises of which the project expenses will have to be audited within the contract to be awarded or the applicant and/or its staff was involved in the control pursuant to article 46 (3) of Regulation (EU) No 2021/1059 or 74 (1) of CPR, in respect of project expenses which will have to be audited under the contract to be awarded.

Please provide a description of the arrangements which are in place in order to assure that no conflicts of interest arise.

All sub-criteria described in section 10.2. and 10.3. above will be applied in a manner that the applicant who fulfils the respective (sub)criterion at the best is awarded the maximum number of points, and the number of points awarded to the other applications is determined by the extent to which the application is in relation to the application which is awarded with the maximum number of points.

11. Minimum requirements for the applications

11.1. Form and language of the application for participation

The request for participation in the present procurement procedure shall be submitted by using the template provided by the contracting authority. The request shall be drawn up in English language.

11.2. Submission of applications for participation

The current procurement procedure is implemented in a fully electronic way according to the applicable procurement regulations. This means that also the communication between awarding authority and potential bidders, the submission of requests for participation in this procedure, the submission of the tender, the acceptance and storage of documents, the opening of the requests/tenders is done in a fully electronic way by using the platform of ANKÖ Service GmbH,



evergabe.ankoe.at (on side of the contracting authority) and www.vergabeportal.at (on side of bidders).

Each company interested in the tender is obliged to notify its data and mail-address for the legally valid transmission of documents, information and files and to keep this data up to date. The use of the procurement platform does not raise any costs on bidder's side.

During the period in which applications for participations and offers can be submitted the applicants/bidders have access to their documents already submitted so that they can still change or withdraw them. Deadline for submission of the applications for participation in this present procurement procedure is Monday, 9 October 2023 2 pm.

Potential bidders are herewith asked to make themselves familiar with the electronic platform, especially taking note of the documents that can be downloaded after registration.

A user Guide for electronic signature and handbook for bidders can be found here:

[Auftragnehmer - ANKÖ \(ankoe.at\)](http://Auftragnehmer-ANKO(ankoe.at))

Technical support related to the use of the platform is given by:

ANKÖ Service G.m.b.H.

Hotline: +43 (0)1/333666-0

E-Mail: office@ankoe.at

12. Preview to the further procedure (indicative)

The results of the assessment of the applications for participation in the present procurement procedure can be expected in calendar week 42. Successful bidders will be asked to submit an offer until calendar week 45. The negotiations with the bidders will take place in calendar week 47 in Vienna, final offers can be submitted until 1 December 2023, the selection of the economically most advantageous offer and the information about the result will take place in calendar week 50. Start of work can be expected in early 2024.