

**Belgium-Brussels: Notice of a Call for Expression of Interest for External Audit Services for Political Groups of the European Parliament 2024-2028**

OJ S 42/2024 28/02/2024

EP/FINS 2024-104

**Services****1. Responsible for the procedure:**

European Parliament, Directorate-General for Finance (FINS), Directorate for Political Structures Financing and Resources, Director Mr Eduard Reijnders, BRU - Martens 11Z084 European Parliament, Rue Wiertz, 1047 Brussels, BELGIUM, email: [fin.struc.pol@ep.europa.eu](mailto:fin.struc.pol@ep.europa.eu)

**2. Type of notice:**

Call for expression of interest for external audit services for European Political Groups.

The European Parliament invites applicants to submit applications with a view to drawing up a list of external auditors or auditing companies, from which European Political Groups (hereafter 'the Groups') may select their own 'Auditor' (the 'Auditor' for external audit services for European Political Groups 2021-2024 refers to either an auditor or an auditing company). Contracts will be signed by the groups and the auditor that they select. In accordance with point 2.6.3 of the Rules on the use of appropriations from budget item 400 (hereafter 'the Rules'), the auditor shall be appointed on the basis of a standard letter of engagement, as specified in Annex 4 of the Rules. The maximum length of consecutive engagements of the same auditor with the same group is 5 years.

Inclusion in the list entails no obligation on the part of the contracting authority or the group's authorising officer with regard to the conclusion of contracts.

**3. The auditing requirements:****3.1 The responsibility of the group**

The group is responsible to the European Parliament to ensure that the appropriations are used in accordance with the rules. A copy of these rules is available on request at the e-mail address: [fin.struc.pol@ep.europa.eu](mailto:fin.struc.pol@ep.europa.eu).

**3.2 The tasks of the external auditor**

The auditor has the responsibility to plan and carry out the audit work in order to verify and confirm with reasonable assurance to the group that:

- (a) the statement of revenue and expenditure gives a true and fair view of the group's financial position for the financial year concerned;
- (b) the balance sheet gives a true and fair view of the group's assets at the end of the financial year;
- (c) the overall considerations on financial statements in the rules adopted by the Accounting Officer of the Commission referred to in article 80 of the Regulation (EU, Euratom) 2018/1046 (hereafter 'the Financial Regulation': Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union) have been observed in the preparation and presentation of the accounts or, where appropriate, a divergence from these overall considerations is adequately explained by a note to the financial statements;
- (d) an effective and efficient internal control system for the management of operations, which includes effective segregation of the duties of the group's authorising officer and accounting officer or of the equivalent functions, is in place;
- (e) the accounts have been presented in accordance with the harmonised Accounting Plan in Part 2 of the Rules;
- (f) the expenditure complies with the provisions of the Rules;
- (g) the expenditure has been charged to the correct item in the budget of the group;
- (h) the appropriations were available;

- (i) the principles of sound financial management have been applied;
- (j) payment orders are substantiated by original supporting documents (or certified true copies);
- (k) the group's internal rules have been observed.

At the end of the examination, the auditor shall set out their views in an audit report addressed to the chair of the group concerned. The audit report shall include the opinion on the group's internal control systems.

The auditor shall verify the risk management activities of the group, by issuing independent opinions on the quality of management and control systems and by issuing recommendations for improving the conditions of implementation of operations and promoting sound financial management. The auditor shall be responsible in particular for:

- (a) assessing the suitability and effectiveness of internal management systems and the performance of departments in implementing policies, programmes and actions by reference to the risks associated with them;
- (b) assessing the efficiency and effectiveness of the internal control and audit systems applicable to every budget implementation operation.

The opinions and recommendations on the risk management activities shall be included in a management letter. This letter will address weaknesses of internal controls noted during the audit which, in his view, should be brought to the attention of the group's authorising officer. The letter will also address recommendations to mitigate these weaknesses.

The auditor's duties shall cover all of the group's activities and departments. The auditor shall enjoy full and unlimited access to all information required to perform the duties, if necessary, on the spot, including in the Member States and in third countries.

### 3.3 Rights and obligations

The audit will be conducted independently by the auditor in accordance with the International Standards on Auditing (ISAs) as issued by the International Auditing and Assurance Standards Board (IAASB). Furthermore, it will be conducted in such a manner as the auditor considers necessary to fulfil their responsibilities and will include such tests on transactions and also on the existence, ownership and valuation of assets and liabilities as considered necessary. It may include testing both in the group premises and in the national delegations premises. The auditor shall expect to obtain such relevant and reliable evidence as considered sufficient to enable drawing reasonable conclusions. The nature and extent of the audit procedures should be established in accordance with the assessment of the group's accounting system and of the internal control system, and may cover any aspect of the group's operations.

The auditor may request that the group provide written confirmation of oral statements given by the group during the course of the audit on matters having a material effect on audit opinions.

The auditor shall request to see all documents or statements which are considered to be necessary to the audit work.

The auditor accepts not to carry out other work, which may be seen as compromising either objectivity or independence. For this reason, the Auditor is obliged to sign the audit engagement in Annex 3.

Pursuant to article 74 paragraph 8 of the Financial Regulation, the auditor shall inform the competent authorising officer by delegation of the European Parliament of any suspected illegal activity, fraud or corruption, which may harm the interest of the Union.

## 4. Basic information about the groups:

a) The Groups are organs of the European Parliament. They have an autonomous administrative status and maintain separate accounting records. As recipients of financial contributions from the European Parliament budget, the Groups must prepare and submit Audited Financial Statements. For all the Groups, the financial period is the calendar year, except during a European election year, which includes two financial periods. Exceptionally for 2024 election year, the first budgeting period shall end on 15 July, instead of 30 June (indicated in the rules) and the second budgeting period shall

begin on 16 July, instead of 1 July. In addition, it has also been agreed that in modulation of Article 2.5.3 of the Rules, expenditure incurred no later than 15 July 2024 relating to activities which have taken place during the period 1 January to 15 July 2024 may be entered as expenditure in the revenue and expenditure account if the actual payments are made no later than 15 August 2024. The Auditor will be duly informed should any specific provision related to 2029 election year apply. Groups' Financial Statements and the Audit Reports are to be submitted to the Administration before 30 April of the following year (and not later than four months after the end of the first financial period in an election year).

b) As of January 2024, there were seven groups.

No. of members:

Group of the European People's Party (Christian Democrats): 177

Group of the Progressive Alliance of Socialists and Democrats in the EP: 141

Renew Europe Group: 101

Identity and Democracy Group: 71

Group of the Greens/European Free Alliance: 67

European Conservatives and Reformists Group: 58

The Left group in the European Parliament - GUE/NGL: 38

c) In 2023, the annual budget of each Group varied from EUR 3 700 000 to EUR 16 800 000. These budgets are roughly proportionate to the number of members of each group;

d) Apart from the Rules mentioned under point 3.1, each Group has its own internal financial rules;

e) Groups' financial reports include an income and expenditure statement and a balance sheet and explanatory notes to these documents;

f) Although most groups' accounting records are held in Brussels, Groups may maintain their records or supporting documents, partly or completely, at other places inside the EU.

#### **5. Other important information:**

a) The auditor may accept simultaneous mandates from different groups;

b) The amount of the fee charged by the auditor will be agreed between the group and the auditor. The fee will be payable by the group from its own funds and in no way will the European Parliament be responsible for the payment of any fee to the auditor (see Annex 3);

c) The auditor will submit its report to the president of the group;

d) When reporting, the auditor is expected to adhere to the Model of Standard Audit Report. By way of example, the Model of Standard Audit Report with unqualified opinion is provided in Annex 1 of this document;

e) The signed audit report will be published on the European Parliament website with the audited group's financial report;

f) The languages mostly used by the European Parliament are English, French and German. The auditor must be capable of supplying staff familiar with these languages. A group to be audited may choose to apply other EU official languages. The auditor is expected to cope with all language requirements of an audit.

#### **6. Policy on the promotion of equal opportunities:**

Applicants shall undertake to observe a policy on the promotion of equality and diversity in the performance of the contract, should it be awarded to them, by applying the principles of non-discrimination and equality set out in the Community Treaties in full and in their entirety. More particularly, the applicant awarded the contract shall undertake to establish, maintain and promote an open and inclusive working environment which respects human dignity and the principles of equal opportunities, based on three main elements:

— equality between men and women,

— employment and integration of disabled persons,

— the removal of all obstacles to recruitment and all potential discrimination based on sex, race or ethnic origin, religion or convictions, disability, age or sexual orientation.

#### **7. Exclusion criteria:**

Applicants shall be excluded from participation in the procedure if they are in one of the situations listed in Articles 136 to 141 of the Financial Regulation. The full texts of Articles 136 to 141 FR on exclusion criteria and their application are available in the Official Journal of the European Union, N<sup>o</sup>L-193 published on 30 July 2018, pages 1-222 (link to Financial Regulation: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R1046&from=EN>). Applicants must declare that they are not in any of the exclusion situations described in these articles.

All applicants must submit the declaration on honour on exclusion and selection criteria, duly dated and signed, which is set out in Annex 2.

#### **8. Selection criteria:**

- a) Applicants shall have sufficient economic and financial resources to enable them to perform the contract in compliance with the contractual provisions, given the value and scope thereof. Applicants are not required to submit documentary evidence of their economic and financial capacity. However, submission of an application amounts to a declaration on their part that they have the capacity required to perform the contract;
- b) The applicant is required to hold a particular authorisation as auditor proving that it is authorised to perform the contract in its country of establishment or be a member of a specific professional organisation;
- c) The auditor must be able to prove that it is capable of carrying out audits in respect of the International Standards on Auditing. A list of the firm's eight major clients over the past 5 years with a short description of the work performed shall be provided;
- d) The auditor must be able to carry out a financial audit of an entity whose turnover is similar to the budget figures provided under point 4c;
- e) The auditor must commit to supply staff familiar with the working language(s) mentioned in section 5f chosen by the group to be audited;
- f) The auditor must accept the proposed mandate without negotiation except in the case of the fee mentioned in section 5b.

#### **9. Supporting documentation to be provided with the application:**

The following supporting documentation must be sent with the application:

- 1) name and trade name, register, address and legal status of the auditor or auditing company;
- 2) proof that the applicant is duly authorised to apply on behalf of the auditing company;
- 3) VAT number and, in the case of self-employed auditors, statement and proof of social security cover;
- 4) name, nationality and professional qualification of the Auditor or, in the case of an auditing company, of two partners, one being the partner answering the call for expression of interest on behalf of the company;
- 5) a list of major clients as required under section 8c;
- 6) a declaration that the Auditor is capable of supplying staff familiar with the working language(s) chosen by the Group to be audited, mentioned in section 8e;
- 7) for situations described in points (a), (c), (d), (f), (g) and (h) of Article 136(1) of the Financial Regulation, production of a recent extract from the judicial record is required or, failing that, an equivalent document recently issued by a judicial or administrative authority in its country of establishment showing that those requirements are satisfied;
- 8) for the situation described in point (b) of Article 136(1) of the Financial Regulation, production of a recent certificate issued by the competent authority of the State concerned are required. These documents must provide evidence covering all taxes and social security contributions for which the

person is liable, including for example, VAT, income tax (natural persons only), company tax (legal persons only) and social security contributions;

9) the declaration on the applicant's honour on exclusion and selection criteria (Annex 2);

10) the declaration of acceptance of the audit mandate without negotiation, as mentioned under section 8f, and written statement concerning the commitment as described in Annex 3.

The European Parliament reserves the right to request any other document or clarification enabling it to verify the adequacy of the application to the selection criteria.

#### **10. Protection of personal data:**

If processing applicant's expression of interest involves the recording and processing of personal data (such as name, address and CV), such data will be processed pursuant to Regulation (EU) 2018/1725 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data. Unless indicated otherwise, applicant's reply to this notice and any personal data requested are required for the purpose of conducting the selection procedure based on the criteria indicated above in point 7 and will be processed solely for this purpose by the responsible for the procedure indicated in point 1.

#### **11. Modalities for the filing of applications:**

a) In order to establish a first list of applicants, applications must be submitted within 30 (thirty) calendar days of the date of publication of this notice in the Official Journal of the European Union, to the following email address: [fin.struc.pol@ep.europa.eu](mailto:fin.struc.pol@ep.europa.eu) for the attention of Mr Eduard Reijnders, Director of the Directorate for Political Structures Financing and Resources, with the reference of the application: 'Expression of Interest for External Audit Services for European Political Groups 2024-2028 (EP/FINS 2024-104)'. Applications shall be submitted in one of the official languages of the European Union;

b) Additional applications may be submitted during the period of validity of the list, with the exception of the last 3 (three) months;

c) Further information may be obtained on request at the following e-mail address: [fin.struc.pol@ep.europa.eu](mailto:fin.struc.pol@ep.europa.eu).

#### **12. Notification of the results of the evaluation of applications:**

Following the evaluation of the applications received, the applicants who fulfil the requirements will be included in a list, which must be approved by the Bureau of the European Parliament. After approval by the Bureau, the contracting authority will notify applicants of their inclusion in a list in writing within not more than 30 (thirty) calendar days of the day of approval.

Rejected applicants will also be notified by the contracting authority in writing within not more than 30 (thirty) calendar days of the decision to reject them. The contracting authority will indicate the reasons for the rejection of their applications in that communication.

#### **13. Validity of the list:**

The list of approved external auditors or auditing companies will be valid for not more than 4 years from the date on which this notice is published in the Official Journal of the European Union.

#### **14. Date of dispatch of notice:**

16 February 2024