

Annex I: Statement of work

**ANNEX I: STATEMENT OF WORK**



***Statement of work for the external Audit  
of EUMETSAT's Accounts 2025-2028***

Doc No. : EUM/FIN/SOW/24/1403103  
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<b>1</b>	<b>INTRODUCTION</b> .....	<b>2</b>
	1.1 PURPOSE OF THE DOCUMENT .....	2
	1.2 BACKGROUND .....	2
<b>2</b>	<b>APPLICABLE AND REFERENCE DOCUMENTS</b> .....	<b>2</b>
	2.1 APPLICABLE DOCUMENTS (AD) .....	2
	2.2 REFERENCE DOCUMENTS .....	2
<b>3</b>	<b>TASKS, RESPONSIBILITIES AND SCHEDULE</b> .....	<b>3</b>
<b>4</b>	<b>OPTION: PERFORMANCE AUDIT</b> .....	<b>5</b>
<b>5</b>	<b>DELIVERABLES</b> .....	<b>5</b>
<b>6</b>	<b>PROFILE OF THE KEY PERSONNEL</b> .....	<b>6</b>
<b>7</b>	<b>AVAILABILITY AND WORKING HOURS</b> .....	<b>7</b>

## **1 INTRODUCTION**

### **1.1 Purpose of the document**

This document constitutes the Statement of Work (SOW) for the services of a Supreme Audit Institution (SAI) contracted by EUMETSAT to fulfil the yearly Audit of the Accounts (2025-2028) of EUMETSAT, in accordance with the International Standards of Supreme Audit Institutions (ISSAI) published by the International Organisation of Supreme Audit Institutions (INTOSAI), the Financial Rules of the Organisation and International Public Sector Accounting Standards (IPSAS).

### **1.2 Background**

The EUMETSAT Council, at its 62<sup>nd</sup> Meeting (26-27 June 2007) decided to update the Audit arrangements of EUMETSAT as follows:

- ISSAI standards apply;
- One unique SAI is responsible for the Audit for 4 years;
- The service may be remunerated or only the travel and subsistence costs of the External Auditors may be paid.

EUMETSAT is using SAP ERP system to support the administrative processes, including financial management.

The implementation of IPSAS at EUMETSAT was decided by Council at its 64<sup>th</sup> meeting in July 2008. In 2012, EUMETSAT finalised the migration to full International Public Sector Accounting Standards.

## **2 APPLICABLE AND REFERENCE DOCUMENTS**

### **2.1 Applicable documents (AD)**

The EUMETSAT legal framework, including the Convention, Financial Rules and Council Resolutions, can be found on the EUMETSAT website under Basic Documents (<http://www.eumetsat.int/website/home/AboutUs/LegalInformation/index.html>).

### **2.2 Reference documents**

- EUMETSAT Annual Report 2021 and 2022
- Annual Accounts 2023

## Annex I: Statement of work

EUM/FIN/SOW/24/1403103  
28 March 2024



Statement of work for the external Audit of EUMETSAT's  
Accounts 2025-2028

### 3 TASKS, RESPONSIBILITIES AND SCHEDULE

According to Article 34 of the Financial Rules, the External Auditor shall be the Head of the contracted SAI of a Member State and is appointed by and reports to the EUMETSAT Council for a period of four years. The mandate is not immediately renewable.

If the External Auditor ceases to hold office as Head of the SAI in his own country, his/her tenure of office as External Auditor shall thereupon be terminated and he/she shall be succeeded as External Auditor by his/her successor as Head of the SAI. The External Auditor may not otherwise be removed during his tenure of office except by the EUMETSAT Council.

The External Auditor shall be completely independent and solely responsible for the conduct of the audit. He/She may be assisted by his/her staff as appropriate.

The audit shall be conducted in conformity with the ISSAI standards, the Financial Rules of the Organisation and IPSAS.

The duty of the External Auditor shall be to provide an opinion on whether the financial statements give a true and fair view of the financial situation and operations of the Organisation and have been prepared in accordance with the Financial Rules and EUMETSAT Council decisions as well as in accordance with IPSAS, whether all financial transactions have been processed in a lawful and regular manner and the financial management has been sound.

In addition, to his/her responsibility for auditing the accounts, the External Auditor shall make any appropriate comments on all financial concerns and administrative practices he/she deems necessary.

In particular he or she shall, for this purpose, verify:

- that the financial statements are in accordance with the accounting records of the Organisation;
- that the accounting system and the financial statements cover all financial transactions effected by the Organisation in the course of the year;
- the regularity of all transactions, having regard to the Financial Rules, instructions and any other applicable Decisions/Resolutions laid down by the EUMETSAT Council;
- that all budgetary expenditure has been in conformity with the purposes of, and within the limits of, the appropriations as shown in the Budgets, amended as appropriate;
- that all transactions are vouched for by appropriate supporting documents;

## Annex I: Statement of work

EUM/FIN/SOW/24/1403103  
28 March 2024



*Statement of work for the external Audit of EUMETSAT's  
Accounts 2025-2028*

- that the EUMETSAT Treasury is managed in accordance with Article 15 of the Financial Rules and that periodic certificates of verification of cash in hand are held;
- that inventories are kept in good order and are subject to proper supervision;
- that internal controls, are adequate and reliable;
- that the financial management is sound.

The Director-General shall submit the supporting documentation required for the audit to the External Auditor by 1 March following the end of the financial year to which the financial statements relate.

The External Auditor shall express and sign an opinion on the financial statements no later than 31 March following the financial year to which it relates, which shall:

- identify the financial statements examined;
- describe the nature and scope of the audit; and
- address, as appropriate, whether:
  - a) the financial statements present fairly the financial position of EUMETSAT as at the end of the financial year and the results of its operations in that year;
  - b) the financial statements were prepared in accordance with the Financial Rules and the stated accounting principles;
  - c) the accounting principles were applied on a consistent basis from year to year, unless modified by Council and documented accordingly;
  - d) all transactions were in accordance with the Financial Rules and budgetary appropriations.

The External Auditor will work in close co-operation with the EUMETSAT Finance Division and in accordance with the EUMETSAT Financial Rules.

The External Auditor shall take into due consideration the results of other internal and external auditing activities conducted at EUMETSAT (e.g. external ISO audit, internal Quality and Internal audit), in order to achieve synergies and avoid unnecessary duplication of tasks.

It is expected that the yearly audit and the production of the report can be conducted within the current level of External Auditors' effort (150 person/days per year). For reference purposes only, it is mentioned that resources are currently applied as follows:

- 5 External Auditors;
- 2 weeks in November (pre-interim audit);
- 4 weeks in March (main audit);
- 1 day attendance at the Administrative and Finance Group Audit Committee (AFG-AC) meeting in January;
- 1 day attendance at the meeting AFG-AC in May
- 1 day attendance at Council in late June / early July.

## Annex I: Statement of work

EUM/FIN/SOW/24/1403103  
28 March 2024



Statement of work for the external Audit of EUMETSAT's  
Accounts 2025-2028

In addition the External Auditor shall be available for ad-hoc discussion of current topics/major accounting changes, with an estimated effort of half a day per month

EUMETSAT will give access to the External Auditor all such facilities that he/she deems necessary for the performance of his/her duties. He/she will have personal access to all documents of EUMETSAT which he/she deems necessary to carry out the Audit, however, in order to preserve the confidentiality and inviolability of EUMETSAT documentation it is required that the necessary documentation for the audit remain within the EUMETSAT premises.

#### 4 OPTIONAL AUDITS

The External Auditor is welcome to propose performance audits as an option to this contract. Furthermore, Council may request the External Auditor to make proposals for additional audits, not already covered in this Statement of Work.

Any proposal for additional Audits shall indicate the subject, proposed schedule, resources and profile, deliverables and, if applicable, firm fixed price and price breakdowns.

Each optional Audit shall be decided by Council after receipt of a proposal by the External Auditor, on a case by case basis, based on an audit strategy and taking into account other audit activities taking place at EUMETSAT. Any additional audits will be subject to a separate report on the result.

#### 5 DELIVERABLES

The External Auditor shall deliver the yearly Audit Plan for the March audit at least three weeks prior to the AFG-AC meeting in January and the yearly audit report by 31 March following the end of each financial year, in which it shall set forth, its views and observations on the financial statements.

The report shall include:

- a) the nature and scope of his/her examination and of any changes in the nature and scope of such examination, including whether he/she has obtained all the information and explanations required;
- b) matters affecting the completeness or accuracy of the financial statements such as:
  - any income or receivables which have not been properly accounted for;
  - expenditure not properly substantiated;
- c) other matters to be brought to the notice of Council, such as:
  - cases of fraud or presumptive fraud;

- wasteful or improper expenditure of the Organisation's financial or other assets (notwithstanding that the accounting for the transactions may be correct),
  - expenditure likely to commit the Organisation to further outlay on a large scale;
  - any defect in the general system or detailed regulations governing the control of receipts and expenditure or of supplies, equipment and materials of the Organisation or of those for which the Organisation is responsible;
  - expenditure not in conformity with or in excess of appropriations.
- d) the accuracy or otherwise, as determined by stocktaking and examination, of quantitative records relating to supplies, equipment and material of the Organisation or for which the Organisation is responsible; and
- e) transactions accounted for in a previous financial year, concerning which further information has been obtained, or transactions in a later financial year concerning which it is considered desirable that the Organisation should be informed at an early stage.

Audit comments arising during the examination of the accounts shall be immediately communicated to the Head of Finance and discussed with the relevant EUMETSAT staff.

Prior to the delivery of the yearly report, the External Auditor shall afford the Director-General an opportunity to comment on any matter to be raised in the Audit Report.

The yearly report shall be transmitted to the Director-General together with the audited financial statements.

The External Auditor or his/her Deputy shall present the external audit report to AFG and Council

## 6 PROFILE OF THE KEY PERSONNEL

The external Auditor may be assisted by his/her staff as appropriate to cover relevant fields of expertise.

The key persons in charge of the Audit shall have demonstrated experience of auditing in international Organisations similar to EUMETSAT (e.g. EU, ESA, CERN, ECMWF, ESO, NATO...). Experience of application of IPSAS is mandatory, experience with aerospace development activities is desirable.

For reasons of efficiency, two lead key persons from the contracted SAI shall remain assigned to this contract throughout the four years.

The official languages of EUMETSAT are English and French. The working language for this contract is English; the personnel assigned to this contract must prove a high standard of both written and spoken English.

## **7 AVAILABILITY AND WORKING HOURS**

The tasks under the responsibility of the External Auditor will be mainly carried out at EUMETSAT premises in Darmstadt (Germany), usually during official business hours.

For security and confidentiality reasons, access to the EUMETSAT financial IT system will only be allowed from EUMETSAT premises.

The term of office of the contracted SAI will terminate on the adoption by the EUMETSAT Council of the Annual Accounts for the year ending 31 December 2028



**ANNEX II: DRAFT CONTRACT**



EUM/COS/CO/24/1407648  
v1, 8 April 2024

*Restricted Tender 24/1656 - External audit - draft contract*

**CONFIDENTIAL**

**DRAFT CONTRACT EUM/CO/J.../...**

Between

**The European Organisation for the  
Exploitation of Meteorological Satellites  
(EUMETSAT)  
Eumetsat-Allee 1  
D-64295 Darmstadt  
Federal Republic of Germany**

represented by .....

and

**< Supreme Audit Institution >**

**(hereafter called "the Contractor")**

represented by <>

the following has been agreed:

**Article 1**

**Subject, Applicable Documents**

1. This contract covers the performance by the Contractor of the external audit of EUMETSAT (hereinafter 'the Audit') for the Period 2025-2028.
2. The Contractor shall execute the contract in accordance with the following documents, listed in order of precedence in case of conflict:
  - This contract
  - EUMETSAT General Conditions of Contract (EUM/COS/DOC/09/1448)(Annex I)
  - EUMETSAT Statement of Work EUM/FIN/SOW/24/1403103 dated 28 March 2024 (Annex II)
  - Confidentiality Undertaking (Annex III)
  - EUMETSAT anti-fraud policy EUM/EMS/MAN/18/977943 v2, 13 February 2020
  - EUMETSAT Guidelines on the reporting of wrongdoing and protection against retaliation (EUM/EMS/PRC/21/1252622 v2), issue 2, dated 22 December 2022;

- *Explicative letter and German form for VAT exemption (only for non-German company) (Annex VII)*
- The Contractor's proposal ref <...> not annexed hereto, but known to both parties and an integral part of this contract.

#### Article 2 Price

1. The total price of this contract amounts to € ..... This price is a firm fixed price as defined in Clause 17.1 of the EUMETSAT General Conditions of Contract.
2. This price is broken down as follows:
  - a) for the Audit of the financial statements relating to 2025 (hereinafter 'the Year1 Audit'): € .....
  - b) for the Audit of the financial statements relating to 2026 (hereinafter 'the Year2 Audit'): € .....
  - c) for the Audit of the financial statements relating to 2027 (hereinafter 'the Year3 Audit'): € .....
  - d) for the Audit of the financial statements relating to 2028 (hereinafter 'the Year4 Audit'): € .....
3. Prices indicated in this contract shall exclude taxes and duties in the Member States of EUMETSAT. If taxes or duties are to be charged these must be shown separately.
4. Prices in this Contract are for all services outputs/deliverables "Delivered Duty Paid", exclusive of import duties and VAT in accordance with the Incoterms 2020 issued by the International Chamber of Commerce.

#### Article 3 Schedule

The deliverables shall be provided in accordance with the planning indicated by the Contractor and with the following specific delivery dates:

- The satisfactory delivery of a signed Audit report as confirmed by EUMETSAT, as described in Section 5 of Annex II, no later than 31 March following the financial year to which it relates.

#### Article 4 Payments

1. EUMETSAT shall make the following payments within thirty (30) days of receipt of the corresponding invoice from the Contractor following acceptance by EUMETSAT of the related milestones:

**For Year 1 Audit:**

- upon successful kick-off of the contract or signature of the contract by both parties, whichever comes later – 35% of the price of the Year 1 Audit, as defined in Article 2
- upon successful completion of all activities related to the Year 1 Audit- 65% of the price of Year1

**For Year 2 Audit:**

- on 1 October 2026 - 35% of the price of the Year 2 Audit
- upon successful completion of all activities related to the Year 2 Audit- 65% of the price of the Year2 Audit

**For Year 3 Audit:**

- on 1 October 2027 - 35% of the price of the Year 3 Audit
- upon successful completion of all activities related to the Year 3 Audit- 65% of the price of the Year3 Audit

**For Year 4 Audit:**

- on 1 October 2028 - 35% of the price of the Year 4 Audit
- upon successful completion of all activities related to the Year 4 Audit- 65% of the price of the Year4 Audit

2. All sums which are or may become payable by EUMETSAT under this contract shall be payable in Euro.
3. All invoices, including invoices for travel expenses, shall be addressed to the EUMETSAT Accounting Officer. The Contractor shall send invoices electronically as PDF to the following email address:  
[Electronic-Invoices@cumetsat.int](mailto:Electronic-Invoices@cumetsat.int). Paper invoices will not be accepted.

The following conditions shall apply to electronic invoicing:- Only the relevant Order number (starting with 45...) shall be referenced in the invoice. The Contract number starting with 46... does not need to be referenced

- The VAT number of the Contractor shall be reflected in the invoice
- There shall be one invoice per e-mail
- Invoice and related attachments (timesheets, vouchers, monthly reports, etc..) shall be all together one single pdf document
- The pdf shall have the following settings:
  - No changes allowed;
  - No editing possible;
  - Printing allowed.
- No digitally signed emails (S/MIME) is allowed

4. In accordance with the attached explicative letter and German form, VAT will not be charged. *(for non German companies only)* (Annex III)
5. EUMETSAT shall effect payments under this Contract to the following bank account:



<b>Bank Account Holder Name/ Kontoinhaber</b>	
<b>Bank Account Number/ Kontonummer</b>	
<b>Bank Code/Routing Number/ABA etc./Bankleitzahl</b>	
<b>IBAN - Internationale Bank Account Number</b>	
<b>BIC Bank Identifier Code or SWIFT Code</b>	

Any change to the above Bank account details will be communicated to the EUMETSAT representatives identified in Article 8 above and will be formalised through a Rider to this Contract.

**Article 5  
Representatives of the Parties**

- The EUMETSAT representatives are:  
..... or his/her authorised representative for technical matters  
..... or his/her authorised representative for contractual and administrative matters.
- The representatives of the Contractor are:  
..... or his/her authorised representative for technical matters  
..... or his/her authorised representative for contractual and administrative matters.

**Article 6  
Optional Additional Audits**

- The Contractor may propose and EUMETSAT may request Additional Audits, as defined in Section 4 of Annex II, as options available to EUMETSAT.
- The exercise by EUMETSAT of any such option shall come into effect upon the signature by both Parties of a corresponding rider to this contract.
- The Contractor's proposal for any such option shall be at the same level of detail as the Contractor's original proposal. The pricing shall be done on the same pricing basis as the original proposal and identical pricing parameters, including rates, shall

be applied. The proposal shall carefully explain which time would be optimum for performing the activities in managerial and financial terms.

4. For the removal of any doubt, the rights granted to the Contractor under this Article 6 shall not limit in any way the Contractor's obligations under this contract, in particular with respect to the performance of the activities set out in Annex II.

#### **Article 7 Deliverables**

The deliverables shall be submitted at the EUMETSAT Headquarters in Darmstadt, Germany, or as stipulated otherwise in Annex II.

#### **Article 8 Acceptance and Rejection**

1. In derogation of Clause 29 of the General Conditions of Contract and if nothing to the contrary has been specified in the Statement of Work, no specific acceptance procedure applies to this Contract.
2. Deliverables will be considered accepted unless the Contractor is notified otherwise within one month of delivery.
3. The place of final acceptance shall be EUMETSAT Headquarters, Darmstadt, or as stipulated in the Statement of Work (Annex II).
4. The representatives of EUMETSAT for the purposes of acceptance are the persons indicated in Article 5 or their authorised representatives. EUMETSAT reserves the right to appoint representatives from third party organisations or contractors in this respect.

#### **Article 9 Intellectual Property Rights**

1. Part II of the General Conditions of Contract shall not apply. It follows that also no restrictions on reproduction exist for EUMETSAT.
2. All intellectual property rights shall belong to EUMETSAT in their entirety. In case certain intellectual property rights by law are not transferable in their entirety, EUMETSAT shall receive at no additional cost an exclusive, irrevocable license to all

rights making up the intellectual property rights in question. This shall include the right to grant sub-licenses.

#### **Article 10 Licenses and Permissions**

The Contractor is responsible for obtaining all required official permissions and governmental approvals related to the unrestricted use by EUMETSAT of all deliverables.

#### **Article 11 Access to EUMETSAT Data and Business Value Information**

As per EUMETSAT's Protocol on Privileges and Immunities, the Contractor has a responsibility to safeguard EUMETSAT data and business value information, and shall adhere to the following conditions:

- The Contractor shall not grant access to any EUMETSAT data and business value information to any third party, unless authorised by EUMETSAT;
- The Contractor shall adhere to the above restriction even in the case of an audit or investigation by public or international authorities;
- In the event of an audit or investigation by a third party, the Contractor shall immediately refer such third party to EUMETSAT prior to any disclosure of EUMETSAT data and business value information.

#### **Article 12 Confidentiality**

1. All documents and information provided by EUMETSAT or a third party to the Contractor in connection with this Contract shall be deemed "restricted use" in the sense of Clause 16 of the General Conditions of Contract, unless they are already clearly in the public domain.
2. The Contractor shall furthermore treat all documents and information generated within this contract as confidential and shall treat it in the same manner as in paragraph 1 above regarding documents and information for "restricted use".
3. The Contractor undertakes that each Key persons and the authorised representatives of the Contractor shall sign the enclosed Confidentiality Undertaking (Annex III)
4. The Contractor shall extend the provisions of the present Article as described above on each and every of its employees involved in the performance of the Contract and every respective Sub-Contractors, if any (including sub-contractors employees), suppliers, consultants and agents at all levels of contracting involved in the execution of the Contract.



5. The Contractor shall ensure that all Key Persons and Service Team Members involved in the execution of the Contract are bound by the provisions described in this Article.

**Article 13  
Key Personnel**

1. Unless otherwise authorised, the audits shall only be executed by the following key persons:  
.....
2. The Key persons shall be available to perform the Service throughout the duration of the contract.
3. Key personnel shall not be wholly or partially removed from the performance of the work explicitly or implicitly assigned to them in the Contractor's proposal without the prior written approval of EUMETSAT. Only in exceptional cases will replacement be permitted if not justified by reasons outside the Contractor's control. Appropriate requests shall be accompanied by a justification for the proposed change and by a comprehensive curriculum vitae of the proposed replacement, who shall have at least equal qualifications and abilities. EUMETSAT may require the Contractor to offer more than one alternative candidate.
4. EUMETSAT may for justified reasons require replacement of key personnel. This shall be done in writing and the Contractor shall then propose suitably qualified replacement staff within one month.
5. Notwithstanding the above, EUMETSAT shall have no supervisory responsibility regarding the work of key personnel and nothing in this contract shall be interpreted as relieving the Contractor of any of its obligations regarding its personnel. Consequently, the Contractor i.a. remains responsible for any acts or omissions of its personnel and for the management of the performance of its key persons.

**Article 14  
Third Party Involvement**

1. EUMETSAT reserves the right to involve staff of other Service Providers or third-party organisations in meetings related to this Contract or to have such Service Provider or third-party undertake contract related activities on behalf of EUMETSAT.
2. The Contractor shall coordinate the Service with other Service Providers as required by EUMETSAT.