



LIFE Project Number
LIFE04 ENV/DK/000071

FINANCIAL FINAL REPORT

Reporting Date
28/03/2008

LIFE PROJECT NAME
**Dogme 2000 – a model for environmental management
at the municipal level**

Data Project

Project location	Copenhagen
Project start date:	01/10/2004
Project end date:	01/12/2007 Extension date: 01/12/2007
Total Project duration (in months)	38 months Extension months 0 months)
Total budget	€ 1,019,351
EC contribution:	€ 509,675
(%) of total costs	50 %
(%) of eligible costs	50 %

Data Beneficiary

Name Beneficiary	City of Copenhagen
Contact person	Mr Hans Christian Christiansen
Postal address	Kalvebod Brygge 45, PO.Box 259, 1502 Copenhagen V
Visit address	Kalvebod Brygge 45, 1502 Copenhagen V
Telephone	+45 3366 5800 + +45 3366 5866
Fax:	+45 3366 7133
E-mail	hansch@tmf.kk.dk
Project Website	www.dogme2000.org/life

A. CONTENTS

Please see the enclosed annexes :

- Standard statement of expenditures and income
- Beneficiary's Certificate
- Project consolidated statement of expenditure
- Project statement of Income
- Participant statement of expenditure
- Life Forms 1-8
- External Audit Report from Revisionsinstituttet

B. AUDITOR DATA

Name: Revisionsinstituttet
Skagensgade 1
DK-2630 Tåstrup
Denmark

Telephone: + 45 43505050

Fax: + 45 43505000

Contact Person: Bjarne Ingstrup, Chartered accountant

Registration no.: 53 37 19 14

C. FURTHER COMMENTS

General comments

The report covers the period from project start, October 1st 2004 to project end, December 1st 2007, and the costs for financial audit in the period January to March 2008.

Politicians participate in the Steering Committee of the project. However, it is not possible to provide exact documentation for the compensated reduction of salaries received by part-time politicians. Therefore, time spent on the project by part-time politicians is paid exclusively by the participating municipalities. The environmental mayor of Copenhagen is a full time employee and therefore her personnel costs are included in the project expenses.

All participants in the project can recover VAT expenses. Therefore totals with non-recoverable VAT are equal to totals without VAT.

The budget for the project was modified due to an application from October 30th 2006 for changes in the budget in the category External assistance. The two posts for “Consultancy on layout and text for the Dogme-handbook” and “Translation of progress-, interim and final report” were reduced by 11.000 € which was transferred to “Setting up procedures for project management”.

The Commission approved the modifications at December 12th 2006.

Comments on calculation of unit costs for personnel

In the previous reports there have been used a unit for personnel on 1 day and due to consultation with the External Monitor for the project it was decided to change this in the final report, and use the unit 1 hour instead of. This change itself does not have any influence on the total costs incurred for personnel during the project since the registered working hours in the project were recalculated to days by using a factor 7,4 hours pr. working day, but the change gives less deviations in the calculations where “0” working day can generate 100 € in cost.

But during the change of unit it showed up that there has been made a error in calculation of unit cost because especially for the Danish employees the yearly salary has been divided by 221 days to give a unit cost but the staff employed in the project have an employment contract also covering ordinary salary for holidays and bank holidays. The yearly salary should in fact have been divided by 260 days which is the average number of possible working days. This is also the reason that there is used a number on 1924 hours in the calculations of the unit cost. For Stadt Neumünster and Siualiau there have been used the actual number of yearly working hours they have provided the project with.

The difference between 221 days and 260 is 15 % and this gives a change in the financial overview when the final reports are compared with the interim reports but for nearly all partners the difference is less than 15 % because in the re-registration and re-calculation there have been found working notes that have not been registered earlier in the project.

Project costs incurred

Cost category All costs in €	Total cost according to the Commission's decision	Costs incurred in the project	%
1. Personnel	751.710	783.467,16	104
2. Travel	59.478	57.689,70	97
3. External assistance	46.711	50.522,73	108
4. Durables: total <u>non- depreciated</u> cost		-	
- <i>Infrastructure sub- tot.</i>		-	
- <i>Equipment sub-tot.</i>		-	
- <i>Prototypes sub-tot.</i>		-	
5. Consumables	88.053	86.727,16	98
6. Other costs	6.712	9.296,43	139
7. Overheads, 7 % of sub-total cost for 5 partners	66.687	68.586,33	103
TOTAL	1.019.351	1.056.289,51	104

Table 1 Project costs incurred

In table 1 are there an overview of all costs incurred during the project, and in total there have been an additional consumption on 14 %. In the following there will be given a short description on the different cost categories and the development in consumption.

“Personnel costs” have had an additional consumption on 4 %. At the project stages of the interim report and 2nd Progress Report the incurred costs on personnel was approximately as planned and this has followed the project through to the end.

“Travel costs” are nearly on budget with a small under-consumption on 3 %. There have been additional costs to travel for meetings in the working group and to dissemination activities but this has outweighed by a less consumption for travels for the external partners Neumünster and Siauliai.

Cost for “External assistance” has an additional consumption on 8 %. The major differences have been due to higher costs for graphic consultancy for publications, translation and printing and Project Management

“Consumables” have under-consumption on 2 %. There have not been consumables costs connected to the mini-seminar in Brussels as foreseen in the budget; travels and accommodation connected with the mini-seminar are placed under the category “Travel costs”.

The category “Other costs” includes costs for external financial auditing, and have an additional consumption on 39 %. The audit process has taken more time that predicted mainly because the time unit has been changes during the audit process.

For comments on “Overheads”, se next section.

Calculation of overhead

In the application for support from LIFE Environment, dated June 8th 2004 there is assumed an overhead due to 7 % of the sum of costs to personnel, travel, external assistance, consumables and other costs. The Commission has in the letter dated June 8th 2006 asked for a yearly calculation of the overhead, based on the costs for; estate, canteen, postage/copy/journal and IT plus license.

There has been an email correspondence with Mr. Tommy Sejersen, Financial Desk Officer in the LIFE-unit, DG ENV E4 on March 5th 2007, April 23rd 2007 and April 23rd 2007 concerning the calculation on overhead, and the possibility to use one uniform percentage of project turnovers for calculation overheads for all Danish municipalities in the project.

In the following table 2 there is a calculation on overheads concerning the Environmental Department in City of Copenhagen. The costs used for the calculation of overheads have been taken from the annual accounts for 2004 to 2007, included, and because the environmental department is located at two floors in a rented building it is easy to find the exact costs for the department. The costs for estate include rent, electricity, heating and water consumption. The costs for canteen, postage, copy, journal and IT and license have been taken from the yearly account and have been put in the City of Copenhagen’s internal ABC-model to calculate the costs for the tax financed area, since the fee financed area, mostly concerning waste administration and planning, are not allowed to cover costs generated from the ordinary municipal administration and operation. The City’s internal ABS-model is audited yearly by City of Copenhagen’s Audit administration.

The man years for the Environmental Department are provided from the budgets for the same years since there is no registration on total working hours in the department. To calculate the number of man years from hours spend on the LIFE project an average number on 1430 working hours for a man year is used. This number comes from on average nearly 41 workings weeks with 35 working hours. It should be noticed that the number of hours for a man year cannot be compared with the numbers of hours in calculation on the salary because the Danish personnel used in this project are employed with paid holydays, bank days etc.

All numbers in €, and for City of Copenhagen, Environmental Department	2004	2005	2006	2007
Estate	1.031.744	1.057.504	1,083.935	1.111.037
Canteen	67.888	69.633	71.,377	73.121
Postal/copy/journal	252.905	259.211	265.651	272.359
IT plus license	641.318,	657.284	673.652	690.557
In total	1.993.855	2.043.631	2.094.615	2.147.074

Man year in budget	181	177	177	164
Hours on Dogme projects/man year	565 hours/ 0.40 man year	3.540 hours/ 2.48 man year	2.723 hours/ 1.90 man year	1,605 hours/ 1,12 man year
Project percentage of total use	0,22 %	1,40 %	1,08 %	0,68 %
Yearly overhead calculated for the Dogme Project	4.386,48	25.749,75	21.993,45	14.600,10

Table 2. Calculation on overhead in City of Copenhagen

The actual calculated overhead for City of Copenhagen can be calculated to constitute the following percentages:

Percentage of personnel costs 26 %

Percentage of sub-total costs 16 %.

Since the actual overhead exceed the maximum allowed overhead percentage on 7 % there have been made a refund of the surplus overhead in the calculation of overhead. For Albertslund, Ballerup, Herning and Fredericia Municipalities the overhead has been calculated as 7 % of the eligible costs since there are no registration of the costs for estate, canteen, postage/copy/journal and IT plus license. As shown for City of Copenhagen the actual overhead would properly be higher that the maximum percentage on 7 %.

In the correspondence with Mr. Tommy Sejersen the project manager Susanne Boiesen Petersen asked for permission to use the calculation of the overhead for City of Copenhagen as proof for the size of overhead in all the Danish partner municipalities, and this was accepted if it could be proven that the costs structure in the Danish partner municipalities is the same.

All Danish municipalities are regulated by national legislation for their funding; taxes and tariffs, for their salaries, estate costs and costs for daily operation. And there is also a very strict regulation on what services can and must be offered and how they shall be funded. All the participating Danish municipalities have very identical structures even though their size varies, and all the participating departments have nearly identical tasks to perform; they are in general technical and environmental departments with planning and inspections as their main tasks. All departments have also tasks in connection with citizen's contacts, Agenda 21 planning and environmental awareness activities. Most of the staffs are academic educated and have most of the time desk table work to do and use mostly the same type of IT and software in their job.

Due to all this similarities it has been decided to use the same overhead percentage for all Danish partner municipalities. Because of the differences between the municipalities and the much lower level of activities there has been applied for coverage of overhead costs for Neumünster and Siauliai Municipalities, and their overhead have not been calculated.

External financial audit

The external financial audit has been conducted by Revisionsinstituttet, Skagensgade 1, DK-2630 Tåstrup, Denmark, and the Long-Form Audit Report is included as appendix to the Final Financial Report. The audit has included (copied from the Long-Form Audit Report):

We have audited the project accounts presented by the Management of the Beneficiary (Environmental Protection Agency of Copenhagen) for the project “Dogme 2000 – a model for environmental management on the municipal level”, LIFE04 ENV/DK/000071 for the period 1 October 2004 - 1 December 2007, which comprises the items personnel, travel, external assistance, consumable material, and overheads.

The project accounts include activities carried out by:

Beneficiary: City of Copenhagen (Environmental Protection Agency City of Copenhagen)

*Partner: Albertslund Municipality
Ballerup Municipality
Fredericia
Herning Municipality
Stad Neumünster
Siauliai Municipal Administration.*

The audit has lead to the following opinion (copied from the Long-Form Audit Report):

4. Compulsory statement and reproduce of the project report

We have submitted the project account with the following report:

We have audited the project accounts presented by the Management of the Beneficiary (Environmental Protection Agency of Copenhagen) for the project “Dogme 2000 – a model for environmental management on the municipal level”, LIFE04 ENV/DK/000071 for the period 1 October 2004 - 1 December 2007, which comprises the items personnel, travel, external assistance, consumable material, other costs and overheads. The project accounts have been prepared in accordance with the Standard Forms for the use of LIFE III Project Beneficiaries and the Standard Administrative Provisions/En 01/04/2003.

The Management of the Beneficiary is responsible for the preparation and fair presentation of the project accounts in accordance with the Standard Forms for the use of LIFE III Project Beneficiaries and the LIFE Standard Administrative Provisions/En 01/04/2003. Our responsibility is to express an opinion on the project accounts based on our audit.

Basis of opinion

We conducted our audit in accordance with Danish Auditing Standards and the instructions in Standard Audit Report for projects funded in 2004 and the commitment letter of 2 September 2004. Those standards and instructions require that we plan and perform the audit to obtain reasonable assurance that the project account is free from material misstatement cf. the contribution provisions and the commitment letter of 2

September 2004. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the project accounts.

An audit also includes assessing whether the accounting policies used comply with the LIFE Standard Administrative Provisions, as well as evaluating the overall presentation of the project accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Project Accounts have been presented in accordance with the Standard Forms for the use of LIFE III Project Beneficiaries and the Standard Administrative Provisions/ En 01/04/2003, and give a true and fair view of the project's financial results according to these regulations.