



**ENI  
CBCMED**

Cooperating across borders  
in the Mediterranean



Programme funded by the  
**EUROPEAN UNION**



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DE SARDIGNA  
REGIONE AUTONOMA  
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# **ENI CBC MED Strategic Projects: Beneficiaries and Auditors Training**

## **EXPENDITURE VERIFICATION PROCEDURE**

# Programme Actualities.

- ✓ Regular project progress **update** is required.
- ✓ Update forms: Technical and Financial **Reports**.
- ✓ All expenditures must be **checked** by an independent professional (**Expenditure Verification**)



# PROGRAMME RULE ..... 1

As Programme requirement (***Grant Contract Art. 14***); it is mandatory to declare that reported **COSTS** are;

- ✓ **REAL,**
- ✓ **ACCURATELY RECORDED**
- ✓ **ELIGIBLE**
- ✓ **COMPLIANT WITH EU AND NATIONAL RULES**

and to identify and quantify **REVENUES**

# PROGRAMME RULE ..... 2

## ENI CBC IR 897/2014 – Article 32

*“Expenditure declared by the beneficiary in support of a payment request shall be examined **by an auditor or by a competent public officer being independent from the beneficiary.**”*



# The Auditor Engagement; WHAT shall be verified and WHY?

The EA role is to verify the compliance with the Programme Rules during project implementation.

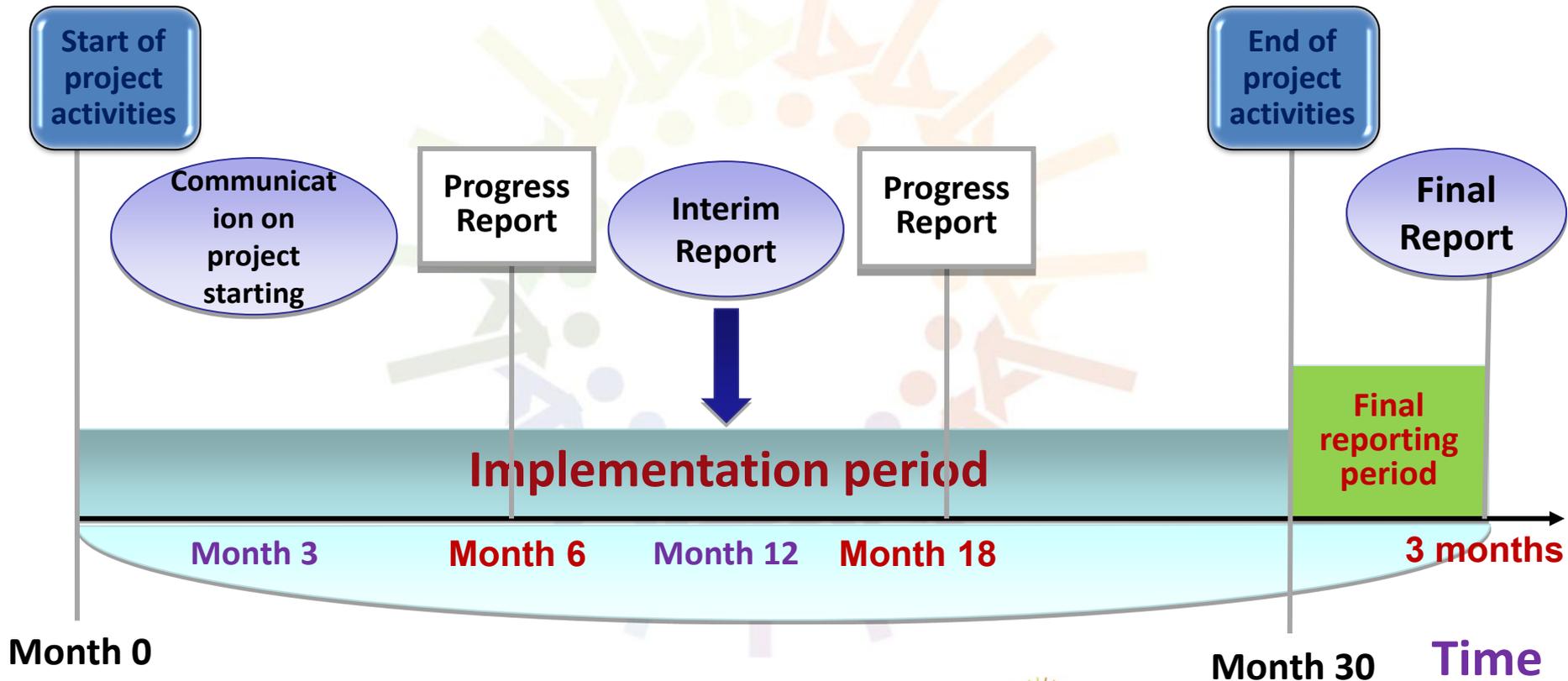
The EA has obligations to verify;

- the respect of these rules and whether appropriate records, document keeping, accounting and revenue detection (if relevant) are ensured.
- all the expenditures reported, and to list all the findings on ineligible expenses.

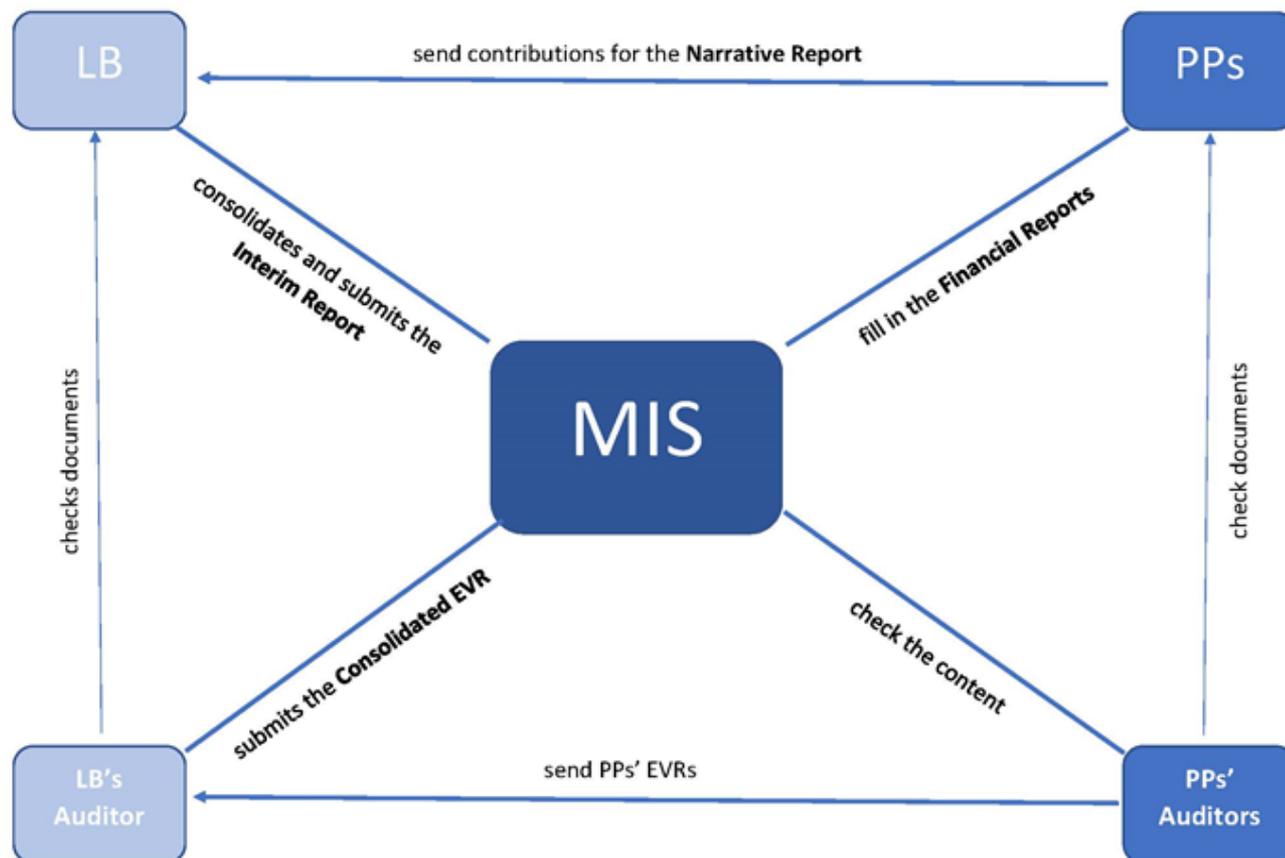


# 1 EVR per Project Reporting Period

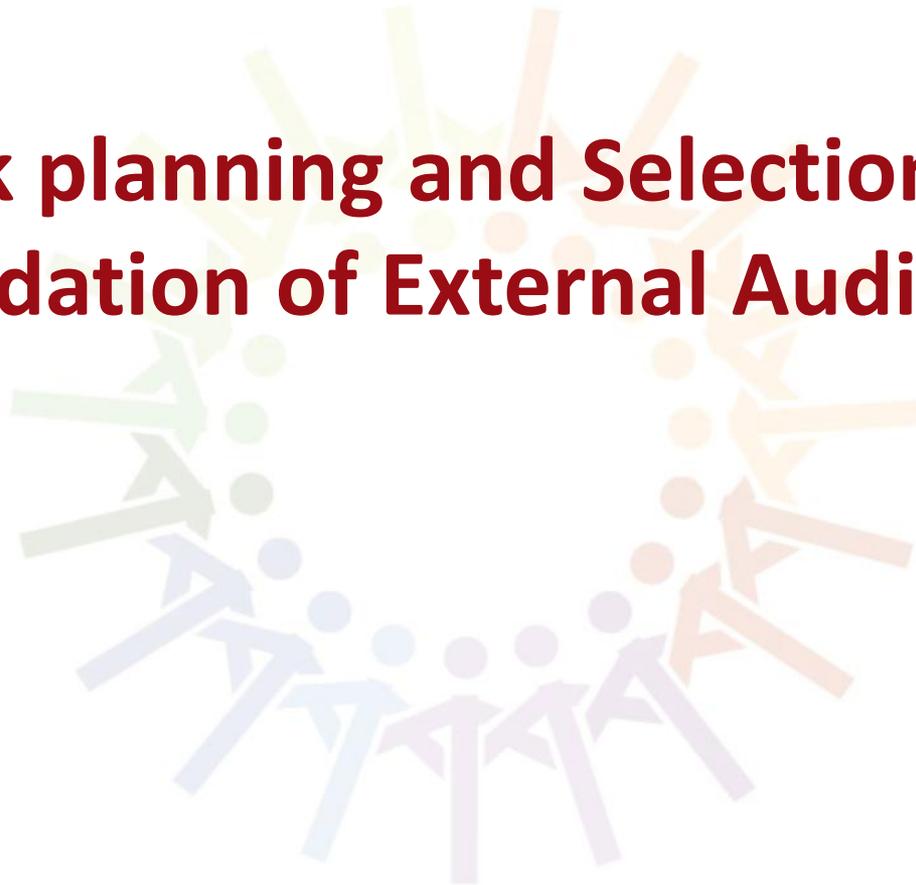
Example for a project duration of 30 months



# Reporting Flows



# Work planning and Selection and Validation of External Auditors



# Work Planning

**In order to avoid any delay in submission, it is highly recommended that each BEN should;**

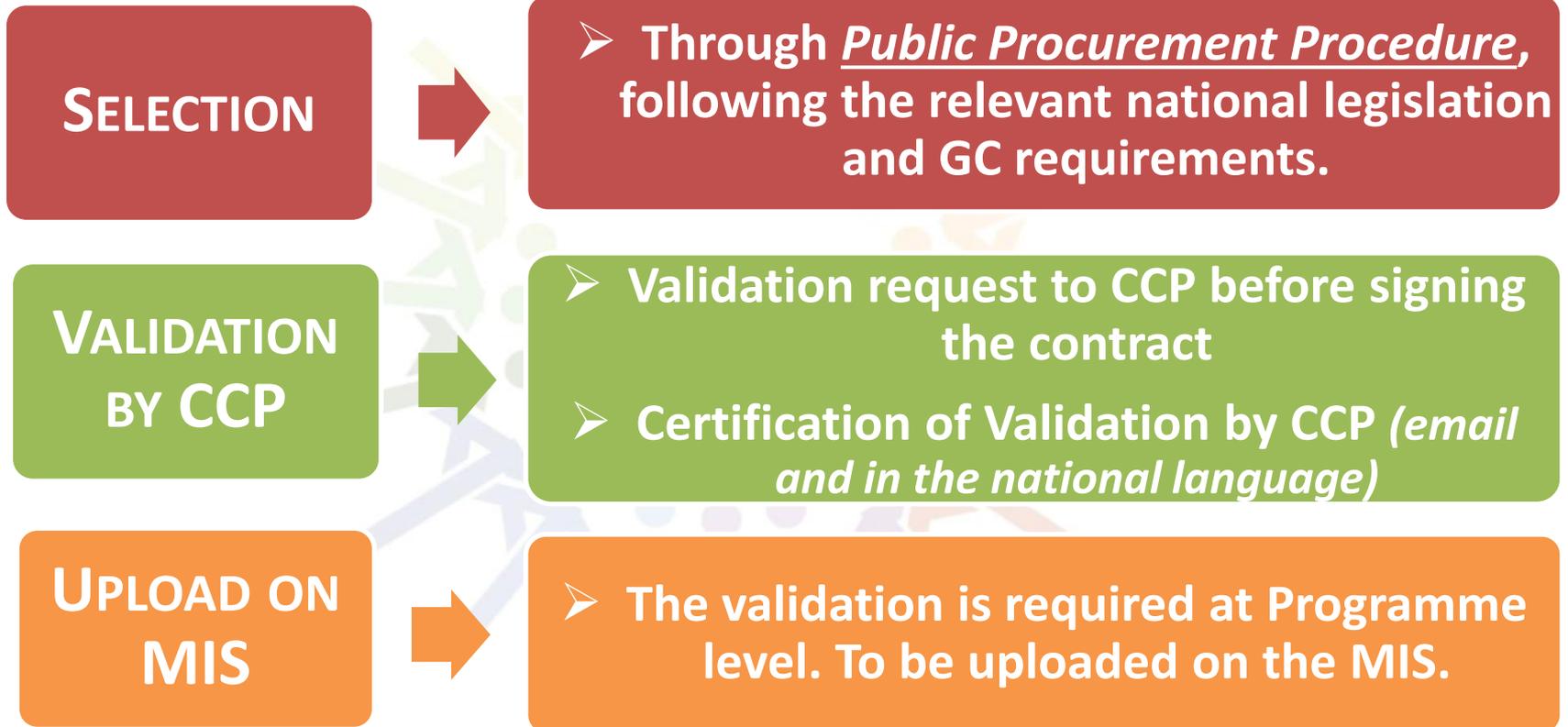
- A. Select the EA and plan the work ahead of time,
- B. Be ready with all necessary info and docs. Stay prepared with all proofs (pictures, list of signed participants, equipment with visibility labels, ....)

# An agreed-upon procedure

“This verification shall be performed on the basis of an agreed-upon procedure in accordance with:

- A. The International Standard on Related Services 4400 Engagements to perform Agreed-upon Procedures regarding Financial Information as promulgated by International Federation of Accountants (IFAC);
- B. IFAC Code of Ethics for Professional Accountants, developed and issued by IFAC's International Ethics Standards Board for Accountants.”

# Selection and Validation of External Auditors



# Don't forget!

A copy of each **Expenditure Verification Report** should be transmit to the **CCP** for potential coherence and quality checks

A **proof of transmission** will be uploaded in the MIS



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# The Auditor Engagement

## **BE EFFECTIVE:**

- ✓ **Full understanding of the Grant Contract, annexes and any other relevant information**
- ✓ **Review the Narrative and Financial Reports**
- ✓ **Plan on the spot-checks: i.e. PP premises, locations of Outputs\Deliverables (equipment, infrastructure, etc.), .....**
- ✓ **Grant full access to the ACCOUNTS, ACCOUNTING AND SUPPORTING DOCUMENTS.**

# The Auditor Engagement

## *The auditor verifies the evidence:*

- ✓ *Preforms the specific procedures listed in the **Control Check List***
- ✓ ***Obtains verification evidence from these procedures***
- ✓ *The auditor does not provide an opinion but **issues a report of factual findings***

# Consolidated EVR

*Based on the reports of every PP, the LB's Auditor prepares the **Consolidated EVR**.*

*For the purpose of the Consolidated EVR, the auditor of the LB will check:*

- ✓ *The completeness and accuracy of the Consolidated Financial Report*
- ✓ *The **consistency** of the Consolidated Financial Report with the individual ones*
- ✓ *The **compliance with the rules on budget flexibility** stipulated in the GC (Art. 9, Amendment to the Contract)*

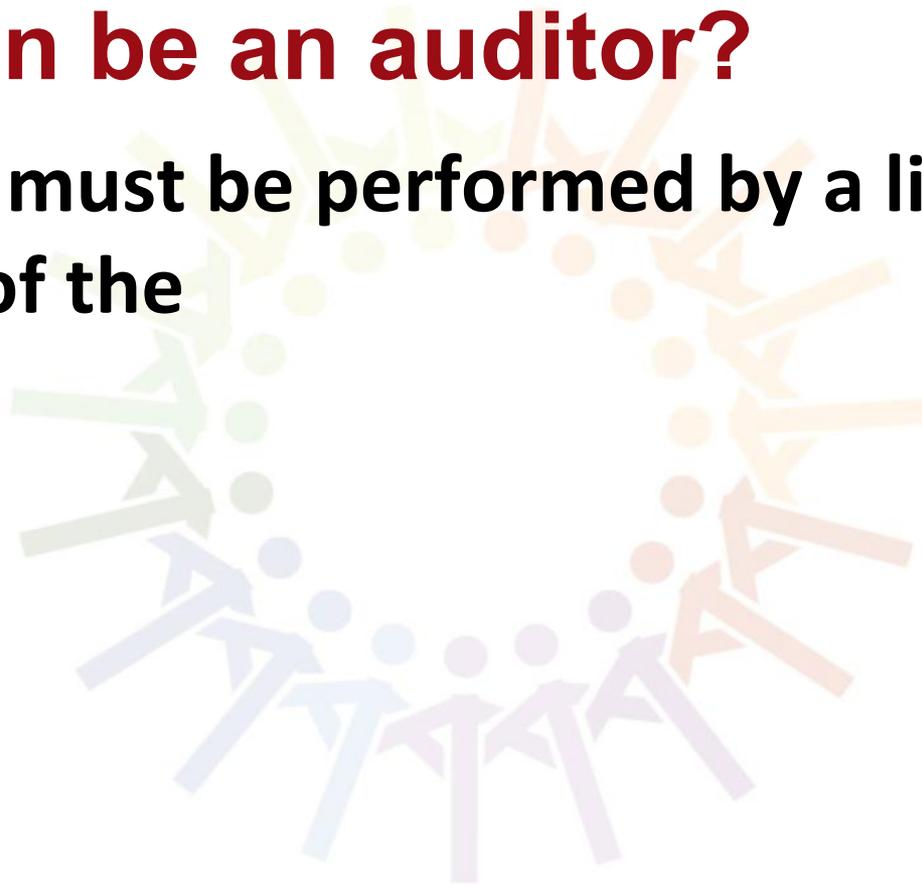
# Verification coverage of expenditures

 	<h2>Other Participating Countries</h2>
<h1>100%</h1>	<ul style="list-style-type: none"><li>- Min 65% of each Cost Category</li><li>- 100% for all procurement above 60.000€</li></ul>

# SPECIFICALLY ....

## Who can be an auditor?

The audit must be performed by a licensed member of the



# SPECIFICALLY ...

## Your Control Contact Point (CCP):



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# CCPs play a key role in:

- ✓ Validation of the External Auditors
- ✓ Supporting the MA in its verifications
- ✓ Supporting the MA in the on the spot checks

# Public Procurement rules

**Public entities**: Follow National rules. Please consult your NCP and CCP.

**Private entities**: apply the rules indicated in [Annex 7.3 of the PIM, Procurement rules for private organizations](#)

**THANK YOU FOR YOUR ATTENTION**

**MERCI**

**شكراً**



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