



**ENI
CBCMED**

Cooperating across borders
in the Mediterranean



Programme funded by the
EUROPEAN UNION



**REGIONE AUTÒNOMA
DE SARDIGNA
REGIONE AUTONOMA
DELLA SARDEGNA**

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?

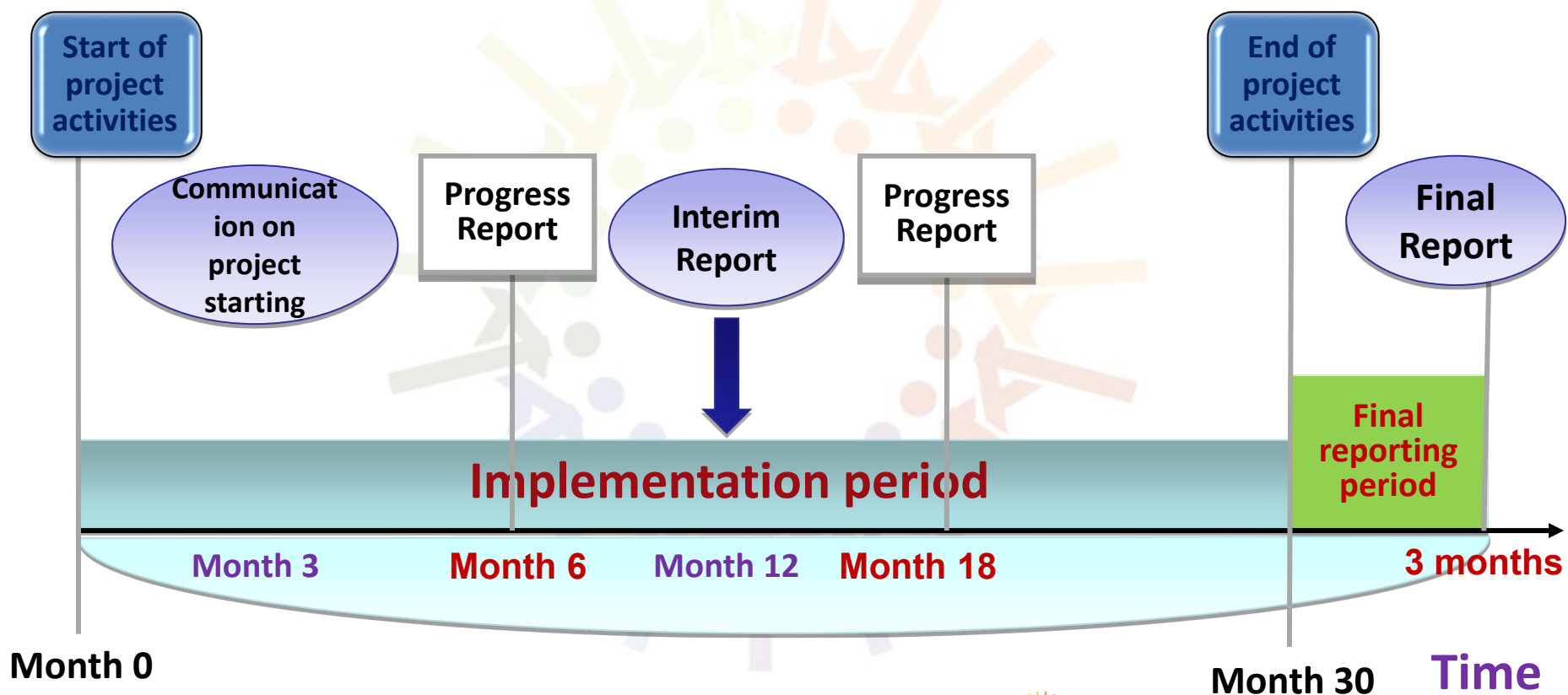
The EA role is to verify the compliance with the Programme Rules during project implementation.

The EA has obligations to verify;

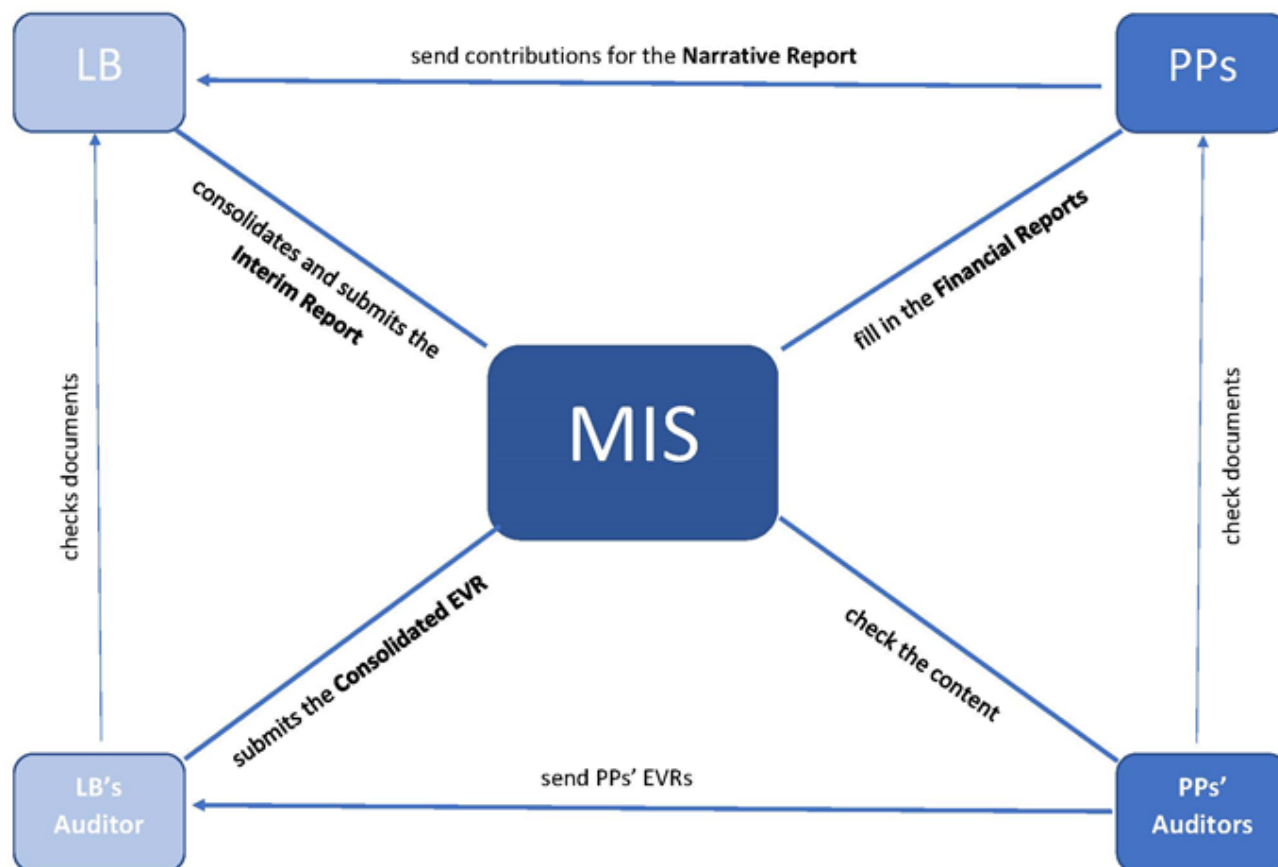
- the respect of these rules and whether appropriate records, document keeping, accounting and revenue detection (if relevant) are ensured.
- all the expenditures reported, and to list all the findings on ineligible expenses.

1 EVR per Project Reporting Period

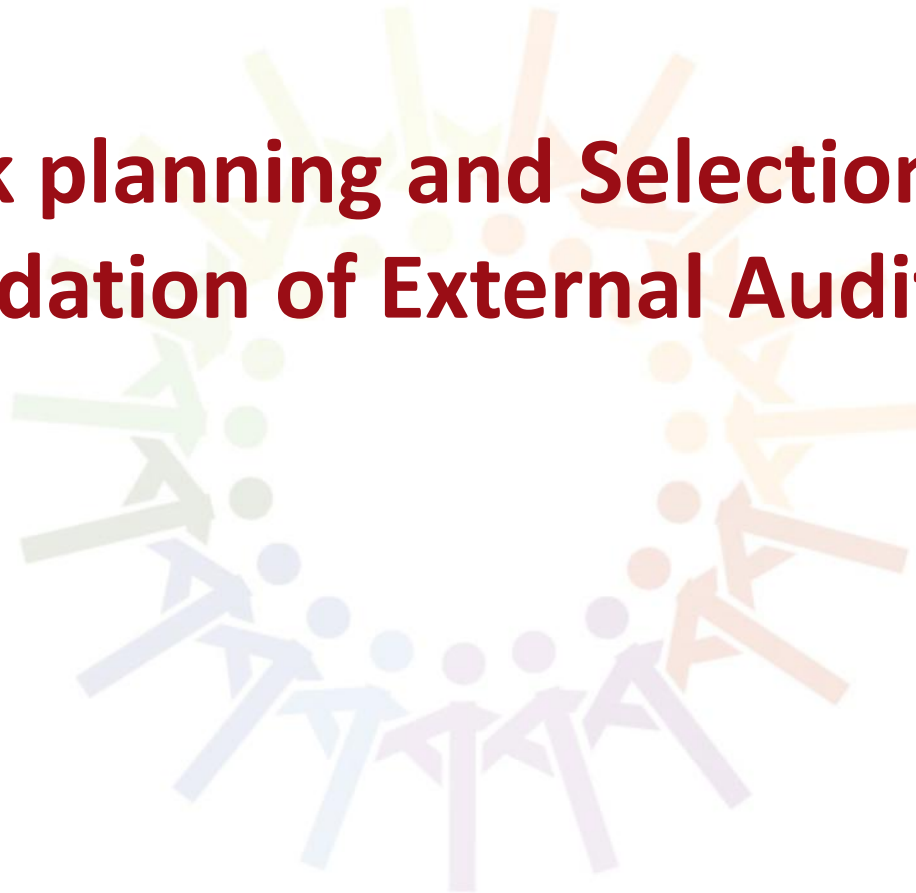
Example for a project duration of 30 months



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

SELECTION

- Through Public Procurement Procedure, following the relevant national legislation and GC requirements.

VALIDATION BY CCP

- Validation request to CCP before signing the contract
- Certification of Validation by CCP (*email and in the national language*)

UPLOAD ON MIS

- The validation is required at Programme level. To be uploaded on the MIS.

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

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)*

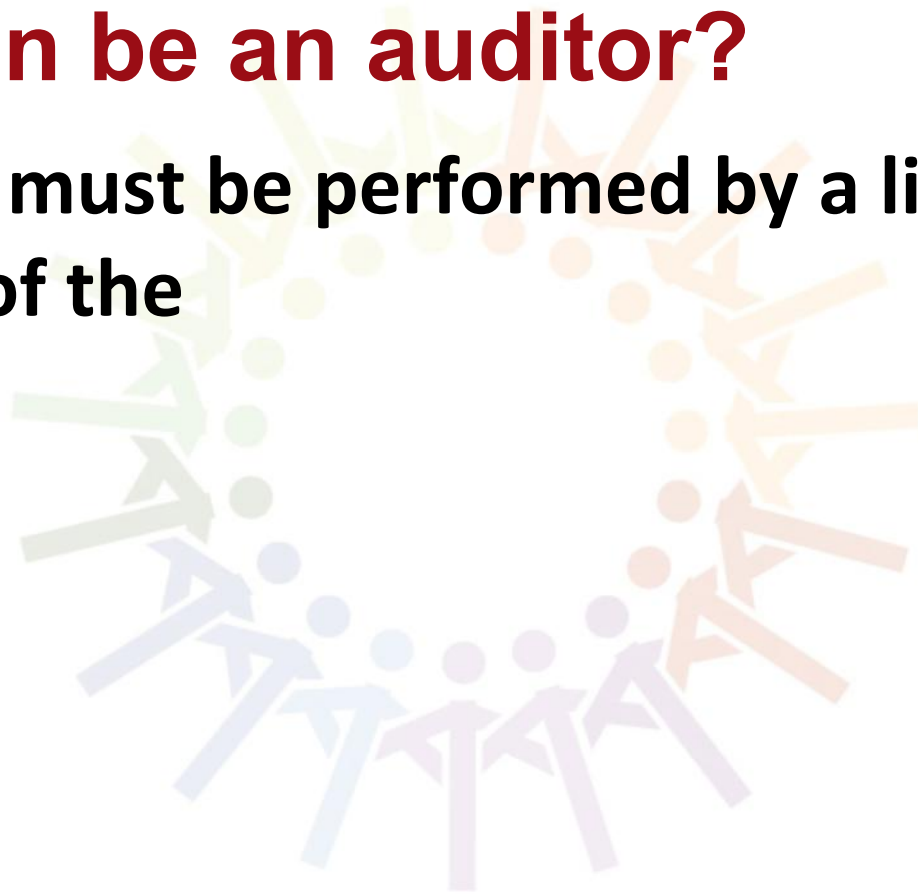
Verification coverage of expenditures

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

SPECIFICALLY

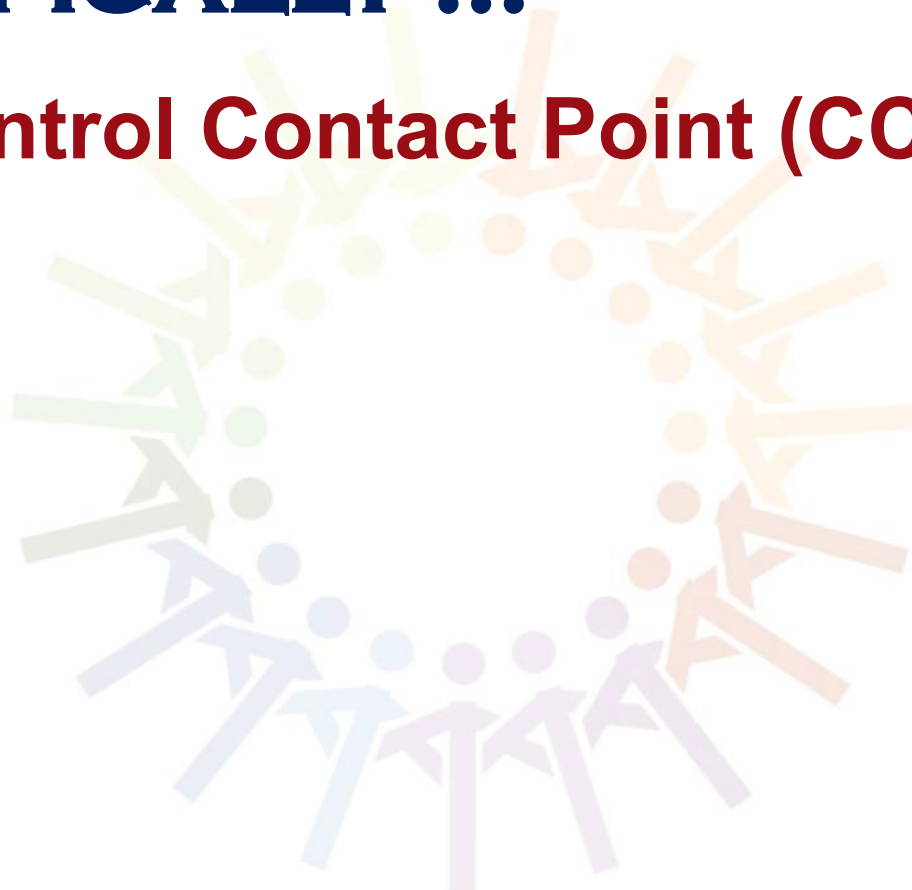
Who can be an auditor?

The audit must be performed by a licensed member of the



SPECIFICALLY ...

Your Control Contact Point (CCP):



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

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