



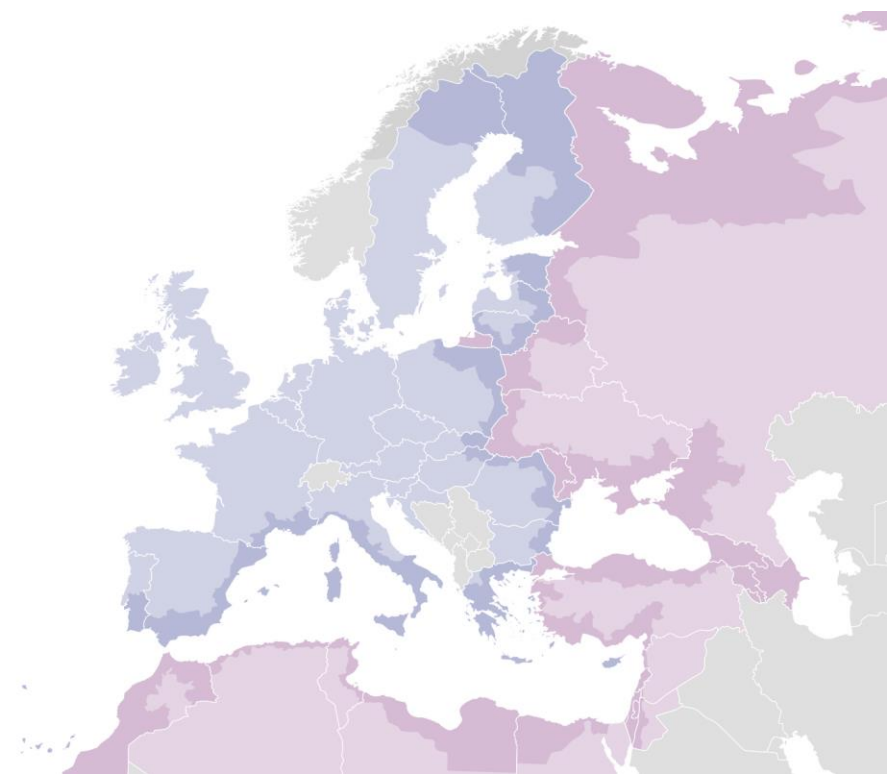
Technical support to the implementation
and management of ENI CBC programmes



Expenditure verification

Training for beneficiaries

Rome, October 2019



A project funded by the European Union

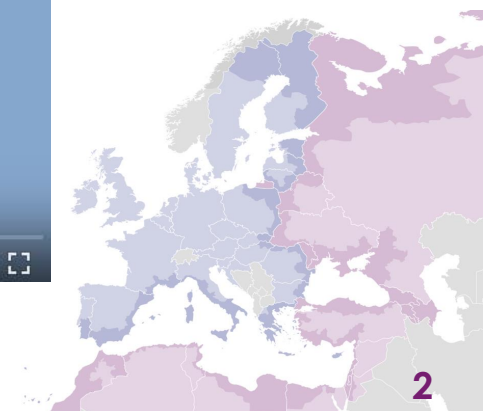


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<https://www.goforenicbc.eu/index.php/en-projectimp-videotutorialstep04/>



Article 32 of ENI CBC IR

“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.”

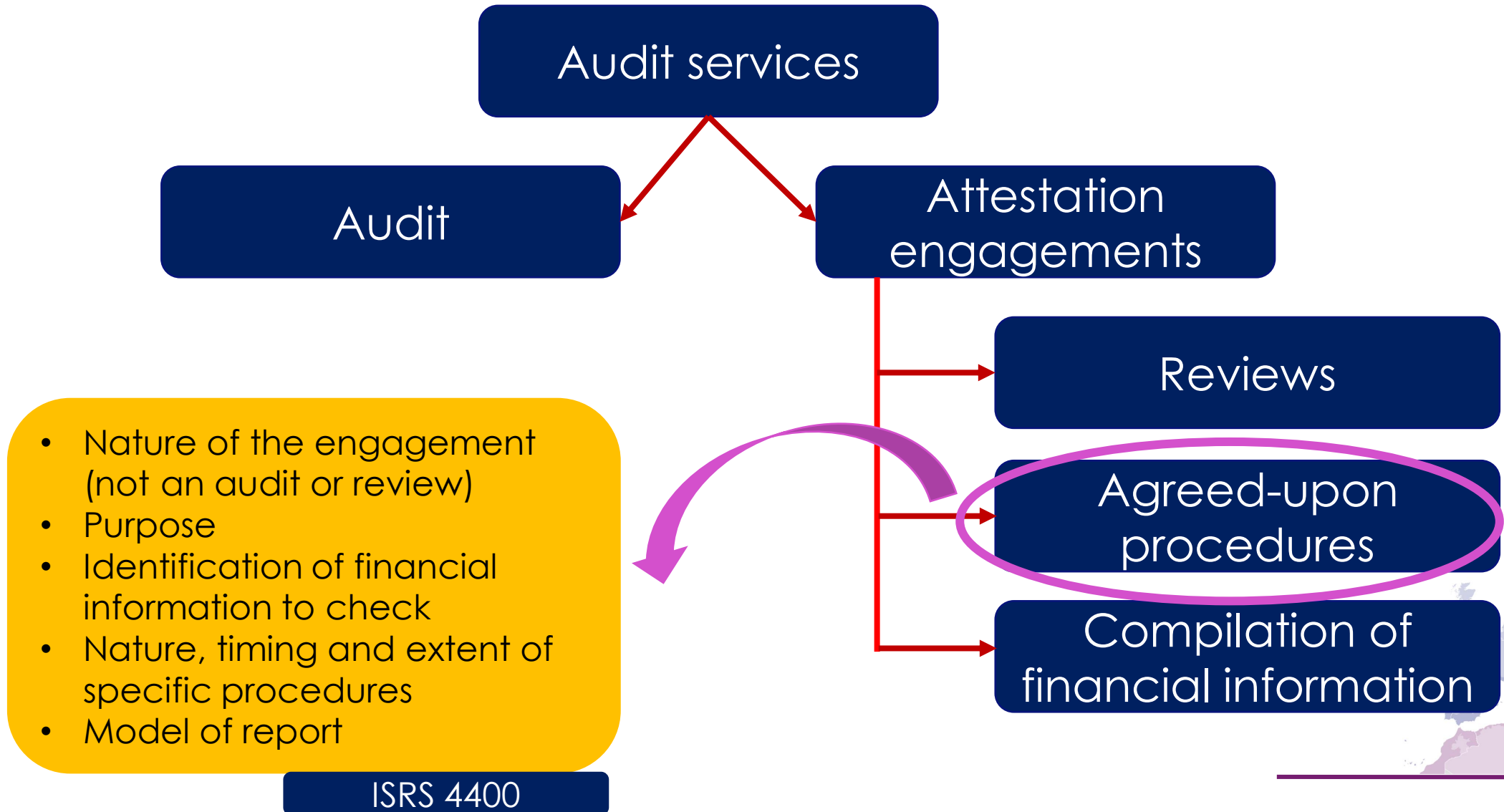
*“The **auditor** or the **competent public officer** shall examine whether the **costs** declared by the beneficiary and the **revenue** of the project are **real, accurately recorded and eligible** in accordance with the contract.”*

Auditors and competent public officer are called “**controllers**” in Black Sea Basin programme

Article 32 of ENI CBC IR

“This examination shall be performed on the basis of an agreed-upon procedure which will be undertaken 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.”*

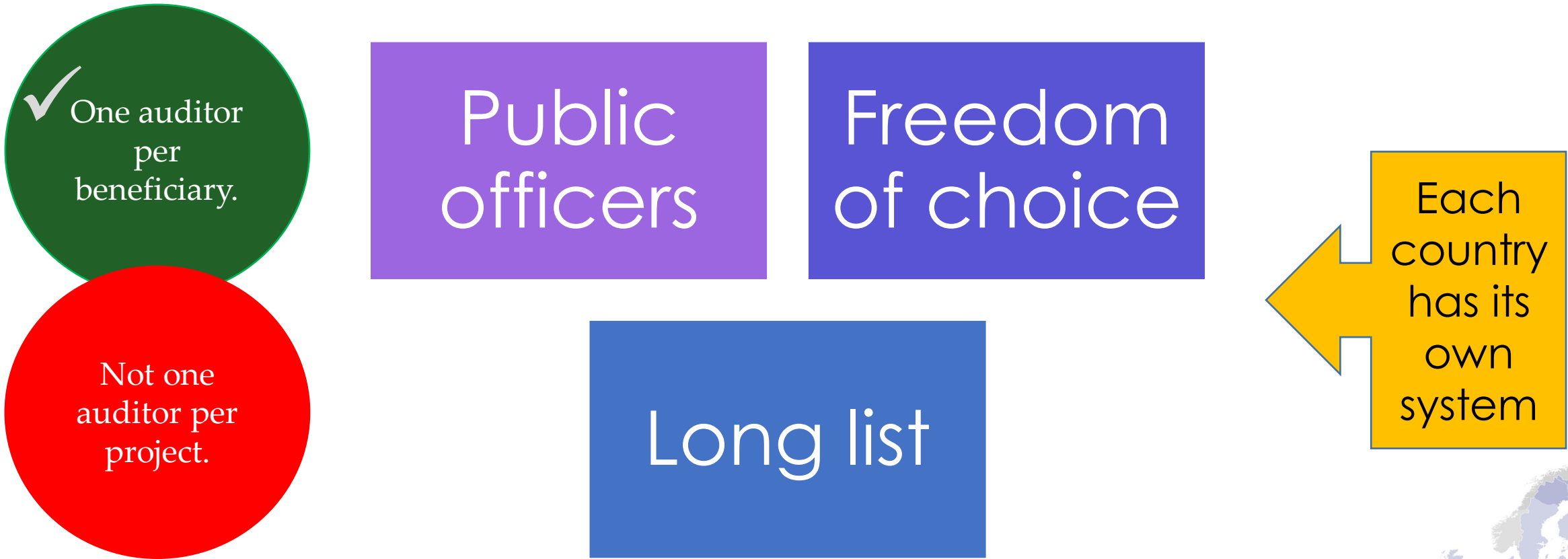


PRAG is not compulsory anymore

- Current annex VII of GC of grant contract will not be used
- Each programme decided its procedures

Participating countries have a key role

- Ensuring the compliance of auditors with requirements of article 32
- Ensuring adequate quality of the Expenditure Verification Reports



So, how should you select your auditor?

STEP 1

Check with your CCP the specific national rules (e.g. long list). Then, choose the auditor according to the applicable procurement procedure.

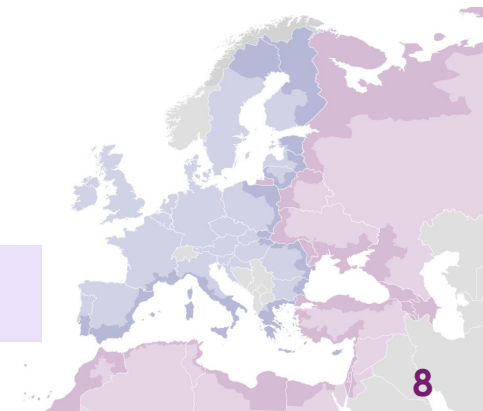
STEP 2

Inform the Control Contact Point (CCP) and follow the national procedure to get the validation of the chosen auditor.

STEP 3

Sign the contract!
(upon reception of the validation from CCP)

Check national specificities at <https://bit.ly/2n179Fm>



Article 66.8 of FR

*“In the event of any illegal activity, fraud or **corruption** which may harm the interests of the Union, the **member of staff** shall inform the **authorities and bodies designated by the applicable legislation**.*

***Contracts with external auditors** carrying out audits of the financial management of the Union shall provide for an obligation of the external auditor to **inform the authorising** officer by delegation of any suspected illegal activity, fraud or corruption which may harm the interests of the Union.”*

**When and how
to report?**

Terms of reference

- Detailed agreed-upon procedures following the requirements of the compulsory International Standard ISRS 4400

Model of contract beneficiary-auditor

- This model, non-existing before, will set clear conditions for both parties and ensure that the auditor accepts ENI CBC requirements

Check-list

- Detailed document stating all the checks, which must be performed by the auditor

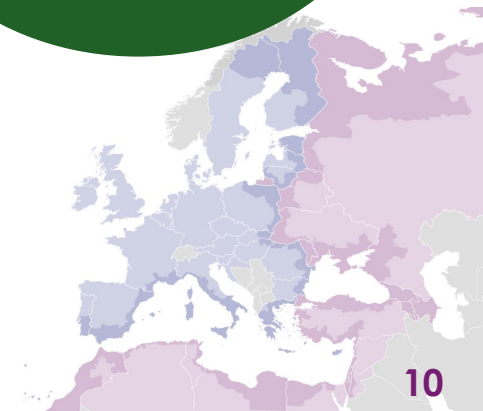
Model of report

- Template for the auditor, Which will have the filled-in check-list attached

Report on fraud and corruption

- Template of report, Which will be sent directly to MA/JTS in case of identification of suspected or established fraud and/or corruption

Old Annex VII
of PRAG is not
applicable
anymore





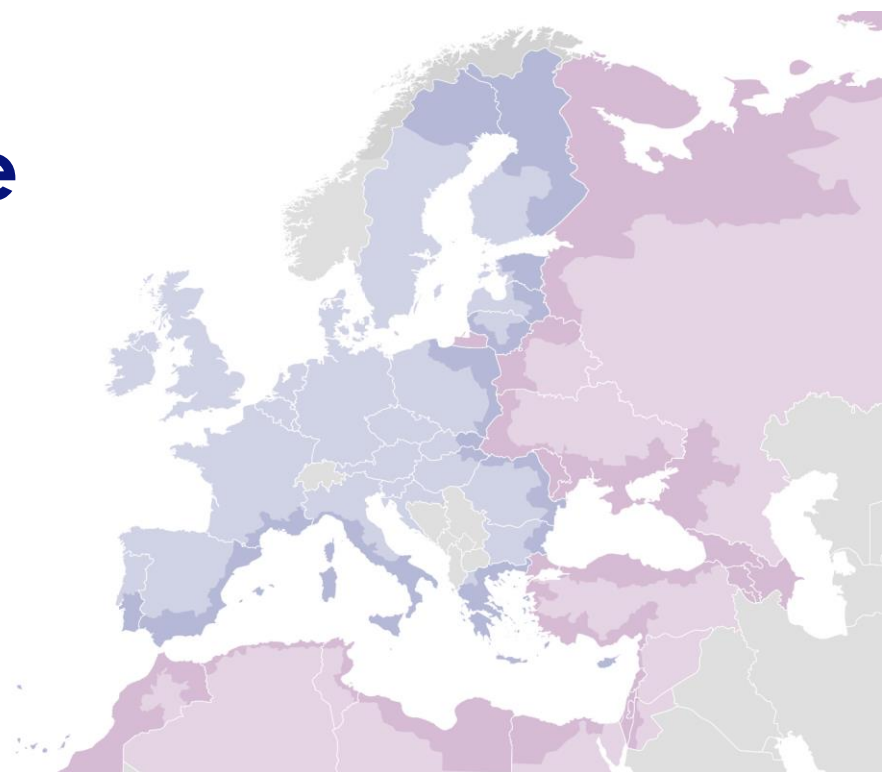
TESIM

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**Our goal:
reliable expenditure
verification reports!**

Go for ENI CBC!



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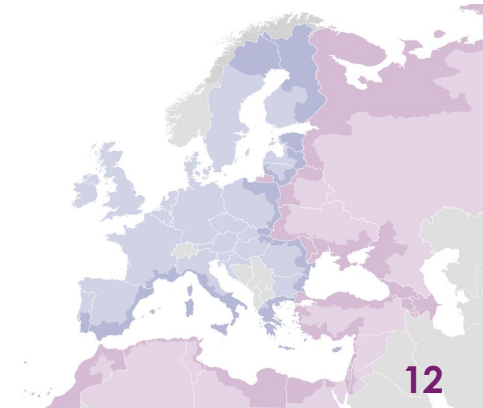
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Remember: a project has a wide range of different characters:



**The reliable
partners!**



And the super-heros:

