



Audit Authority ENI CBC MED Programme

Cross Border Cooperation within the European Neighbourhood
Instrument
**MEDITERRANEAN SEA BASIN PROGRAMME 2014-
2020**

Annex 2.5

Final Report on operations

Audit Manual

Version 2.1

Adopted by the Audit Authority with decision No 63 of 27 October 2021

AUDIT OF SELECTED OPERATIONS

In terms of art. 37 Regulation (EC) 951/2007

FROM SAMPLE “YYYY-NR” ON EXPENSES REPORTED

FROM 1st January 2015 TO 31st December 2015

FINAL AUDIT REPORT ON

☐ **PP/BEN** ☐ **PROJECT**

PROJECT (code)

“

”

EXPENSES INCURRED FROM.....TO.....

1. BRIEF DESCRIPTION OF PROJECT

Acronym/Title of Project	
Identification Code	
Priority / Measure	
Lead Partner Denomination	
Nationality	
Project Duration	
Audited period	
Partner Denomination	
Nationality	
Reference person	
Tel / Fax / e-mail	
Role in project	
Nature of Partner Subject	
Date(s) of on-the-spot verifications	
Indicate main applicable regulations as regards:	
Direct and Indirect Taxes	
Accounting system	
Purchases / Public Tenders Regulations	
Reimbursement of staff travel expenses	

Financial framework

Certified expenses	EC contribution amount	Co-financing amount	Audited expenses	Audited expenses percentage

2. DESCRIPTION OF THE AUDIT ACTIVITY

On _____ at _____ a.m. at the premises of the _____, located in _____, in the presence of the persons above specified, the appointed auditor **Ms.** assisted by **Mr.** _____ carried out an audit – according to art. 37 of the Regulation (EC) no. 951/2007 and on the basis on the above-mentioned project, **selected from the sample “_____”**, as communicated via fax and e-mail on _____. The audit was conducted by asking the attending persons specific information deemed useful and essential to fill in the check-list of the audited project and to draw up this report.

The **purpose** of this audit is to attain the following objectives:

- a suitable understanding of the project, the beneficiary and the partners involved
- reports in compliance with the grant contract of the projects and its annexes
- reliability of the financial reports and expenditure verification reports
- eligibility of expenses and suitable treatment of the resources generated by the project
- verification of the compliance with the established percentages for administrative expenses

- the correctness/accuracy of the project reporting: technical and financial reports and expenditure verification reports
- the correctness/accuracy of the accounting information on projects, ensuring compliance with contractual accounting regulations
- existence of the project
- avoid double financing

The **audit activities** carried out regard:

- nature and characteristics of the audited subject
- accounting system
- procedures for recording and reporting expenses
- method for calculating exchange rates
- procedures adopted to avoid double financing of expenses
- procedures adopted for the selection of suppliers
- compliance to national and European regulations regarding the realisation of works and infrastructure
- examination of the accounting and administrative documentation certifying the expenses incurred and payments made
- financial and narrative reports and expenditure verification reports of the beneficiary's or partners' auditor (Annex VII).
- the evidence used by the auditors in the above point mentioned for drafting the reports.
- the relevant administrative and accounting documents stored in the premises of the audited subject referred to all cost categories as defined by art. 23 e 33 of Reg. CE 951/2007 and art.14 of the General Conditions (Annex II) applicable to European Union-financed grant contracts for external actions
- project outputs
- respect of the Communication and Visibility Manual for EU External Actions
- respect of the nationality and origin rules stated by art 21.6 of Reg. (CE) n. 1638/2006 and paragraph 2.3.1 of PRAG.
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VERIFICATION OF THE ELIGIBILITY OF THE REPORTED COSTS

1. HUMAN RESOURCES - Amount claimed in the interim report €

Description of the verifications carried out and the exceptions found

2. TRAVEL - Amount claimed in the interim report €

Description of the verifications carried out and the exceptions found

3. INFRASTRUCTURE - AMOUNT CLAIMED IN THE INTERIM REPORT €

Description of the verifications carried out and the exceptions found

4. EQUIPMENT AND SUPPLIES - AMOUNT CLAIMED IN THE INTERIM REPORT €

Description of the verifications carried out and the exceptions found

5. OFFICES - AMOUNT CLAIMED IN THE INTERIM REPORT €

Description of the verifications carried out and the exceptions found

6. SUBCONTRACTED SERVICES - AMOUNT CLAIMED IN THE INTERIM REPORT €

Description of the verifications carried out and the exceptions found

7. OTHER - ADMINISTRATIVE EXPENSES - AMOUNT CLAIMED IN THE INTERIM REPORT €

Description of the verifications carried out and the exceptions found

8. OUTPUTS

Description of the verifications carried out and the exceptions found

2.1 Summary of findings emerging during the on-the-spot verification

2.1.1 Outputs

During the on-the-spot verification, the following critical issues and anomalies related to outputs emerged so as to make a request for integration and clarification necessary (any inconsistent amount related to outputs is included in the following paragraph).

2.1.2 Summary of financial data

During the on-the-spot verification, the anomalies and irregularities found are summarized in column (C) of the *table* here below.

Financial Report Entries	(A) Amount claimed	(B) Amount certified by External Auditor	(C) Inconsistent amount	(D) Eligible amount	(E) Difference to certificate (D)-(B)	(F) Difference to claimed amount (D)-(A)
1 Human resources						
2 Travel						
3 Infrastructure						
4 Equipment and supplies						

5 Offices						
6 Subcontracted services						
7 Other						
Administrative expenses						
Contingency reserve						
TOTAL						
8 Revenues and interests						

2.1.3 Integration and clarification request

No documentary integration is requested via the provisional report of XXXXX. The irregularities/anomalies found during the on the spot check are summarized in the table here below and have been communicated via the provisional report on

Financial Report Entries	Irregularities/Anomalies found
1. Human resources	
2. Travel	
3. Infrastructure	
4. Equipment and supplies	
5. Offices	
6. Subcontracted services	
7. Other	
8. Output	

2.2 Examination of counter deductions

2.2.1 Brief description of the counter deductions received

2.3 SUMMARY OF FINANCIAL DATA AFTER THE COUNTER DEDUCTIONS

The summary of the irregularities/anomalies found and confirmed at the end of the audit are shown in column (C) of the table below.

Financial Report Entries	(A) Amount claimed	(B) Amount certified by External Auditor	(C) Inconsistent amount	(D) Eligible amount	(E) Difference to certificate (D)-(B)	(F) Difference to claimed amount (D)-(A)
1 Human resources						
2 Travel						
3 Infrastructure						
4 Equipment and supplies						
5 Offices						
6 Subcontracted services						
7 Other						
Administrative expenses						
Contingency reserve						
TOTAL						
8 Revenues and interests						

3. CONCLUSIONS OF THE AUDIT

At the end of the audit carried out, the results of the audit are reported below.

- **Irregularities derived from the non application of specific EC Regulations** (fulfilment related to publicity, *de minimis*, eligibility of expenses.....)
 - **Irregularities derived from missing or incomplete outputs** (evidence not provided, not working products, missing outputs.....)
 - **Irregularities in the procedures** (irregularities in calls for tenders, time limits, communications, extensions not respected.....)
 - **Financial irregularities** (traceability of payments, lack of accounting documents, incorrect certification of cost.....)
 - **Please state if irregularities above mentioned are suitable to generate ineligible expense in other (previous or subsequent) reports**
- Opinion on the financial management of the project and on the reliability of the expenditure verification reports by the auditors of the project**

Summary of the irregularities and/or anomalies found.

See attached table.

Therefore the following amounts are considered eligible:

	Amount in Euro
Amount claimed	
Amount Certified by External Auditor	
Amount not eligible as a result of this audit	
Eligible amount	
Of which:	
<i>Programme Contribution</i>	
<i>Co-financing</i>	
Amount paid by the JMA	
<i>First Pre-financing</i>	
<i>Second Pre- financing</i>	

The present report consists of no. _____ pages duly initialled on each sheet.

Place and date

Names and Signatures of the Appointed
Auditors:

Team
.....

Leader:

Team Assistant:

Supervision: Coordinator Mr.