

System Audit Checklist

Performance data reliability

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| Programme: | ENI MEDITERRANEAN SEA BASIN PROGRAMME 2014-2020 |
| Programme n.: | EC Decision No C(2015) 9133 |
| Accounting period: | |
| Audited body: | |
| Date of launch of audit mission: | |
| Date of on the spot verification: | |
| Annex to the Audit report: | Provisional/Final Audit report dated _____ |
| Prepared by: | |
| Checked by: | |
| Date: | |

ENI CBC MED PROGRAMME 2014-2020

Checklist on performance data reliability

| Audited body: | | | | |
|--|--|------------|---|---------------------------|
| Checklist prepared by: | | | | |
| Checklist reviewed by: | | | | |
| Date: | | | | |
| Systems assessment checklist | | | | |
| Key requirement 1 | | | | |
| Adequate separation of functions and adequate systems for reporting and monitoring where the responsible authority entrusts execution of tasks to another body. (Articles 30.1(a), (d), (g), 31 of Reg. 8 (EU) 897/2014) | | | | |
| Source (EGESIF_14-0010-final 18/12/2014) | Audit question | Y/N/ NA | Comment | Ref. supporting doc |
| (KR1), AC 1.1 - A clear description and allocation of functions (organisation chart, indicative number of posts, qualifications and/or experience required, job descriptions), including the existence of a formal documented agreement clearly setting out any tasks that are delegated by the MA to the IB(s) if any. | 1. Are key monitoring and data-management staff identified with clearly assigned responsibilities? | | | |
| (KR1), AC 1.2 - Necessary staff and expertise exist at the different levels and for the different functions within the MA and IBs if any, taking into account the number, size and complexity of the programmes concerned, including appropriate outsourcing arrangements if any. | 2. Have the majority of key monitoring and data-management staff received the required training? | | | |
| (KR1), AC 1.4 - Complete and adequate procedures and manuals exist and are updated as necessary, covering all key activities within the MA and IBs if any, including reporting and monitoring procedures for irregularities and for the recovery of amounts unduly paid. | 3. Is there a clearly documented procedure (in writing) what is reported to whom, how and when? | | | |
| | 4. Do clear and formalized procedures for collection, validation, aggregation and manipulation steps exist? | | | |
| | 5. The procedures in place are sufficient to guarantee that data collection and/or data aggregation occurs correctly at all relevant levels (MA and beneficiary level)? | | | |
| | 6. Is there an adequate procedure to ensure a coherent and logical aggregation and reporting of data from the project indicators to the programme indicators? | | | |
| | 7. Are there standard data-collection and reporting forms in place? Are they systematically used? | | | |
| | 8. Are performance data challenges, e.g. double counting, wrong reporting identified? Are mechanisms in place for addressing them? | | | |
| | 9. Are there clearly defined and followed procedures to identify and reconcile discrepancies between data and reports? | | | |
| (KR1), AC 1.5 - Adequate procedures and arrangements are in place to effectively monitor and supervise the tasks delegated to the IB(s) if any, on the basis of adequate reporting mechanisms (review of the IB's methodology, regular review of results reported by the IB, including where possible reperformance on a sample basis of the work carried out by the IB). | 10. Are there clearly defined and followed procedures to periodically verify source data and supervise the tasks delegated to the IB(s) on the basis of adequate reporting mechanisms? | | | |
| (KR1), AC 1.6 - Taking into account the principle of proportionality, a system for ensuring that an appropriate risk management exercise is conducted at least once per year, and in particular, in the event of major modifications of the activities. | 11. Are there clearly defined procedures for a risk management exercise in relation to the indicators & milestones? | | Please consider any elements from the Programme risk management plan in force concerning the indicators and milestones. | |

| Key requirement 3 | | | | |
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| Adequate information to beneficiaries (Article 26.3; Article 3(i) of Reg. (EU) 897/2014 Annex) | | | | |
| Source (EGESIF_14-0010-final 18/12/2014) | Audit question | Y/N /NA | Comment | Ref. supporting doc |
| (KR3), AC 3.1 Effective communication to beneficiaries of their rights and obligations in particular the national eligibility rules laid down for the programme, the applicable EU rules on eligibility, the specific conditions for support for each operation concerning the products or services to be delivered under the operation, the financing plan, the time-limit for execution, the requirements concerning separate accounting or adequate accounting codes, the information to be kept and communicated. The information and publicity obligations should also be clearly expressed and communicated. | 12. Are definitions of indicators provided to beneficiaries? | | | |
| (KR3), AC 3.2 3.2. In case programme established additional eligibility rules for the programme as a whole, they shall be clear and unambiguous. Where applicable, the additional eligibility rules deriving from the financing agreements are clearly laid down in the documents for the applicants and beneficiaries. | 13. Are these definitions in line with guidelines given by EC on those indicators? | | Guidance to Member States: http://ec.europa.eu/regional_policy/sources/docoffic/2014/working/wd_2014_en.pdf (Annex "List of common indicators") | |
| (KR3), AC 3.3 - The existence of a strategy to ensure that beneficiaries have access to the necessary information and receive an appropriate level of guidance (leaflets, booklets, seminars, workshops, websites, etc.). | 14. Is there a methodology for indicator measurement together with a clear instruction for their aggregation and reporting from intermediate bodies and beneficiaries? | | This question concerns only the MA. | |
| | 15. Are there clear indications regarding the source documents to be used for data collection (for each indicator), as well as guidelines regarding the conservation of said documents? | | | |
| Key requirement 4 | | | | |
| (KR4) Adequate management verifications (Articles 30.1(b), (g); Article 26.5(a), 26.6 and 26.7 of Reg. (EU) 897/2014) | | | | |
| Source (EGESIF_14-0010-final 18/12/2014) | Audit question | Y/N /NA | Comment | Ref. supporting doc |
| (KR4), AC 4.4 - Evidence should be kept of: (a) the administrative verifications and the on-the-spot verifications, including the work done and the results obtained; (b) the follow-up of the findings detected. These records constitute the supporting documentation and information for the annual summary to be prepared by the MA. | 16. Are there effective and regular checks based on risk analysis (MA) carried out in order to measure and verify the progress of the implementation against the targets for indicators defined in the grant agreements? | | | |
| | 17. Can the MA management verifications demonstrate following: | | | |
| | a) Were all projects and all indicators verified during the administrative management verification check? | | | |
| | b) Are regular on the spot visits conducted and there is an evidence about the work done and the results obtained? If not all projects are verified on the spot, is there an appropriate risk assessment? If yes, was it followed in the control tests audited? | | | |
| | c) Is the data quality checked (i.e. accuracy, coherence, completeness & integrity in the aggregation process)? | | Accuracy: The data provide the adequate and requested information, and adhere to the common definitions for collection and treatment of data. Accurate data minimize errors (e.g., recording or interviewer bias, transcription error, sampling error, format errors) to a point of being Integrity: Data have integrity when the system used to generate them is protected from deliberate bias or manipulation, therefore is trustworthy. | |
| | d) Has it been checked that all reported data refer to actually achieved values and no estimations/provisional data has been counted in order to estimate the | | | |
| | e) Has it been checked that actions/project implemented outside the Programme area are adequately registered and treated, when it comes to counting and aggregating values for monitoring purposes? | | | |
| | 18. Is a detailed analysis carried out by MA about the value of indicators? Are the reasons for any deviation from the expected results identified and necessary corrective measures to address it undertaken (when needed)? | | | |

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| | 19. Can the MA checks demonstrate that input data/micro data recordings are complete to report on all relevant indicators? | | |
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| Key requirement 5 <i>Effective system in place to ensure that all documents regarding expenditure and audits are held to ensure an adequate audit trail (Articles 26.5(d); 30.1(c), (f)); 70 of Reg. (EU) 897/2014)</i> | | | | |
|---|---|------------|---|---------------------------|
| Source (EGESIF_14-0010-final 18/12/2014) | Audit question | Y/N /NA | Comment | Ref. supporting doc |
| (KR5), AC 5.1 - 5.1 The detailed accounting records and supporting documents for operations are kept at the appropriate management level. The accounting system enables both the beneficiaries and the other bodies involved to be identified together with the justification for the payment | 20. Are personal data maintained in accordance with European or national data protection rules? | | MAs must ensure the data processing arrangements established for monitoring are in line with the provisions of Regulation (EU) 2016/679 of the (GDPR) of 27 April 2016 and with relevant national legislation. This includes ensuring, where necessary, procedures to collect of data considered as sensitive. In the event that individual participants do not give the consent to collect and store certain sensitive personal information MAs should have procedures for providing evidence of this refusal (e.g. signed document) and mechanisms for flagging it accordingly in the monitoring system. It should be possible to know the number of cases concerned. | |
| (KR5), AC 5.2 - 5.2. A record is kept by the MA of the identity and location of bodies holding the supporting documents relating to expenditure and audits. This includes all documents required for an adequate audit trail, which may be in electronic form in case of electronic data exchange between beneficiaries and relevant bodies. | 21. Is there a clearly documented and actively implemented database administration procedure in place, for computerised systems? Does this include backup/recovery procedures, security administration, user administration? | | | |
| | 22. Are all the changes for missing, incomplete and incorrect data recorded in the system? | | | |
| | 23. Are the source documents collected from beneficiaries clear and readable? | | | |
| | 24. Are data checks documented? | | | |
| (KR5), AC 5.3 - Procedures are in place to ensure that all documents required to ensure an adequate audit trail are held in accordance with the requirements of Article 70 of ENI CBC IR i.e. regarding availability of documents. | 25. Are source documents for indicators & milestones kept and made available in accordance with the requirements of Article 140 CPR, regarding availability of documents? | | | |
| Key requirement 6 <i>Reliable system for collecting, recording and storing data for monitoring, evaluation, financial management, verification and audit purposes, including links with electronic data exchange systems with beneficiaries (Articles 30.1(c), 31.3 of Reg. (EU) 897/2014)</i> | | | | |
| Source (EGESIF_14-0010-final 18/12/2014) | Audit question | Y/N /NA | Comment | Ref. supporting doc |
| (KR6), AC 6.1 - 6.1. The existence of a computerised system to record and store data on each project necessary for monitoring, evaluation, financial management, control and audit, including data on individual participants in projects, where applicable. | 26. Is there a functioning IT system for encoding and aggregating data on indicators? | | | |
| | 27. Is the system capable to collect all input data/micro data on all relevant indicators and milestones and on the progress of the programme in achieving its objectives provided by the MA under Article 125(2)(a) CPR? Does this include data on individual participants and a breakdown of data on indicators by gender where required? | | | |
| | 28. The system allows to clearly identify the phase in which the reported data have been collected (beginning of the operation, implementation phase of the operation, after the end of the operation)? | | | |
| | 29. Does the monitoring system has mechanism to automatically identify data that have been retroactively updated or corrected? | | | |
| | 30. Is the system able to precisely identify the data previously declared and conserve appropriate information of all records declared in each given period? | | | |

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| <p>(KR6), AC 6.2 - Adequate procedures are in place to allow for the aggregation of the data where this is necessary for the purposes of evaluation, audits, as well as for payment applications</p> <p>and accounts, annual summaries, annual implementation and final reports, including reports on financial data, submitted to the</p> | <p>31. Are adequate procedures in place to allow for the aggregation of the data about indicators&milestones where this is necessary?</p> | | | |
| | <p>32. Is the encoding of data in the IT system performed in the same way for all projects and all indicators?</p> | | | |
| | <p>33. Are there adequate procedures in place to ensure that all data is encoded in the IT system?</p> | | | |
| | <p>34. Is the information in the IT system encoded regularly? If yes, how often / at what project stage? Is the data updated in certain periods of time for all projects and indicators, or depending on the single project implementation cycles?</p> | | | |
| <p>(KR6), AC 6.3 - a. the security and maintenance of this computerised system, data integrity taken account of internationally accepted standards as for example11 ISO/IEC 27001:2013 and ISO/IEC 27002:2013, data confidentiality, the authentication of the sender and storage of documents and data.</p> <p>b. the protection of individuals with regard to the processing of personal data.</p> | <p>35. Are there automatic controls in IT systems which can guarantee integrity of performance data reported (for indicators coming from projects), i.e. is the system protected from deliberate bias or manipulation?</p> | | | |
| | <p>36. Are there automatic controls in IT systems which can guarantee integrity of performance data reported (for indicators NOT coming from projects)?</p> | | | |
| | <p>37. Does the reporting system avoid double counting of indicator units within each operation implemented by the beneficiary (e.g. a person being part of the same operation twice)</p> | | | |
| | <p>38. Is there an aggregation of data on national level?</p> | | | |
| | <p>39. Reporting deadlines are harmonised with the relevant timelines of the Operational Programme(s)</p> | | | |
| <p><u>Conclusion from the system assessment:</u></p> | | | | |

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| Checklist prepared by: | |
| Checklist reviewed by: | |
| Date: | |

Walk - trough & control test (MA, Beneficiaries)

| Information for at least all the indicators listed | | | | | Control testing section (quantitative analysis) | | | | | | | | | | Walk-through section (qualitative analysis) | | |
|--|-------------|-------------------------------|------------------|---|--|---|---|--------------------------------|--|---|--|--|---|--|---|---------------|------------|
| Priority | Project no. | Indicator type ^[1] | Measurement unit | Was on-the-spot visit/verification carried out? (Y/N) | Indicator value (reported by the MA to the EC) | Indicator value (reported by the beneficiary to the MA) | Indicator value (validated by the auditors) | Indicator value correct? (Y/N) | Q1: Is the selected indicator in line with OP documents? (Y/N) | Q2: Is the output of the project in line with indicator defined in the grant agreement? (Y/N) | Q3: Is the timing of the reporting adequate? (Y/N) | Q4: Is there an error in the measurement unit? (Y/N) | Q5: Is the indicator correctly aggregated at the level of the MA? (Y/N) | Q6: Was the project selected for on the spot verification by the MA? If yes, did the visit take place? | Q7: Describe any observation in case of inconsistencies? (Please copy supporting documents for each identified inconsistency) | Type of error | Cross Ref. |
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| Totals | | | | | 0 | 0 | 0 | | | | | | | | | | |

Conclusion from walk - trough & control testing

| Source | For at least all the indicators listed | Y/N/NA | Comments | Ref. supporting doc |
|---------------------------------|---|--------|----------|---------------------|
| Walk - trough & control testing | 1. Did the walk trough and control testing carried out on sample of selected projects confirm reliability of information about indicators reported to the EC? | | | |
| | 2. Has the audit team found any inconsistencies in the system might deem to be reported to OLAF? | | | |

Overall audit conclusion and opinion:

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| Conclusions from system assessment and walk - trough & control testing | Please describe here all discrepancies with a reference to the checklist and question No in which they were identified. (Such discrepancies should be mentioned in the audit report/ audit opinion). |
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^[1] Please insert on of the following indicator types: Output, Result, Key implementation step