

Strategic Projects – Online Training for Lead Beneficiaries

ENI CBC MED Projects
24 February 2021



PROGRAMME RULES

Applicable to all countries



Why an Expenditure Verification Report (EVR)?

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.”*



What shall be verified?

*“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.”*



Objective of the verification

To be able to declare that the expenditures are:

REAL: actually incurred

ACCURATELY RECORDED

ELIGIBLE: in line with the Eligibility Criteria
indicated in the Project **Grant Contract Art.14**

The **revenues** are identified and quantified

An agreed-upon procedure

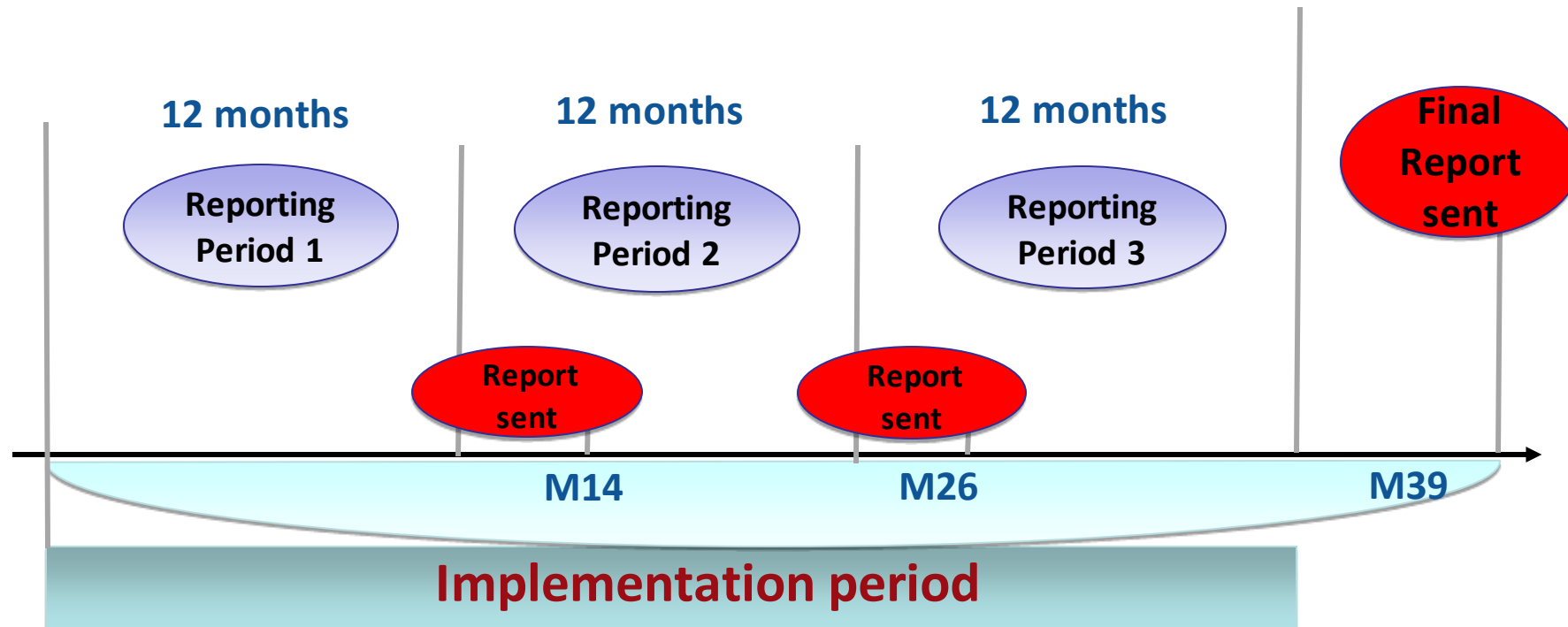
*"This examination shall be performed on the basis of an **agreed-upon procedure** which will be undertaken in accordance with:*

*(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);*

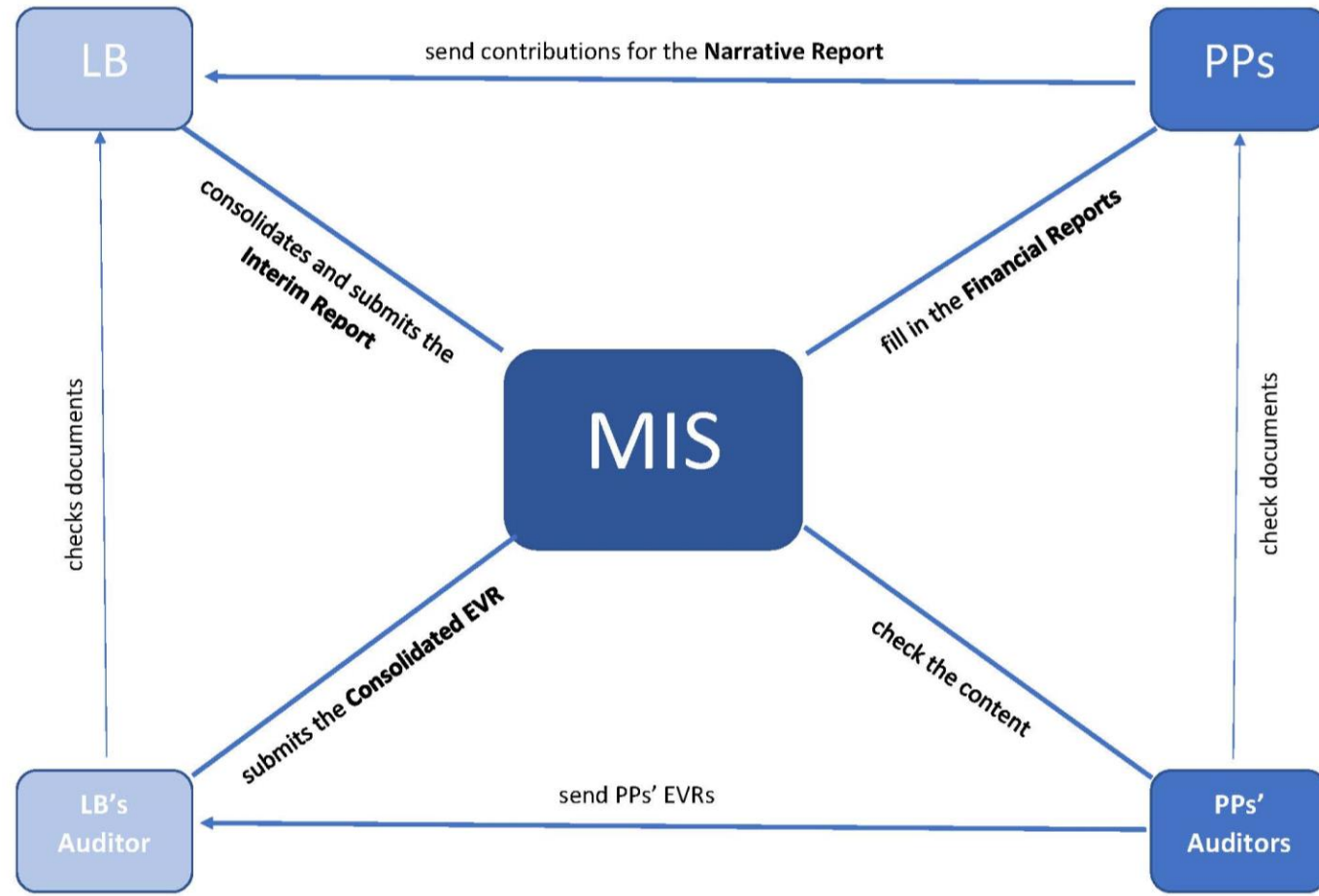
*(b) IFAC **Code of Ethics** for Professional Accountants, developed and issued by IFAC's International Ethics Standards Board for Accountants."*

1 EVR per Project Reporting Period

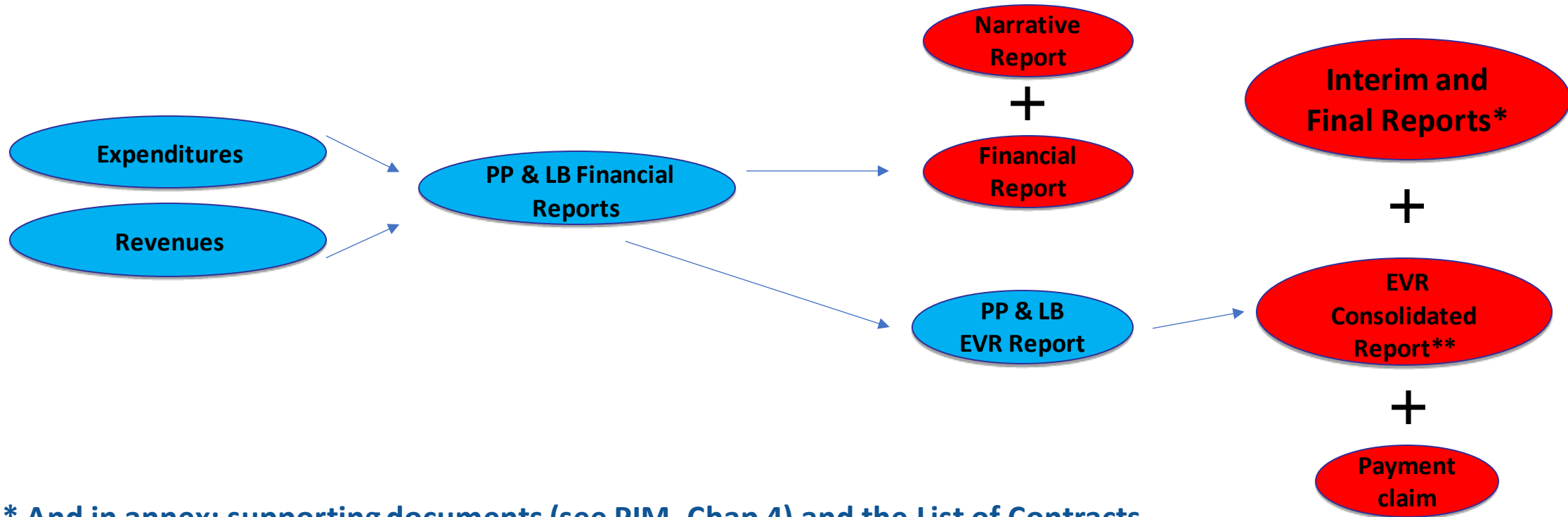
Example for a project duration of 36 months



Focus on the Reporting Flows



1 EVR PER PARTNER AND A CONSOLIDATED EVR BY THE LB FOR EACH INTERIM AND FINAL REPORT



* And in annex: supporting documents (see PIM, Chap 4) and the List of Contracts

**And annexes: List of Factual Findings, Check List, Report on Fraud (as the case maybe)

The auditor engagement

The auditor **plans the work** in an effective way:

- *getting a full understanding of the Grant Contract, its annexes and any other relevant information*
- *obtaining and reviewing the Narrative and Financial Reports*
- *obtaining access to all supporting documents*
- *planning on the spot-checks in the premises of the Partner and in the locations where project outputs have been delivered (equipment, infrastructure, etc.)*

THE PP AND LP GRANTS FULL ACCESS TO THE ACCOUNTS, ACCOUNTING DOCUMENTS AND SUPPORTING DOCUMENTS TO THE SELECTED AUDITOR!

The auditor engagement

The auditor verifies the evidence:

- *Performs 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



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 Grant Contract (Article 9, Amendment to the Contract)*

***N.B.:** the LB's auditor does not re-control the expenditures reported by the other partners but shall ensure that complete control documents have been submitted by all partners and their auditors*

Verification coverage of expenditures

100%



Min 65% of each Cost Category
100% for all procurement
above 60.000€



SPECIFIC RULES:



*Who can be
an auditor?*



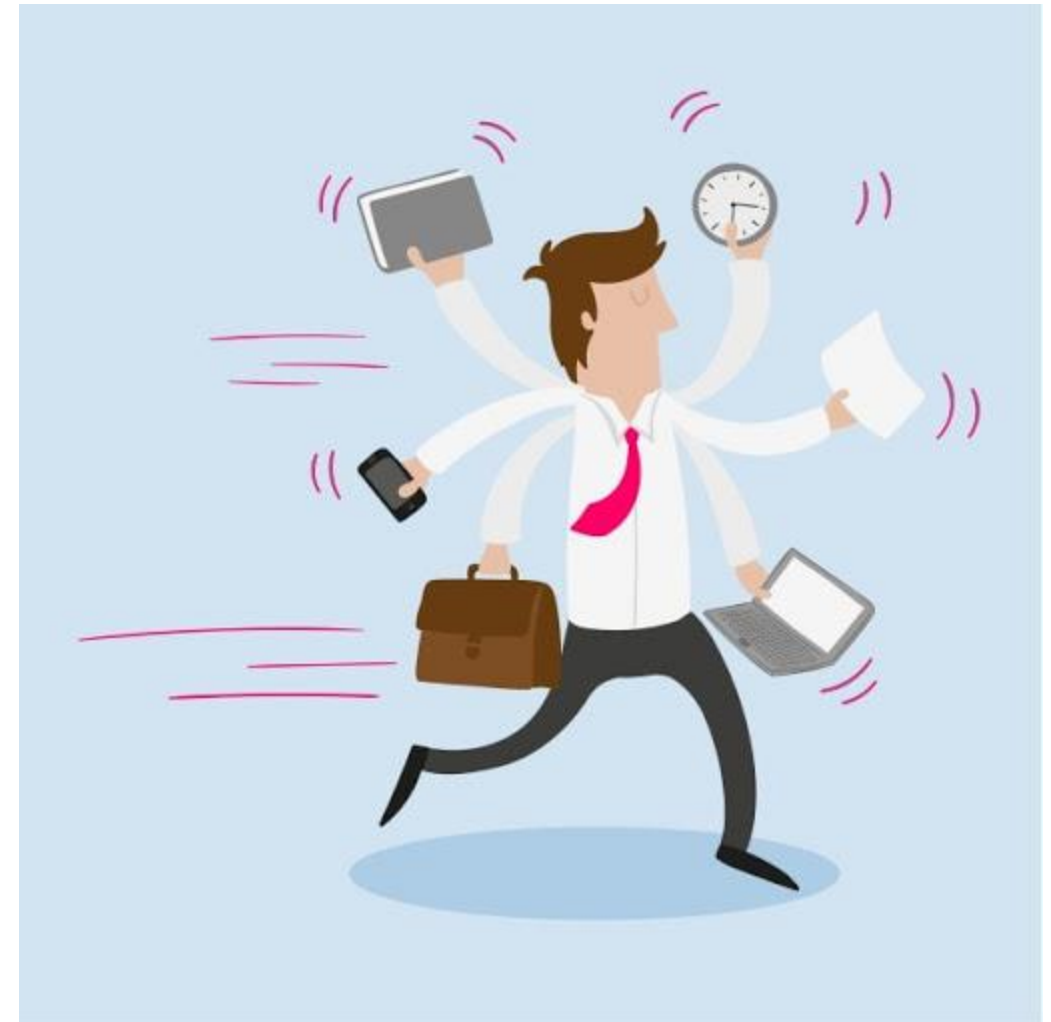
**ENI
CBCMED**
Cooperating across borders
in the Mediterranean



Programme funded by the
EUROPEAN UNION



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



Private external auditors	CY - EG – FR – GR – IR – JO – PS – PT - TN
Private external auditors and public independent competent officers	<p>ES – IT – MT</p> <p>⚠️ SPAIN:</p> <ul style="list-style-type: none">✓ In the event of internal auditors of public entities, <u>they cannot</u> be involved in any project management and financial operation.✓ If they work in a company the auditor must be an “Active Partner” (Socio Ejerciente).

How to select and validate the auditor?



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Selection	<p>Auditors registered in the Official National Register of Auditors</p> <p>⚠ Greece: In the case of selected auditors who are not members of ΣΟΕΛ, they will be requested to provide a declaration stating that they conform to IFAC code of ethics and practices.</p> <p>⚠ France and Tunisia: short or long list established with a call for expression of interest</p>
Validation	<p>Control Contact Point will send a Certificate of Validation of the Auditor to the Project Partner / Main Beneficiary</p>
Procurement procedure	<p>✓ Through a procurement procedure, following the relevant national legislation and grant contract requirements</p> <p>✓ Upon receipt of this Certification, the contract with the auditor may be</p> <p>⚠ signed</p> <p>Israel: non private entities, Mandatory Tenders law and its regulations</p>

Don't forget!

A copy of each **Expenditure Verification Reports** will
be sent to **Control Contact Point**

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

For more information:

Read the [National information](#)

Read the [Expenditure Verification Package](#)

Read the [Project Implementation Manual](#), in particular, the section on Financial Management and its annexes

Read the [Description of the Management and Control Systems and annexes](#) (DMCS – version January 2021)

Read the Factsheets on Expenditure Verification by [TESIM](#)

Contact your Control Contact Point, your project JTS Officer or your Branch Office