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**REGIONE AUTÒNOMA
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DELLA SARDEGNA**

ENI CBC MED Projects: Expenditure Verification Training

EXPENDITURE VERIFICATION ROLE OF CONTROL CONTACT POINTS (CCP)

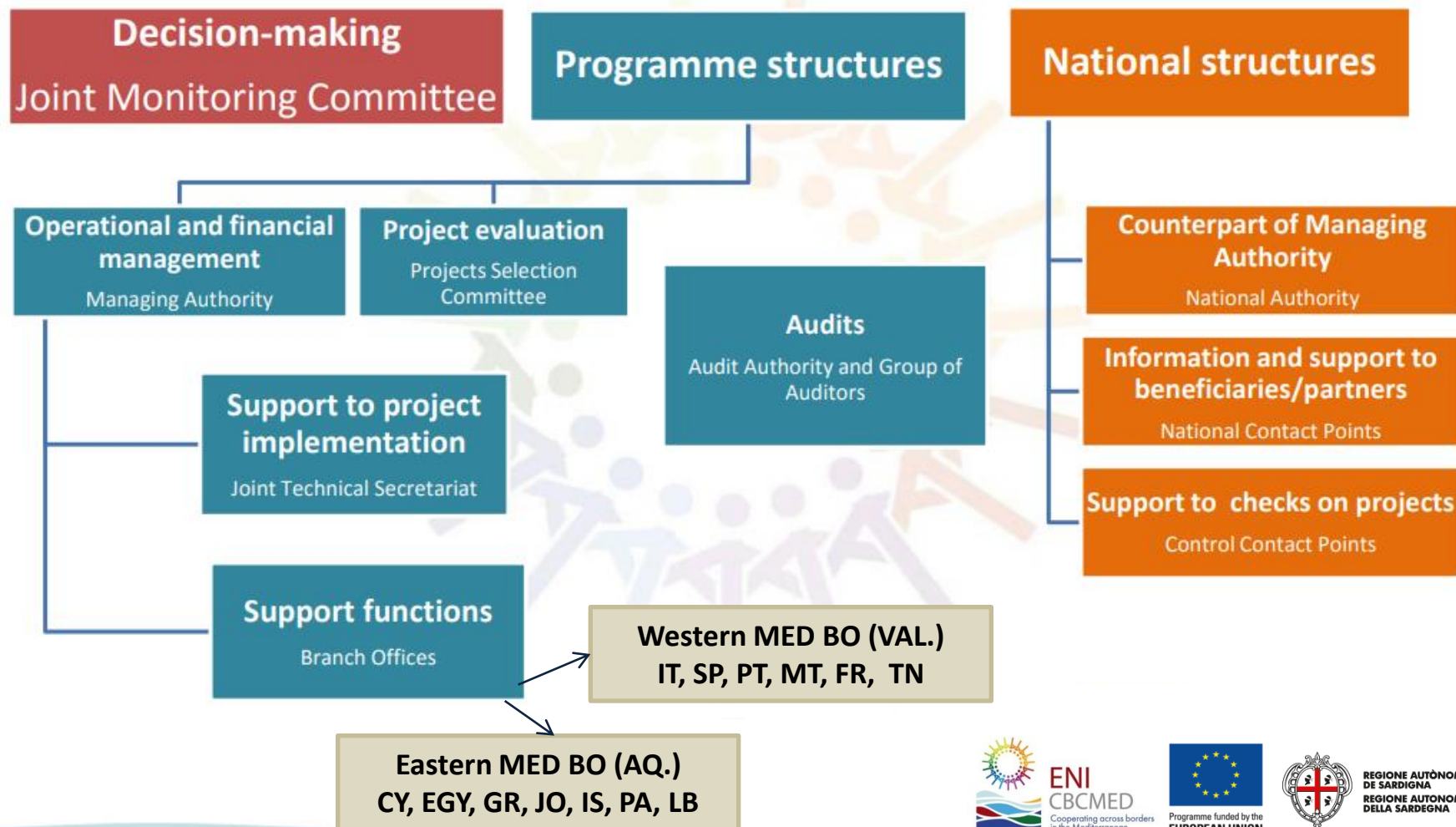
Via WEB.

Lebanon, March 11th, 2021

Dr. Esmat AlKaradsheh

Coordinator of the Eastern Mediterranean Branch Office - Aqaba

Programme Governance: Who does what



A large, faint background graphic consisting of stylized human figures in various colors (yellow, orange, purple, blue) arranged in a circle, with their arms raised, suggesting a group or community.

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 and WHY?

*“Whether the declared **COSTS** and **REVENUES** of the project are;*

- ✓ **REAL,**
- ✓ **ACCURATELY RECORDED** *and*
- ✓ **ELIGIBLE**
- ✓ *Identify and Quantify the **REVENUES***

*in accordance with the **Grant Contract Art.14.**”*

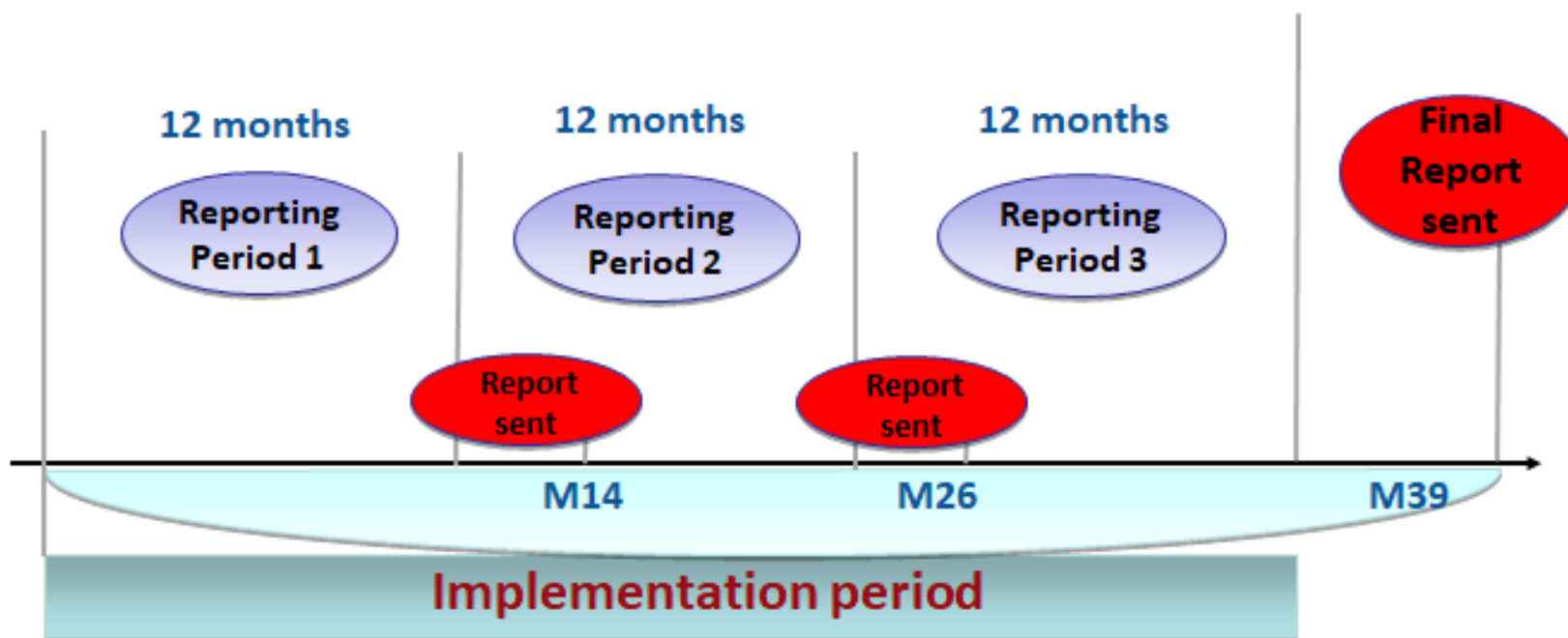
An agreed-upon procedure

“This verification shall be performed on the basis of an agreed-upon procedure in accordance with:

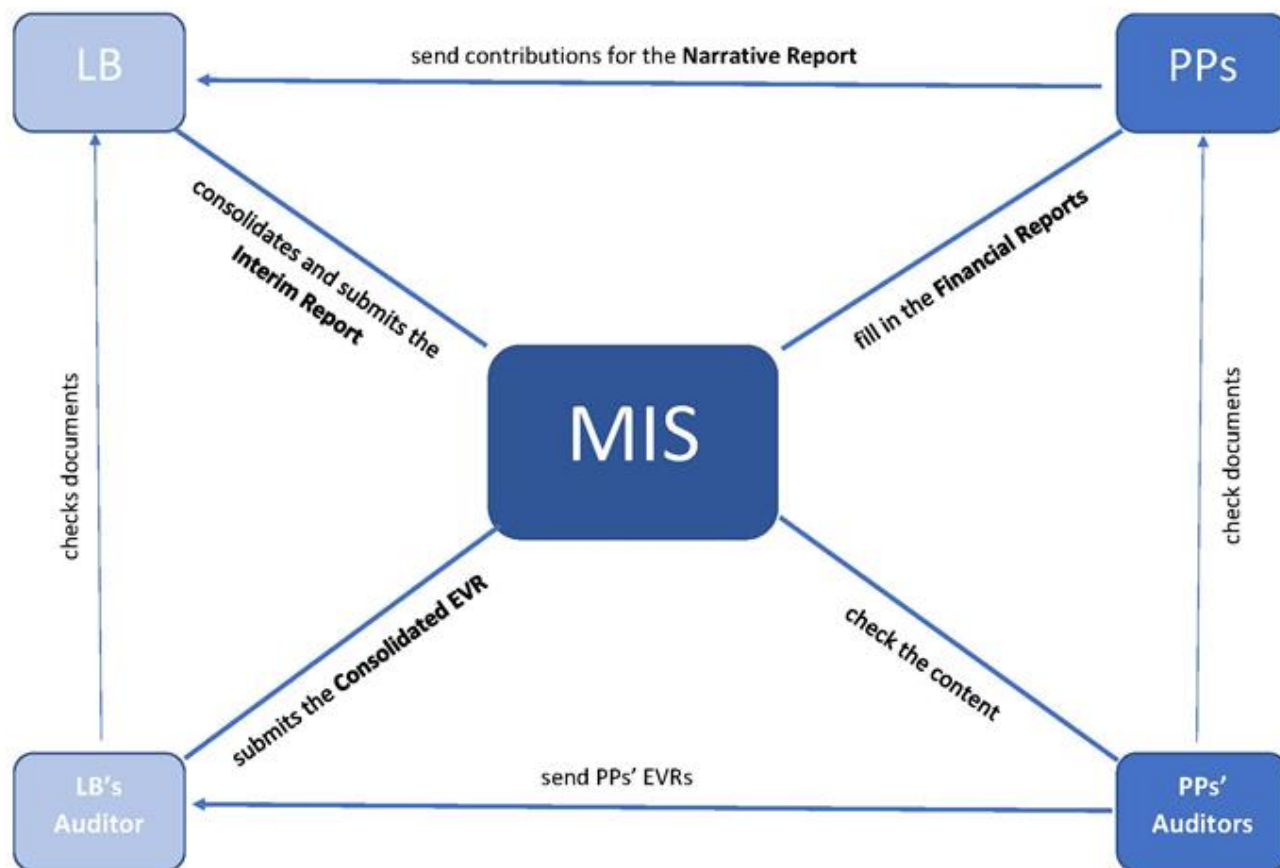
- A. The International Standard on Related Services 4400 Engagements to perform Agreed-upon Procedures regarding Financial Information as promulgated by International Federation of Accountants (IFAC);
- B. IFAC Code of Ethics for Professional Accountants, developed and issued by IFAC's International Ethics Standards Board for Accountants.”

1 EVR per Project Reporting Period

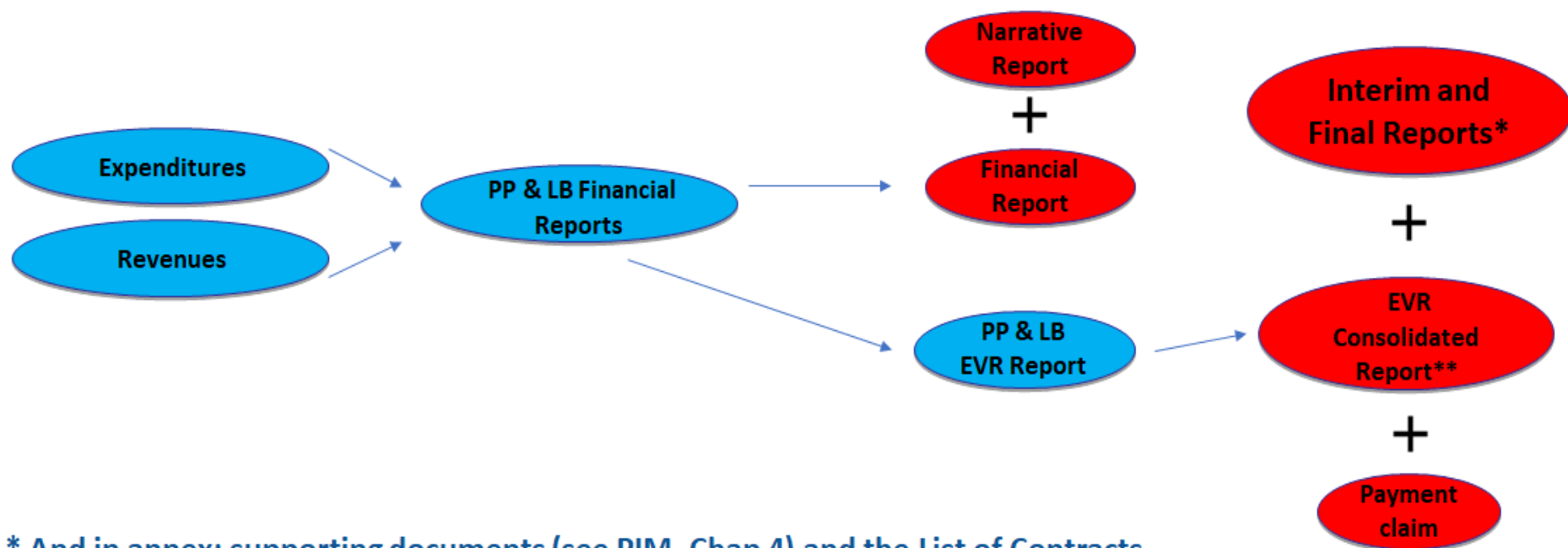
Example for a project duration of 36 months



Reporting Flows



INTERIM AND FINAL REPORT: EVR per partner and CONSOLIDATED EVR by the LB



* 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

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

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€

SPECIFIC TO LEBANON

Who can be an auditor?

The external audit must be performed by a licensed member of the Lebanese Association of Certified Accountants (LACPA).

SPECIFIC TO LEBANON

Your Control Contact Point (CCP):

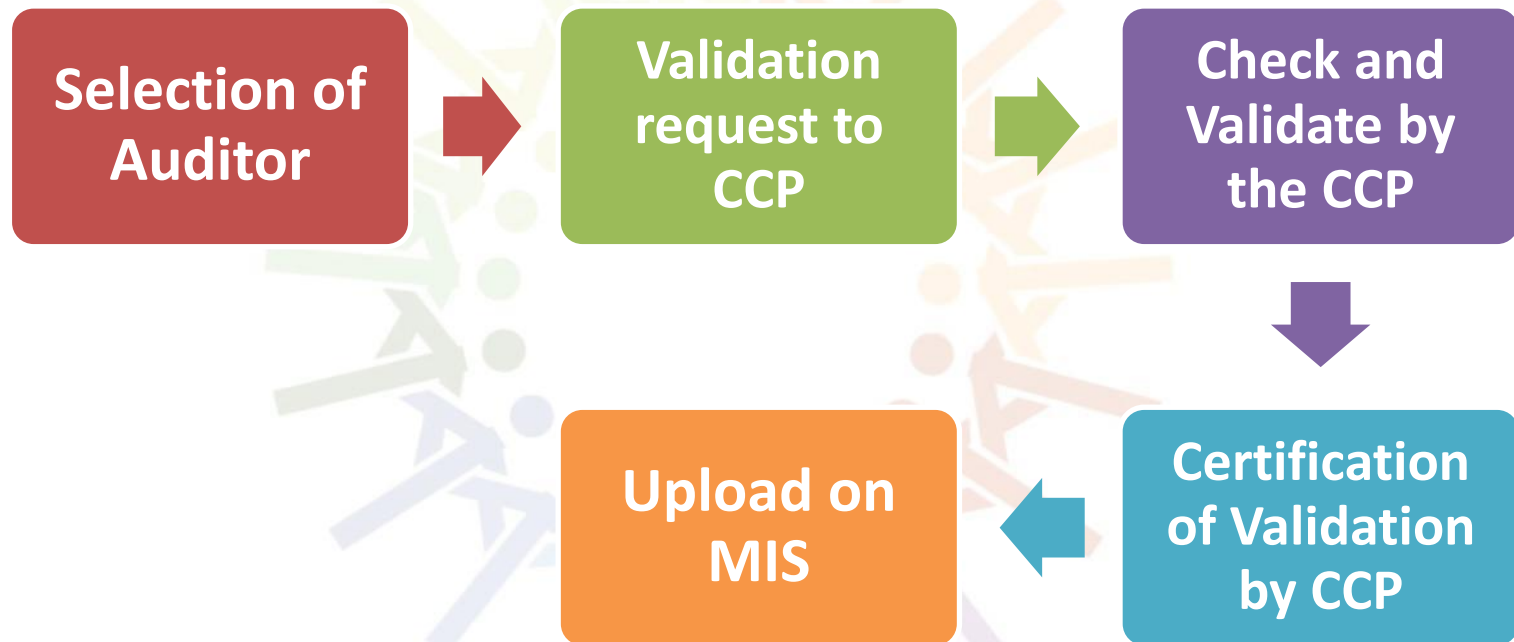
**Presidency of the Council of
Ministers**

**Mohammad Chreif
Senior Officer**

mchreif@pcm.gov.lb



Selection and Validation of External Auditors



Selection and Validation the EA?

SELECTION BENs (PPs or LBs) free to select their auditor, **through a procurement procedure**, following the relevant national legislation and GC requirements.

VALIDATE with the **(CCP)** the external auditor **before signing the contract**. The **CERTIFICATE OF VALIDATION of the Auditor** can be issued by email and in the national language. The validation is required at Programme level and will then be transmitted to the MA and uploaded on the MIS.

REMEMBER; Programme Rules for Public Procurements have to applied when selecting the Auditor!

Don't forget!

A copy of each **Expenditure Verification Reports** should be transmit to the **CCP** for potential coherence and quality checks

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

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

Support the MA in verification

The CCP could be requested to support the MA as foreseen by:

Article 32 of IR 897/2014 Paragraph 2: *“For the purpose of carrying out verifications throughout the whole Programme area, the MA may be assisted by the Control Contact Points. (...)”*

Public Procurement rules for Lebanese Organizations

Public entities: Follow the [TESIM factsheet on Procurement by Lebanese Public Entities](#)

Private entities: apply the rules indicated in [Annex 7.3 of the PIM, Procurement rules for private organizations](#)

For more information:

Read the [Expenditure Verification Package](#) and [Reporting](#)

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

Read the [National Information](#) applicable to the countries

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

Contact your CCP, project JTS Officer or Branch Office [Contacts](#) for further support



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Thank You

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