



# **Audit Authority CHECKLIST**

## **AUDIT ON THE DRAFT ANNUAL ACCOUNTS**

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### **Annex 3.8**

### **ENI CBC MED Programme 2014-2020**

### **Audit Manual 2.1**

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

**Audit period: 01/01/20XX – 30/06/20XX (Accounting year 20XX – 20XX)**

**Verification checklist:**

Reference to legal base, guidance etc.	No	Verification step	Yes/No/NA	Comment	Reference to document
ENI CBC IR Art.26.5	1.	Has the Managing Authority (hereinafter MA) drawn up the annual accounts and			
	1.1	Were the draft accounts submitted the Audit Authority (hereinafter – AA) in time for the purposes of issuing the audit opinion?			
ENI CBC IR Art.68.1	2.	Are the accounts independent and separate and include only transactions relating to the programme?			
ENI CBC IR Art.68.1	3.	Are the accounts kept in such a way as to enable analytical monitoring of the programme by priority and technical assistance?			
ENI CBC IR Art.68.3	4.	Do the accounts include the expenditure incurred and paid and the revenue earned and received by the MA at the level of each priority and technical assistance?			
ENI CBC IR Art.68.4	5.	Do the accounts give a true and fair view, the related transactions are legal and regular?			

Audit N. XX\_20XX

ENI CBC IR Art.68.4	6.	Do the control systems put in place function properly?		-	
Programme documents	7.	Is the Programme database used for aggregating information regarding the projects and beneficiaries?			
Section 3 (EGESIF 15_0016-04 final 03/12/2018)	1.	<p>Whether AA in relation to the accounting year carried out at least one of the following audits:</p> <p>1. If this is the first year after designation performed full audit on the effective functioning of the MA systems.</p> <p>2. If full system audit has been done in previous years and the system is assessed according to criteria 1 or 2 - Follow-up audit work (i.e. system audits or review of specific elements of the functioning of the MA), focusing on the implementation of the recommendations issued in previous system audit reports.</p> <p>3. In case previously system was assessed according to criteria 3 or 4 - follow up on the key requirements of the MA which were assessed as category 3 or 4.</p> <p>4. The full system audit when the MA has changed significantly their procedures or staff since previous system audit.</p>			

Audit N. XX\_20XX

<p>Section 3 (EGESIF 15_0016-04 final 03/12/2018)</p>	<p>2.</p>	<p>In case answer on question 1. is YES:</p> <p>Whether the existence and correct implementation of the following procedures was checked during this system audit:</p> <ul style="list-style-type: none"> <li>• Procedures ensuring that the draft accounts are submitted by the MA in due time to the AA for the purposes of issuing the audit opinion?</li> <li>• Procedures ensuring that expenditure has been excluded from the accounts due to an ongoing assessment in accordance with Article 68 of ENI CBC IR, where applicable, and that all the required corrections are reflected in the accounts for the accounting year concerned?</li> </ul>			
<p>Section 3 (EGESIF 15_0016-04 final 03/12/2018)</p>	<p>3.</p>	<p>In case key requirement 13 was assessed during this system audit, whether it was verified that the MA's procedures (including controls built-in the Programme IT system) effectively ensure that the total amount of eligible expenditure entered into the accounting system reconciles with the expenditure (including the corresponding public contribution) included in annual report submitted to the Commission for the relevant accounting year, less the relevant financial corrections and/or other adjustments made by the MA for the expenditure at stake?</p>			

Audit N. XX\_20XX

Section 3 (EGESIF 15_0016-04 final 03/12/2018)	4.	In case key requirement 13 <sup>1</sup> is assessed in category 3 or 4 during system audit, were an appropriate action plan been established?			
Section 3 (EGESIF 15_0016-04 final 03/12/2018)	5.	If there were any recommendations related to key requirement 13 were them implemented prior to audit of accounts?  <i>(If NO – assess the impact on Audit Opinion and explain it in the column “Comments”).</i>			
Audit Strategy in force	6.	Are there conducted system audits, where the AA has ensured, that the MA functions has adequate procedures in place for the reporting and monitoring of irregularities and to account for the amounts to be waived or to be recovered and to be deducted from payment claims during the accounting year as well as to follow-up pending recoveries and irrecoverable amounts?			
Section 3 (EGESIF 15_0016-04 final 0/12/2018)	7.	Whether following control tests of the MA's procedures have been carried out by the AA during this system audit of the MA. <i>(When some elements of the control tests listed below cannot be carried out at the moment of the</i>			

<sup>1</sup> Adequate procedures to drawing up and certifying the completeness, accuracy and veracity of the accounts.

		system audit, the AA will have to cover them through the final additional verifications (refer to questions 12- 13).			
<b>Financial Part of the Annual report for the accounting year 2018-2019</b>					
ENI CBC IR Art.68.3;Section 3 (EGESIF 15_0016-04 final 03/12/2018)	7.1.	Are the results of the systems audits and the results of the audits of projects carried out incorporated in the annual accounts?			
	7.2.	Is the total amount of eligible expenditure incurred and paid, as included in the accounts compliant with the reported expenditure to the European Commission in the reporting period? (any discrepancies shall be clarified by the AA)			
	7.3.	Does the total amount of eligible expenditure included in the annual report Financial Part and compliant with the amount indicated in the accounts, it corresponds to the amount entered into the Programme IT system ?			
The Financial	7.4.	Is the balance amount of EU funds calculated			

**Audit N. XX\_20XX**

part of the Annual report (article 68(2) ENI CBC IR)		correctly?			
The Financial part of the Annual report (article 68(2) ENI CBC IR)	7.5.	Are the amount and percentage for the pre-financing request for the following financial year is calculated correctly?			
The Financial part of the Annual report (article 68(2) ENI CBC IR)	7.6.	Is the provisional budget for the pre-financing for the following 2 accounting years (commitments and expenditure) calculated and indicated correctly?			
The Financial part of the Annual report (article 68(2) ENI CBC IR)	7.7.	Are the payments received from the European Commission indicated correctly in the draft annual accounts?			
The Financial part of the Annual report (article 68(2) ENI CBC IR)	7.8.	Are the amounts of payments from the participating countries at the programme level indicated correctly?			
The Financial part of the Annual report - article 68(2) ENI CBC IR)	7.9.	Is the EU funding balance data (for the whole programme period) indicated in the accounts calculated correctly?			

Audit N. XX\_20XX

The Financial part of the Annual report -(article 68(2) ENI CBC IR);  Article 59 of the ENI CBC IR	7.10.	Are there bank accounts set up in EUR specifically dedicated to the programme?			
The Financial part of the Annual report (article 68(2) ENI CBC IR)	7.11.	Is there interest earned from the pre-financing received correctly indicated in the accounts?			
The Financial part of the Annual report (article 68(2) ENI CBC IR)	7.12.	Are the co-financing amounts and rates calculated and indicated in the accounts correctly?			
The Financial part of the Annual report	7.13.	Are the amounts regarding the expenditure claimed by beneficiaries, payments made for projects and recovered amounts indicated			



Audit N. XX\_20XX

(article 68(2) ENI CBC IR)		correctly in the accounts for current reporting period?			
The Financial part of the Annual report (article 68(2) ENI CBC IR)	7.14.	Are the amounts regarding the payments to projects indicated correctly in the accounts for current reporting period?			
The Financial part of the Annual report (article 68(2) ENI CBC IR)	7.15.	Do the accounts include amounts waived in the projects and recovered during the accounting year concerned, the amounts to be recovered by the end of the accounting year and the unrecoverable amounts at the level of each priority?  Are the above mentioned amounts indicated correctly in the accounts?			
The Financial part of the Annual report (article 68(2) ENI CBC IR)	7.16.	Have the financial corrections been applied?  Are the financial corrections correctly reflected in accounts?			

The Financial part of the Annual report (article 68(2) ENI CBC IR)	7.17.	Are the amounts of pending recoveries und unrecoverable amounts indicated correctly in the accounts?			
The Financial part of the Annual report (article 68(2) ENI CBC IR)	7.18.	Do the accounts only contain the amounts to be recovered in relation to the expenditure indicated in annual report in previous accounting year(s) ?  Are recoveries based on a decision taken by the appropriate level (i.e. MA or JMC the latter as the case may be )?			
The Financial part of the Annual report (article 68(2) ENI CBC IR)	7.19.	Is the list of projects under OLAF investigation, legal proceeding or administrative appeal having suspension effect indicated correctly in the accounts?			
The Financial part of the	7.20.	Is the revenue from projects indicated correctly?			

Audit N. XX\_20XX

Annual report (article 68(2) ENI CBC IR)					
The Financial part of the Annual report (article 68(2) ENI CBC IR)	7.21.	Are the amounts regarding the TA expenditure indicated correctly in the accounts?			
The Financial part of the Annual report (article 68(2) ENI CBC IR)	7.22.	Do the accounts include amounts waived from technical assistance and recovered during the accounting year concerned, the amounts to be recovered by the end of the accounting year and the unrecoverable amounts? Are the above mentioned amounts indicated correctly in the accounts?			
The Financial part of the Annual report (article 68(2) ENI CBC IR)	7.23.	Have the financial corrections been applied?  Are the financial corrections correctly reflected in accounts?			

**Audit N. XX\_20XX**

The Financial part of the Annual report (article 68(2) ENI CBC IR)	7.24.	Are the amounts of pending recoveries and unrecoverable amounts indicated correctly in the accounts?			
The Financial part of the Annual report (article 68(2) ENI CBC IR)	7.25.	Do the accounts only contain the amounts to be recovered in relation to the expenditure indicated in annual report in previous accounting year(s). Are recoveries based on a decision taken by the. MA?			
The Financial part of the Annual report (article 68(2) ENI CBC IR)	7.26.	Is the list of contractors under OLAF investigation, legal proceeding or administrative appeal having suspension effect indicated correctly in the accounts?			
The Financial part of the Annual report (article 68(2) ENI CBC IR)	7.27.	Is the revenue from technical assistance funds indicated correctly?			
Conclusion on level of assurance obtained from the system audits.			Category 2 - Works but some improvements are needed.		
Analysis of the results of examination of the audit trail and accuracy of the corresponding expenditure entered in the accounts to verify the reliability of the accounting systems carried out during audits of operations:					
Section 4 (EGESIF 15_0016-04 final 03/12/2018)	8. 1	Did the results of the audit of operations confirmed that the expenditure incurred by beneficiaries and paid in implementing operations have been included in accounts?			
Section 4	8.	Are all irregular amounts detected in the audits of			

**Audit N. XX\_20XX**

(EGESIF 04 final 03/12/2018)	2	operations excluded from the accounts?			
<b>Conclusion on level of assurance obtained from the audits of projects.</b>					
<b>Analysis of the results of other audits:</b>					
Section 2, (EGESIF 15_0016-04 final 03/12/2018)	9.	<p>Do those audits, if occurred, confirm the proper functioning of the system as for the legality and regularity of expenditures included in Annual Accounts:</p> <ul style="list-style-type: none"> <li>•Audits performed by the Commission;</li> <li>•Audits carried out by the European Court of Auditors and its follow-up performed by the Commission;</li> <li>•Checks performed by other authorities (e.g. National Authorities as per article 31 ENI CBC IR) for administrative verifications, on-the-spot verifications, etc.);</li> <li>•Others audit and control results to which the AA have access.</li> </ul>			
<b>The final additional verifications of the draft accounts provided by the MA</b>					

Audit N. XX\_20XX

EC templates for Annual Report II. Financial part	10.	Have the draft accounts been prepared in accordance with the templates for annual accounts provided by the EC?			
Section 5, (EGESIF 15_0016-02 final 05/02/2016)	11.	Is there a disclosure in the relevant section of the financial corrections as a result of the audit of operations according to Article 28 (1) of ENI CBC IR?			
Section 4, (EGESIF 15_0016-04 final 03/12/2018)	12.	Are there any checks which were not carried out at the moment of the audit of operations (refer to question 8) ?			
Section 4, (EGESIF	13.	Has AA carried out those checks which were not carried out at the moment of the audit of			

Audit N. XX\_20XX

15_0016-04 final 03/12/2018)		operations (refer to question 8) ?			
Section 5, (EGESIF 15_0016-04 final 03/12/2018)	14.	<p>Are additional verifications on individual records by verifying on a sample basis the accuracy of the records registered in the accounts covering each type of record (amounts waived, recovered, pending recoveries and unrecoverable amounts) in relation to the other items (amounts waived, recoveries, pending recoveries and unrecoverable amounts) carried out, confirming that:</p> <ul style="list-style-type: none"> <li>• the amounts of recoveries waived and recovered during the accounting year, the pending recoveries as at the end of the accounting year, the recoveries effected pursuant to Article 68 (3) of the ENI CBC IR, and the irrecoverable amounts presented in the accounts, all correspond to the amounts entered in the Programme accounting systems and are based on reasoned decisions taken by the MA .</li> <li>• expenditure has been excluded from the accounts due to an ongoing assessment of its legality and regularity.</li> </ul>			

		<ul style="list-style-type: none"> <li>• all other required corrections as a result of management verifications or audits were correctly reflected in the accounts for the accounting year concerned.</li> </ul>			
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Auditors in charge of the verification	
Place of audit	
Time of the audit	Audit final checklist:
Audited Programme	ENI CBC MED Programme 2014-2020, as established through EC Decision number C(2015) 9133 of 17 December 2015, as kept by the ENI CBC MED Programme Managing Authority (MA), which was designated through Regional Government Decision (DGR) 53/1 of 29 <sup>th</sup> October 2018.



Audit N. XX\_20XX

Audit number	
Prepared by:	
Auditor 1:	<u>Signature</u> _____
Auditor 2:	<u>Signature</u> _____
Auditor 3:	<u>Signature</u> _____
Date:	Date: