



Training on Expenditure Verification

ENI CBC MED Projects
Italy, 3 March 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:*

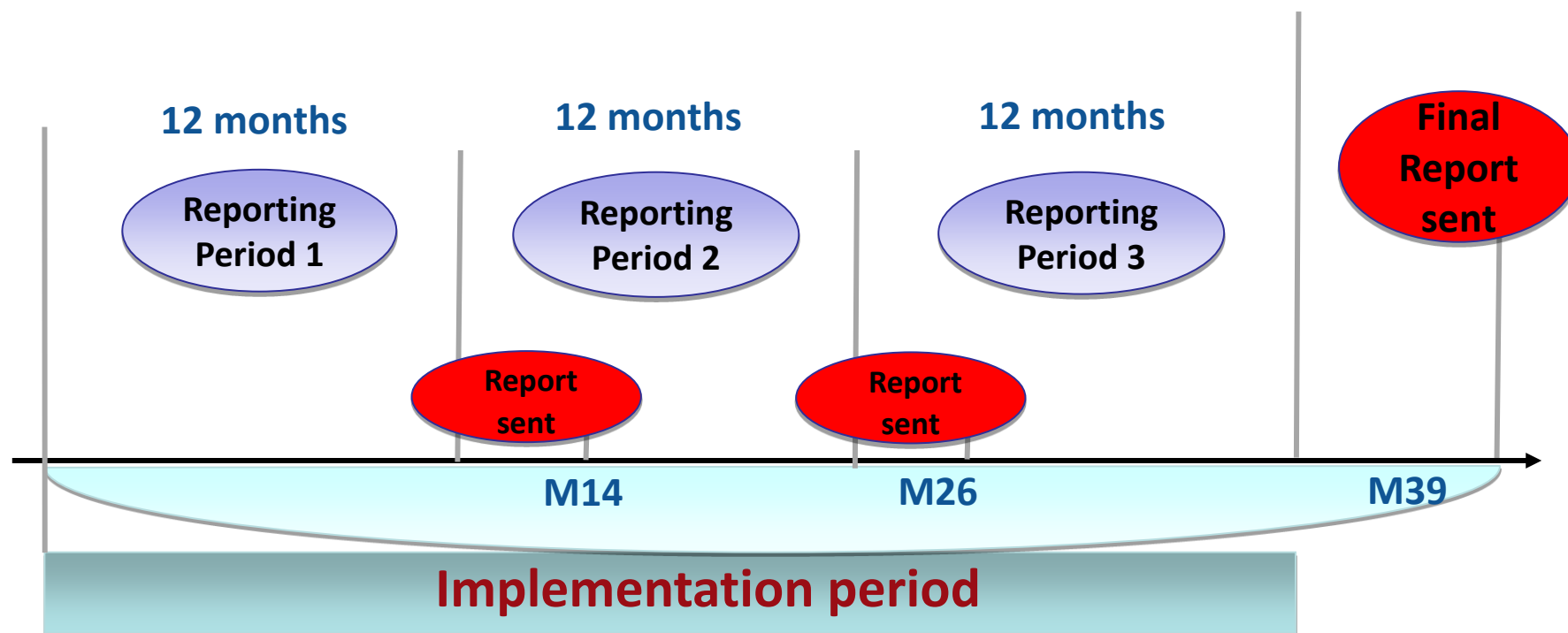
*(a) the International Standard on Related Services 4400 Engagements to perform **Agreed-upon Procedures** regarding Financial Information as promulgated by International Federation of Accountants (IFAC);*

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

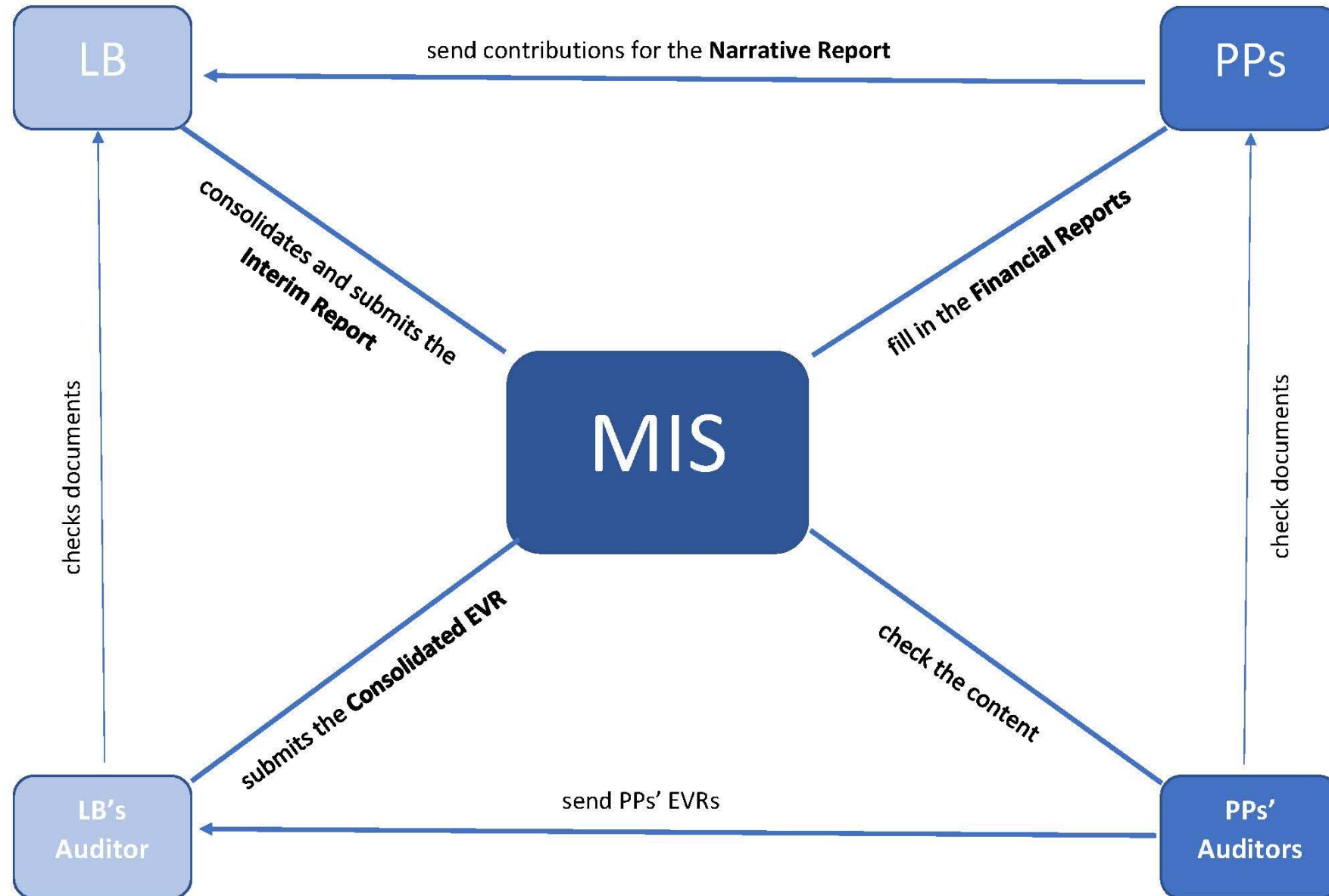
1 EVR per Project Reporting Period



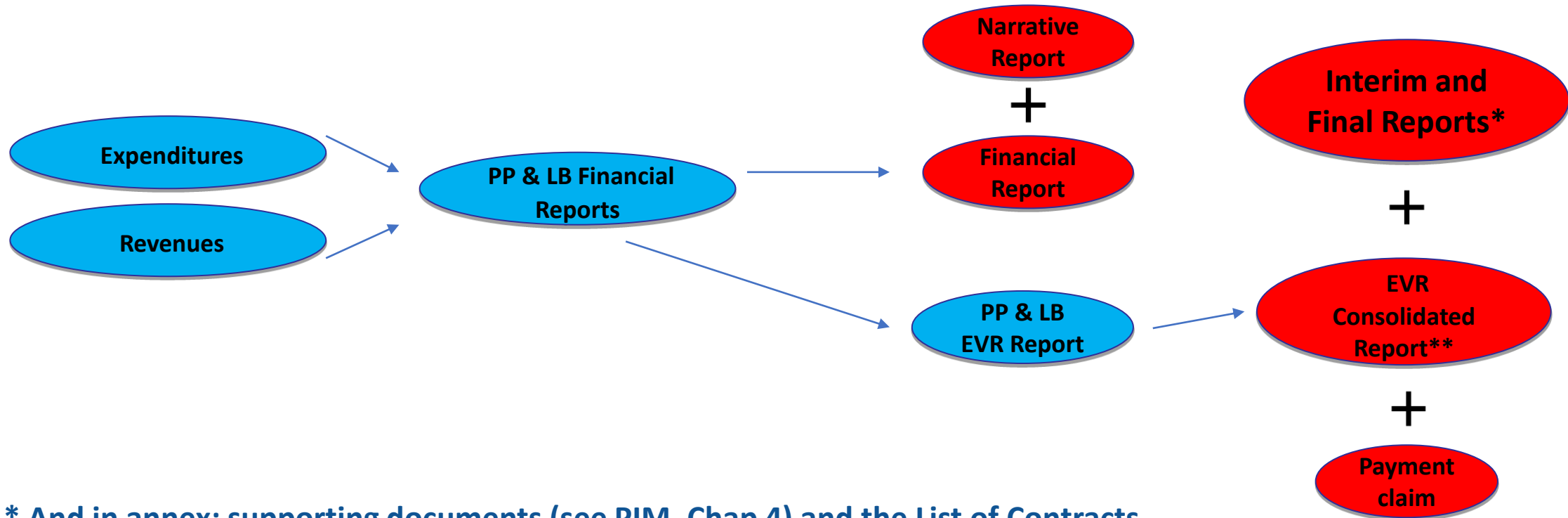
Example for a project duration of 36 months



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 LB 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)*

Verification coverage of expenditures



100%



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



RULES SPECIFIC TO ITALY



Who can be an auditor?

Audit will be carried out by private external auditors or by public independent competent officer (Authorized Internal Control Units) in case of public administrations only.

La Regione Puglia, responsabile finale di rilascio dell'assenso/diniego all'incarico del verificatore – ha il compito di effettuare l'istruttoria delle istanze pervenute, che dovranno essere presentate da parte di ciascun beneficiario italiano

How to select and validate the auditor?

Project beneficiaries shall be free to select their auditor, **through a procurement procedure**, following the relevant national legislation and grant contract requirements.

The Italian entities will then **provide to Regione Puglia (Vice-Presidente di Comitato Nazionale e membro della Commissione Mista Stato Regioni e Province Autonome)** with the documents related to the external auditor **in order to obtain the validation** required at Programme level.

The results of this check shall be then submitted to the Control Contact Point who will inform the MA about the outcomes of the validation

Upon receipt of this Certification, the **contract with the auditor may be**

Don't forget!



The CCP may carry out **quality assurance check on a sample** of the Expenditure Verification Reports (EVR) issued by the external auditors.

PROGRAMME RULES FOR PUBLIC
PROCUREMENT HAVE TO BE APPLIED
WHEN SELECTING THE AUDITOR

Public Procurement rules for Italian Organizations



Public entities: Follow the same rules applied to Italian Public Organizations

Private entities: Follow the TESIM Guide on procurement by private project beneficiaries in ENI CBC Mediterranean Sea Basin and Italy and Italy-Tunisia programmes

All available at:

<http://www.enicbcmmed.eu/projects/support-to-implementation>

For more information:



Read the [Expenditure Verification Package](#)

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

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

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

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