



TESIM

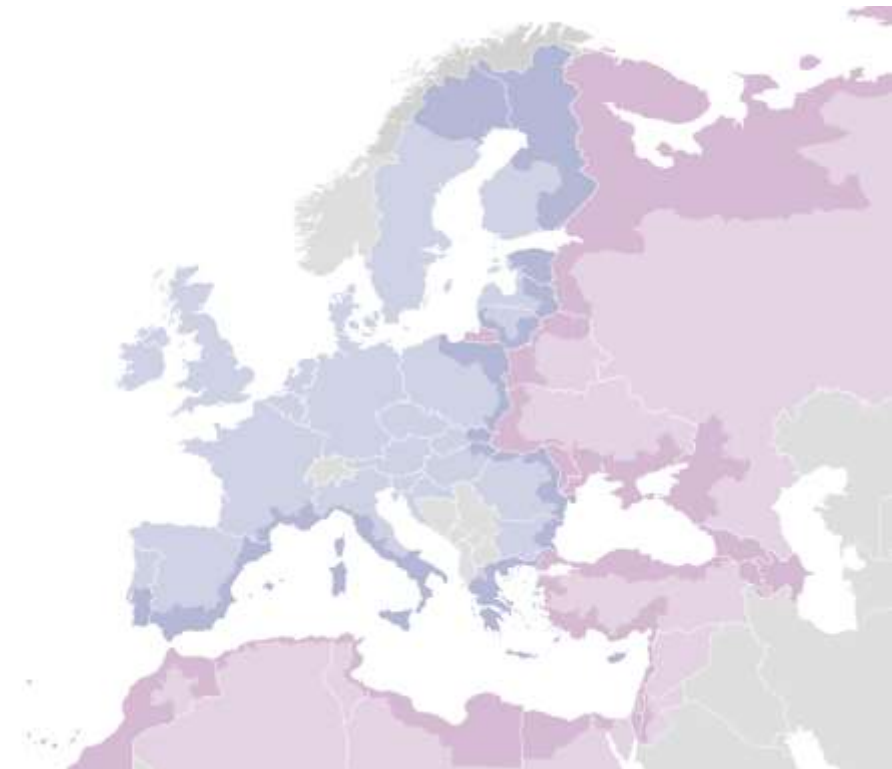
Technical support to the implementation
and management of ENI CBC programmes

Expenditure verification

General context & tools for auditors

Training for auditors Romania-Ukraine ENI CBC

On-line event, 17 November 2020



A project funded by the European Union



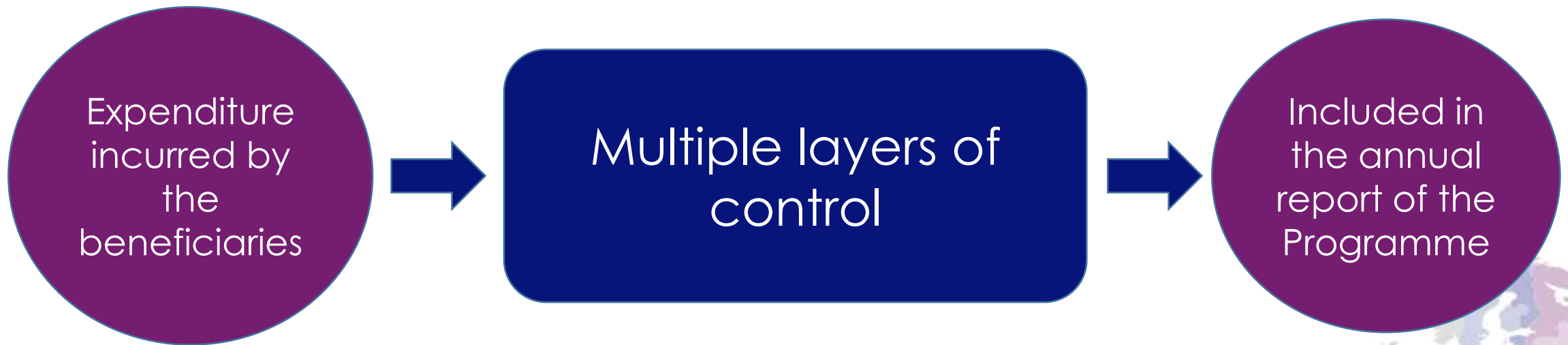
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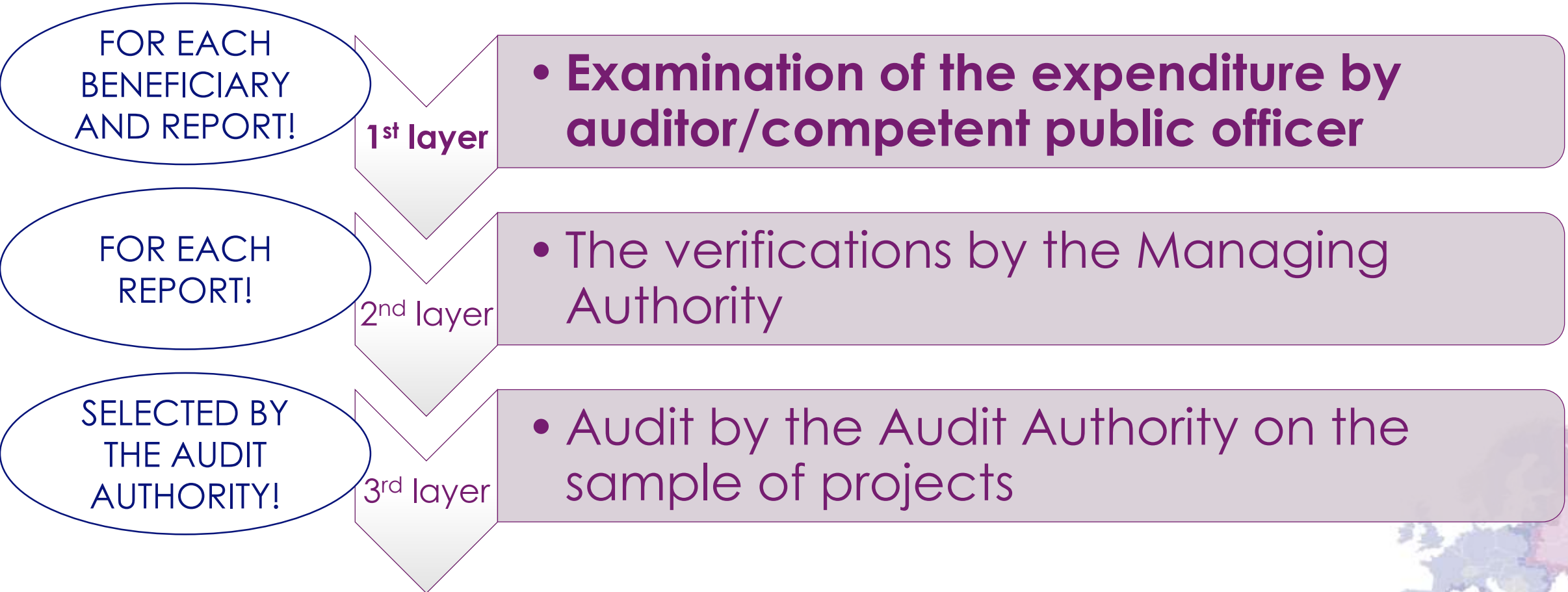




Requirements from ENI CBC Implementing Rules (EC Regulation 897/2014)

Objective - to verify whether the **costs** and the **revenue of the project are real, accurately recorded and eligible.**





“This examination shall be performed [..] in accordance with:

*(a) the International Standard on Related Services 4400 Engagements to perform **Agreed-upon Procedures** regarding Financial Information [..] (IFAC);*

*(b) IFAC **Code of Ethics** for Professional Accountants [..].”*



Integrity


Objectivity

Professional
competence
& due care

Confidentiality

Professional
behaviour

<https://www.ifac.org/publications-resources/2012-handbook-code-ethics-professional-accountants>



Practicalities of expenditure verification



<https://www.goforenicbc.eu/index.php/en-projectimp-videotutorialstep04/>



PROJECT IMPLEMENTATION > VIDEO TUTORIALS > EXPENDITURE VERIFICATION



QUALITY
is the minimum
EXPECTATION



Why quality is important?

Assurance to the beneficiary and the MA

Less amount of follow-up work

Smaller risk of negative consequences (payment, change or exclusion) for the auditor



*“The auditor **should document matters** which are important in **providing evidence to support the report of factual findings**, and evidence that the engagement was carried out in accordance with this ISRS and the terms of the engagement.”*



Templates of working papers for expenditure verification

Module for auditors and public officers carrying out
expenditure verification

May 2019





Annexes

Annex 1. Checklist on internal control

Annex 2. Checklist of the accounting system

Annex 3. Checklist of the archiving of the document

Annex 4. Risk matrix

Annex 5. Determination of the sample

Annex 6. Substantive tests

100% check in the 2 programmes. Not applicable



Irregularities because of mistakes in procurements spotted while examining expenditure proved to be **one of the main reasons for declaring costs as ineligible** in 2007-2013

Contracts for the provision of services concluded with individuals **do not belong to the Human Recourses budget line**. Please check the program rules.

An **appropriate procurement procedure** must be applied when a service contract is concluded with an individual. Please note that the **amount of the procurement is payment for the entire contract period**, not for a month.

**Careful! Price
limits!**

The key document is Law of
Ukraine “On Public Procurement”

Order of KMU 332 dated
04.04.2001

Order of KMU 955 dated
17.10.2008



IMPORTANT!

The beneficiaries must always consider the requirement of the ENI CBC Implementing Rules to designate a tender committee with an odd number of members. The appointment of an authorized person must be avoided.

Article 11 of the Law of Ukraine "On Public Procurement" requires that a procurement must be carried out by an authorized person. This provision of the law is **contrary to the the rules of ENI CBC**.





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and management of ENI CBC programmes



**Our goal:
reliable expenditure verification reports!**



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