



TESIM

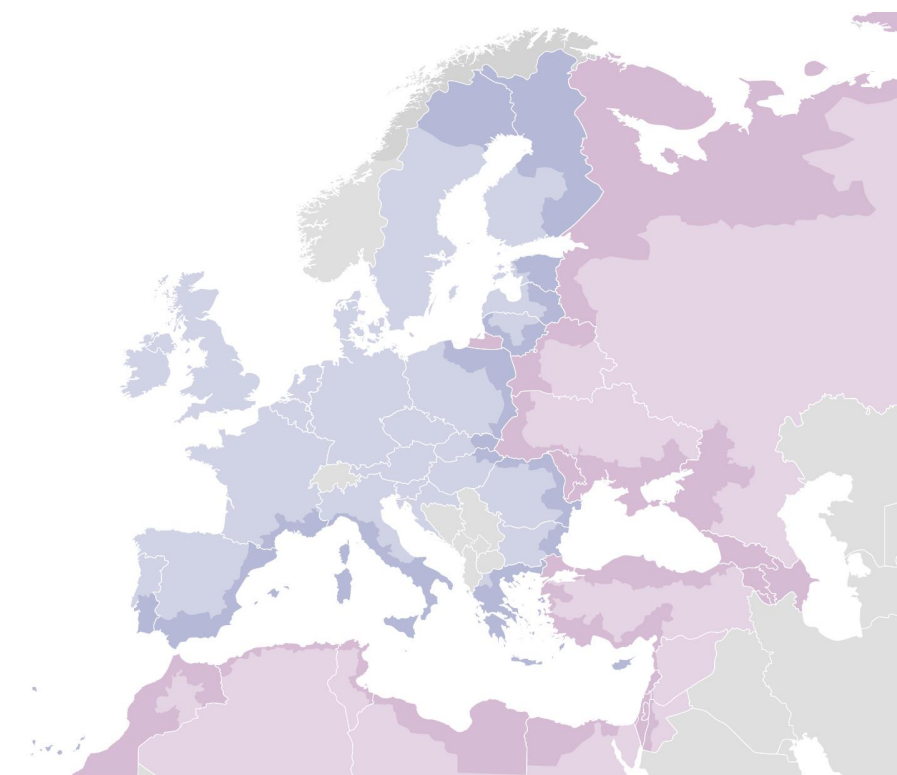
Technical support to the implementation
and management of ENI CBC programmes

Expenditure verification (1)

General context & tools for auditors

Training for controllers

Chisinau, 12 November 2019



A project funded by the European Union



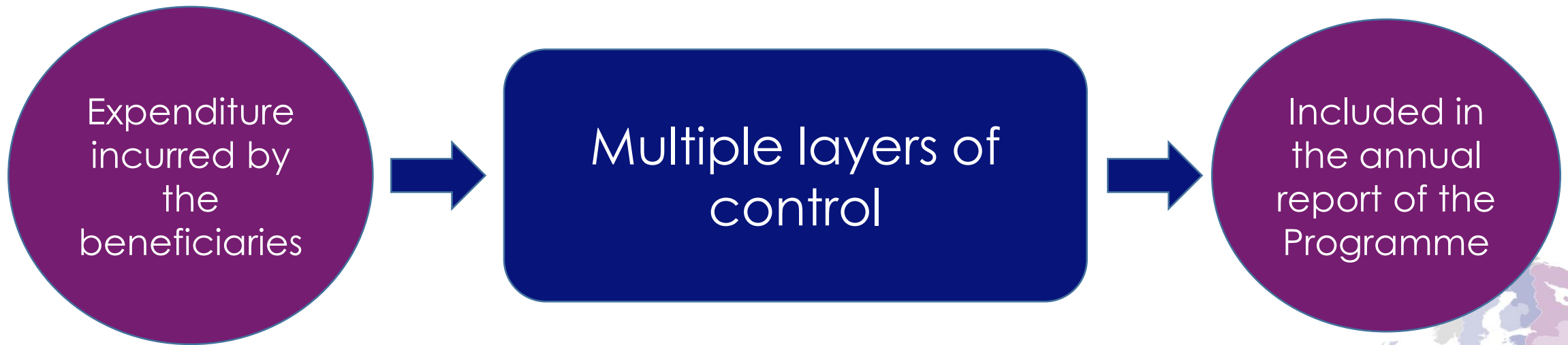
Implemented by a consortium led by

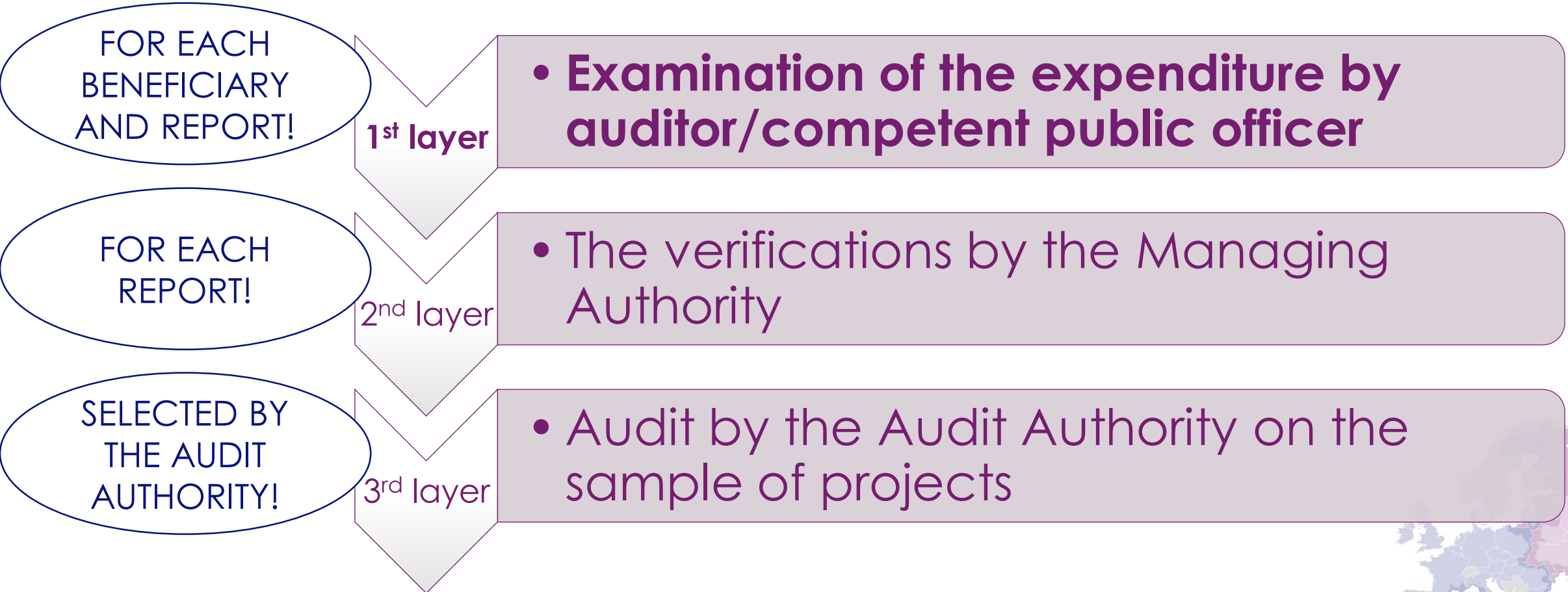




Requirements from ENI CBC Implementing Rules (EC Regulation 897/2014)

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

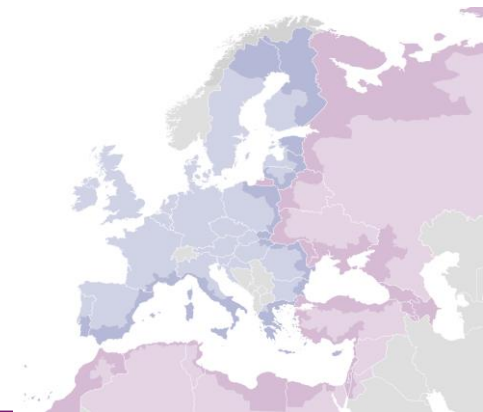




“This examination shall be performed [..] in accordance with:

*(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

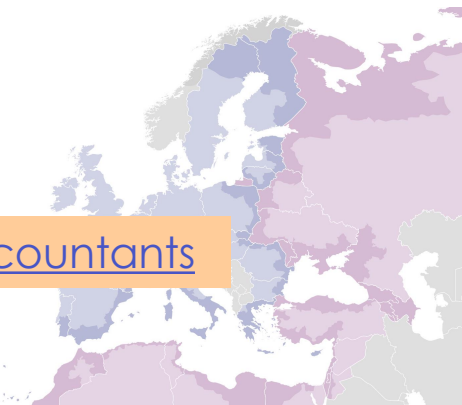
Objectivity

Professional
competence
& due care

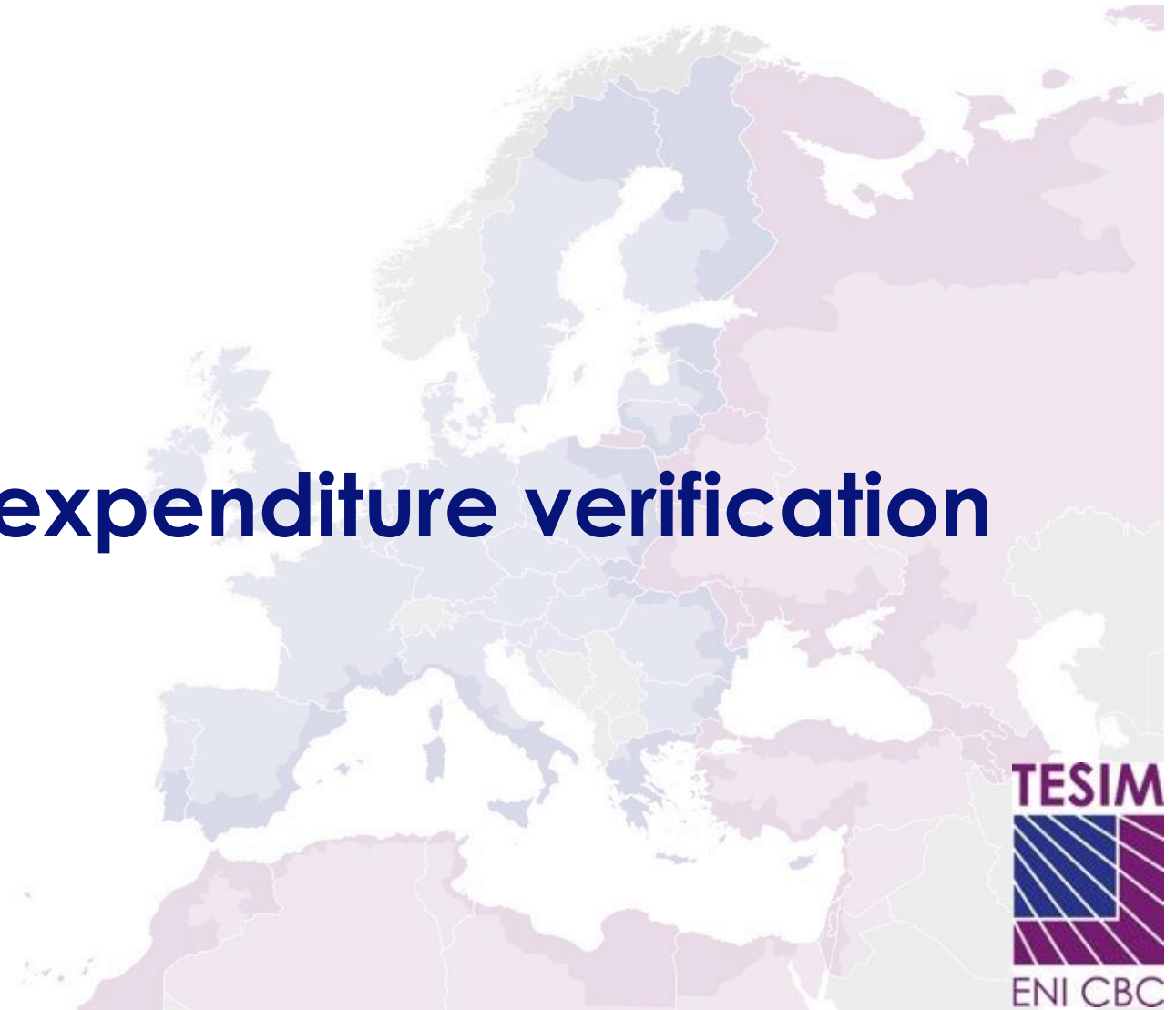
Confidentiality

Professional
behaviour

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



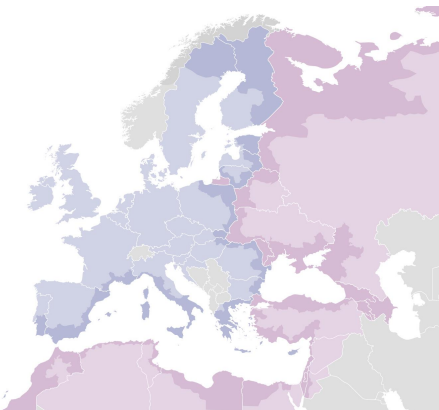
Practicalities of expenditure verification



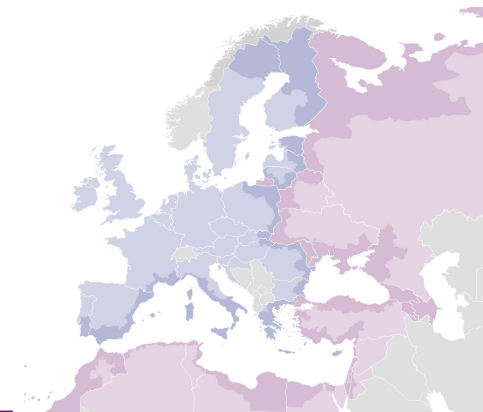
<https://www.goforenicbc.eu/index.php/en-projectimp-videotutorialstep04/>



PROJECT IMPLEMENTATION > VIDEO TUTORIALS > EXPENDITURE VERIFICATION



QUALITY
is the minimum
EXPECTATION

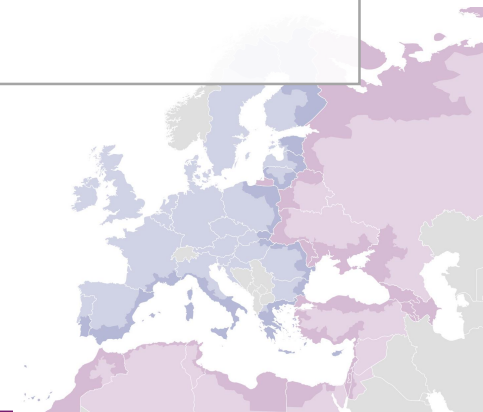


Why quality is important?

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



Why quality is important?



*“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.”*

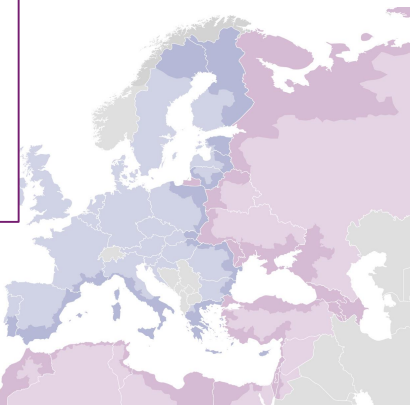
<https://tesim-enicbc.eu/library/>



Templates of working papers for expenditure verification

Module for auditors and public officers carrying out expenditure verification

May 2019

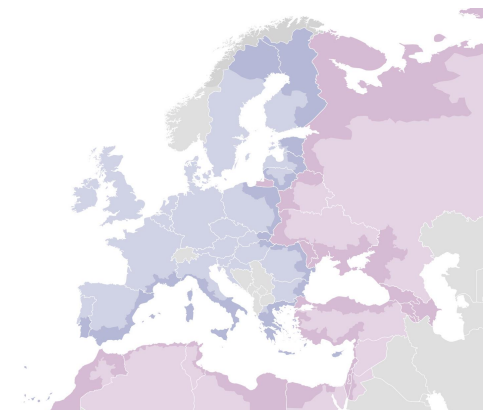


Assessing internal control

INTERNAL CONTROL CHECK-LIST					
Name of project beneficiary					
Name and acronym of the project					
Project code					
Period covered (from - to)					
File reference					
Cross-reference to other documents or working papers					
		Yes	No	N/A	Comments / Notes
A. INTERNAL CONTROL ENVIRONMENT					
B. CONTROL ACTIVITIES					
SEGREGATION OF DUTIES					
B1	Has the beneficiary implemented measures to segregate duties between:				
	- custody of assets and verification tasks? (example : cash custody versus cash reconciliation)				
	- management tasks and authorisation tasks? (example : performing procurement procedures versus authorising the contract with a supplier)				
	- management tasks and accounting tasks? (example : approving purchase invoices versus accounting for these invoices)				
	- accounting tasks and payment tasks? (example : payment order preparation versus signature of the bank payment order)				
SUPERVISION ACTIVITIES					
B2	For all functions impacting financial transactions, is there a review and control by an officer/employee of higher level than the one performing the task?				
ASSET MANAGEMENT - INVESTMENT ASSETS					
B3	Is there a fixed assets register?				
B4	Does this register include, for each asset, a unique description and a unique identification number?				
B5	Are these identification numbers physically affixed on the assets themselves?				

Assessing internal control – preparing the fundament for audit:

- key step during audit of the 1st report;
- Supports further decisions to be made by the auditor.





Annexes

Annex 1. Checklist on internal control

Annex 2. Checklist of the accounting system

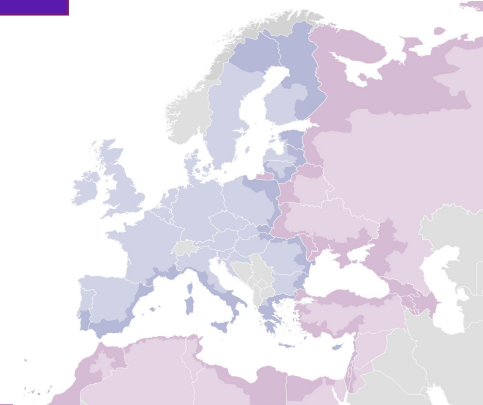
Annex 3. Checklist of the archiving of the document

Annex 4. Risk matrix

Annex 5. Determination of the sample

Annex 6. Substantive tests

100% check in the 2 programmes. Not applicable



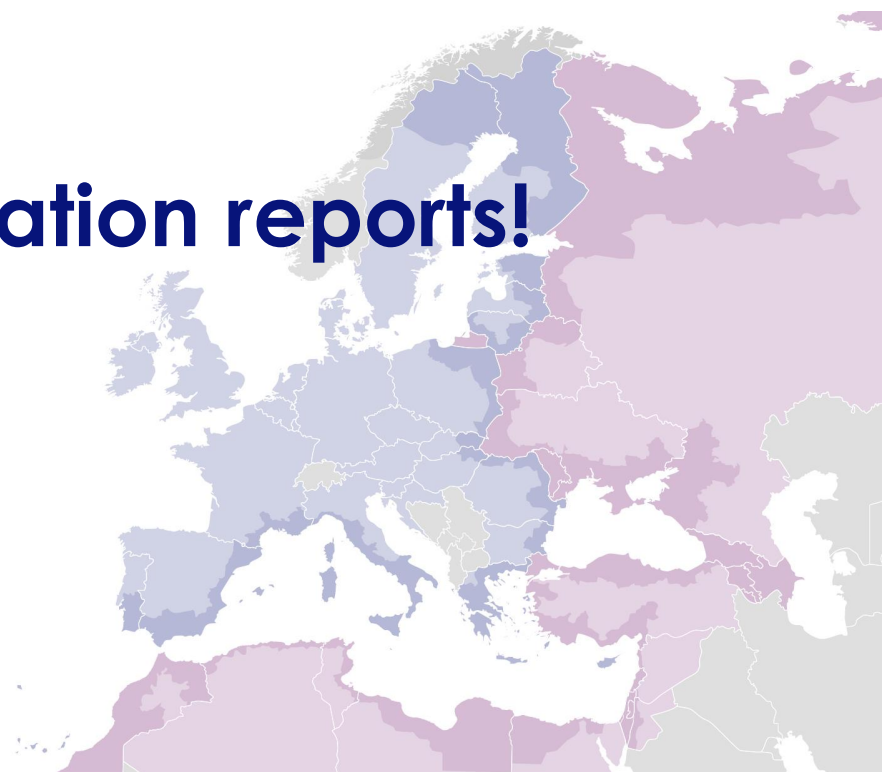


TESIM

Technical support to the implementation
and management of ENI CBC programmes



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



A project funded by the European Union



Implemented by a consortium led by:

