



AUDIT OF PERFORMANCE INDICATORS

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OUTLINE

- ☐ **Role of the Audit Authority**
- ☐ **Designation**
- ☐ **Audit of Operations**
- ☐ **Annual Reconciliation Exercise**
- ☐ **Key Requirements**
- ☐ **Thematic Review**

Role of the Audit Authority

Aim

To provide assurance for reliability of performance data.

How?

By assessing compliance with requirements regarding performance data. To ensure they are accurate, collected, electronically recorded, stored, aggregated, reconciled and reported to the EC in a timely manner.

Role of the Audit Authority

Our Approach

- ❑ **Discussions with Strategy & Research Unit within the MA.**
- ❑ **Senior Research Officer responsible for PIs made presentation to Audit Authority and attended a team meeting to discuss with auditors.**

The Purpose?

- ❑ **To enable Audit Authority staff to gain a better understanding of the processes being used by the MA.**

Role of the Audit Authority

Our Next Step

To determine our audit plan and strategy in this area, which was:

- ☐ **Review of process as part of Designation process.**
- ☐ **Develop working papers and procedures for testing as part of audit of operations.**
- ☐ **Ensure area is sufficiently covered when undertaking the relevant Key Requirement system audits.**
- ☐ **Carry out a separate thematic review in this area.**

Designation

What did we test?

- ☐ **Confirm an adequate system was in place to collect, record and store the data in computerised form.**
- ☐ **Ensure sufficient breakdown of data is held for each operation and the data meets requirements of the CPR.**
- ☐ **That there is a computerised system capable of providing reliable and relevant information as required in the CDR.**
- ☐ **Obtain assurance that the computerised system meets the expected security standards.**

Designation

What did we conclude?

- ❑ **The MA uses a computerised system to collect and collate all data.**
- ❑ **Business rules within the system enforce the recording of key data on outputs, targets and milestones.**
- ❑ **Adequate layers of security across the IT system.**

Issues identified

- ❑ **Greater clarity required around the Intermediate Bodies' responsibility for data collection. The MCS was updated to reflect this.**
- ❑ **The MCS did not sufficiently address how personal data would be protected within the IT system. MCS was revised to explain how personal data would be handled in line with the Data Protection Act.**

Audit of Operations

Stage 1 - Selection

- ☐ **Each operation selected in the sample for the audit of operations will also be subject to sample testing of Performance Indicators.**
- ☐ **Data Lists of PIs (e.g. Beneficiaries, Small to Medium Businesses etc.) requested from the Operation and/or the MA.**
- ☐ **Random sample selected:**
 - ☐ Standard sample size of 30 (minimum of 10)
 - ☐ Auditor instructed to obtain a range of PI types to enable sufficient coverage

Audit of Operations

Stage 2 – Testing

- ☐ **Separate testing papers developed to address specific Operational Programme requirements – ERDF/ESF/ETC**
- ☐ **For each beneficiary in the sample, tests include confirmation of evidence to support:**
 - ☐ Suitability Assessment;
 - ☐ Eligibility for project support;
 - ☐ Participant is in geographical area of eligibility
 - ☐ Educational attainment; and
 - ☐ Accuracy of electronic data held.
- ☐ **Review whether operation is delivering in line with target profile.**

Audit of Operations

Stage 3 – Reporting

- ☐ **Findings and Recommendations included within report on the audit of operations.**
- ☐ **No impact on Projected Error Rate of the operation.**
- ☐ **Could impact on the auditor's opinion of the operation, but opinion would specifically highlight if issue is in relation to PIs.**
- ☐ **Audit reports issued to the Operation and the MA.**

Annual Reconciliation Exercise

- ❑ To be undertaken as part of annual closure exercise.
- ❑ Reconciliation between operation's data, data held by the MA and data submitted to the EC.
- ❑ Sample based, ensuring coverage across priority, operations and Indicator types.
- ❑ Review delivery against target profile.
- ❑ Findings and Recommendations to the MA.
- ❑ Verification of Management Declaration – cross check between assertions and statements against audit work.

Key Requirements

☐ **KR3 - Adequate information to beneficiaries**

- ☐ Communication to beneficiaries is clear on PI requirements, including data submission and supporting evidence.

☐ **KR4 - Adequate management verifications**

- ☐ MVs are undertaken both at administrative verification level and on the spot
- ☐ MV reporting is timely, complete and reliable.

☐ **KR5 - Adequate Audit trail**

- ☐ Complete and accurate supporting documentation is retained by the MA.

Key Requirements

☐ **KR6 - Reliable IT system**

- ☐ An adequate computerised system capable of collecting, recording and storing data on indicators and milestones for each operation.
- ☐ System is capable of monitoring delivery against profile of PIs.

☐ **KR8 – Adequate procedures for drawing up management declaration and annual summary**

- ☐ The MA have put in place adequate procedures to underpin reliability of PIs.
- ☐ System work supported by annual reconciliation exercise undertaken by AA.

Thematic Review

Under consideration

- ☐ Undertake a thematic review that captures the PI elements of all relevant Key Requirement audits?

AND/OR

- ☐ Undertake a separate thematic review, the main purpose of which is to ensure data is both accurate and reliable; and that the MA is on target during programme period to meet milestones and targets?



Thank you for your attention.

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