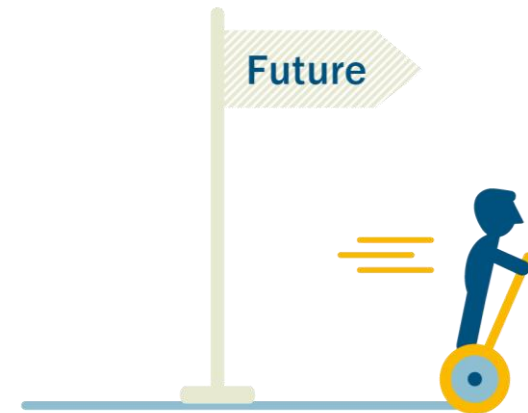


Audits – 2021-2017

Second audit support network

12 November 2019 | Madrid, Spain

Interact



The new approach for Interreg

Common sample for Interreg programmes for audit of operations

- Commission selects representative sample (statistical sampling), AA carries out audit of operations
- AA not to provide annual audit opinion on legality & regularity of expenditure
- If TER (of Interreg) > 2% Commission considers corrections already made and calculates 'INTERREG residual error rate'
- If RTER (of Interreg) still > 2% - additional audit work (limit financial consequences to programmes/MS/beneficiaries/category of expenditure affected)
- If residual error rate > 2%, no automatic extrapolated correction (assessment to determine targeted actions (additional audit work, financial corrections, ...)) in following accounting year
- Deadline to report on results of additional audit work: Before December n+1

The new approach for Interreg

The sample for audit of operations

- Sampling unit
 - project partner in an operation in an accounting year
- Stratification (may vary depending on previous results and sample size)
 - Cross-border programmes
 - 3 for OPs with less than 500 partners
 - 5 for OPs with 500 or more partners
 - Transnational & interregional programmes
 - 3 for OPs with less than 50 partners
 - 5 for OPs or MSs with 50 or more partners
 - Countries outside the EU: 3 sampling units each

Background

Simplification agenda

- Significant reduction audit effort & costs
 - 2015 audit of operations Interreg 15% (1300 operations) with 3% expenditure*
 - divide by around 10 the number of audit visits*
 - Equal treatment - grouping of programmes possible for mainstream
- Simplification package
 - Flat rate TA
 - Accounting function (CA), no more checks at beneficiary level
 - Risk-based checks (management verifications & audits)
 - Less & simplified reporting
 - No GoA
 - Management verifications MA responsibility

*COM data

The concerns

Voiced by AAs & MAs/JSs

- Timing (1 September & 1 October)
 - 1 October – 15 February not sufficient no matter how many audits
- GoA needed
- Data reconciliation
- Outsourcing difficult
- Lower assurance level, lower confidence in audit opinion, broken link btw audit of operations & system audit
- Dilution of responsibilities & competences at COM level & lack of knowledge of programme characteristics
- Change not wanted

The solutions?

Results from workshops & discussions with COM, AAs & MAs/JSs

- Timing
 - Additional early sample (early-cut-off-date)
- GoA back into Regulations
- Joint templates for data built-in in monitoring systems, easy exchange through SFC?
- Joint public procurement to create critical mass for external audit contracts & stratification at programme level to provide planning reliability
- Assurance level, confidence level in audit opinion, broken link: is it really an issue?
- Responsibilities & competences: is it really an issue?

The state of play & next steps

What comes now?

- Regulations
 - Presidency proposal: GoA back
 - Presidency proposal: timing for sample advanced by one month (1 August/1 September)
 - EP proposal: higher acceptable error rate of 3,5%
 - Presidency & EP proposal: management verifications MS responsibility
 - No major changes in CPR & Interreg Regulation for audits
 - Negotiations in Trilogue → final Regulations by ????
- In the meanwhile...
 - Continued exchange with COM, AAs & other programme bodies to fine tune
 - Design common templates for Interreg (e.g. audit reports, data table)

Additional information

Presentations & documents

- Presentations from 10 December workshop with Commission & AAs
 - <http://www.interact-eu.net/#o=events/workshop-eu-level-sample-audits-operations-interreg-post-2020>
- Question & Answer on audits of operations post 2020
 - <http://www.interact-eu.net/library#2494-publication-qa-audits-operations-post-2020-interact>

Cooperation works

www.interact-eu.net