

MEETINGS OF THE MONITORING COMMITTEES FOR

OPERATIONAL PROGRAMME I (2007 – 2013)
Investing in Competitiveness for a Better Quality of Life

AND

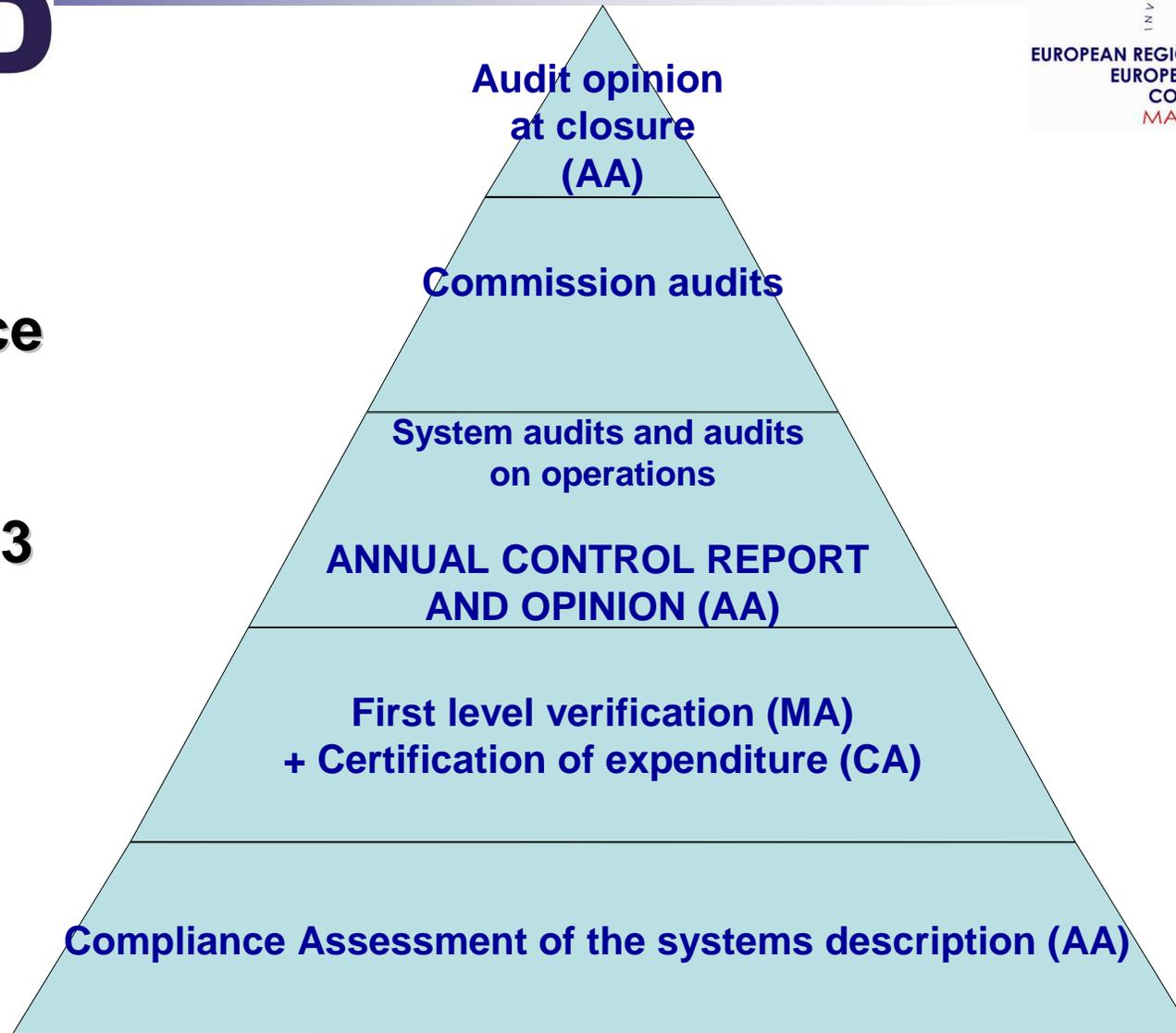
OPERATIONAL PROGRAMME II (2007 – 2013)
Empowering People for More Jobs and a Better Quality of Life

27 May 2010

2009 Annual Control Report and Opinion



**How
assurance
is being
built up
2007-2013**



Audit Strategy

- IAID submitted a single Audit Strategy within 9 months of the Commission's adoption of OP I and OP II in accordance to Article 62(1)(c) of Council Regulation 1083/2006.

- The Audit Strategy is being updated annually by IAID.

- Version 1:** Approved by CION on 7 November 2008
Version 2: Approved by CION on 9 July 2009



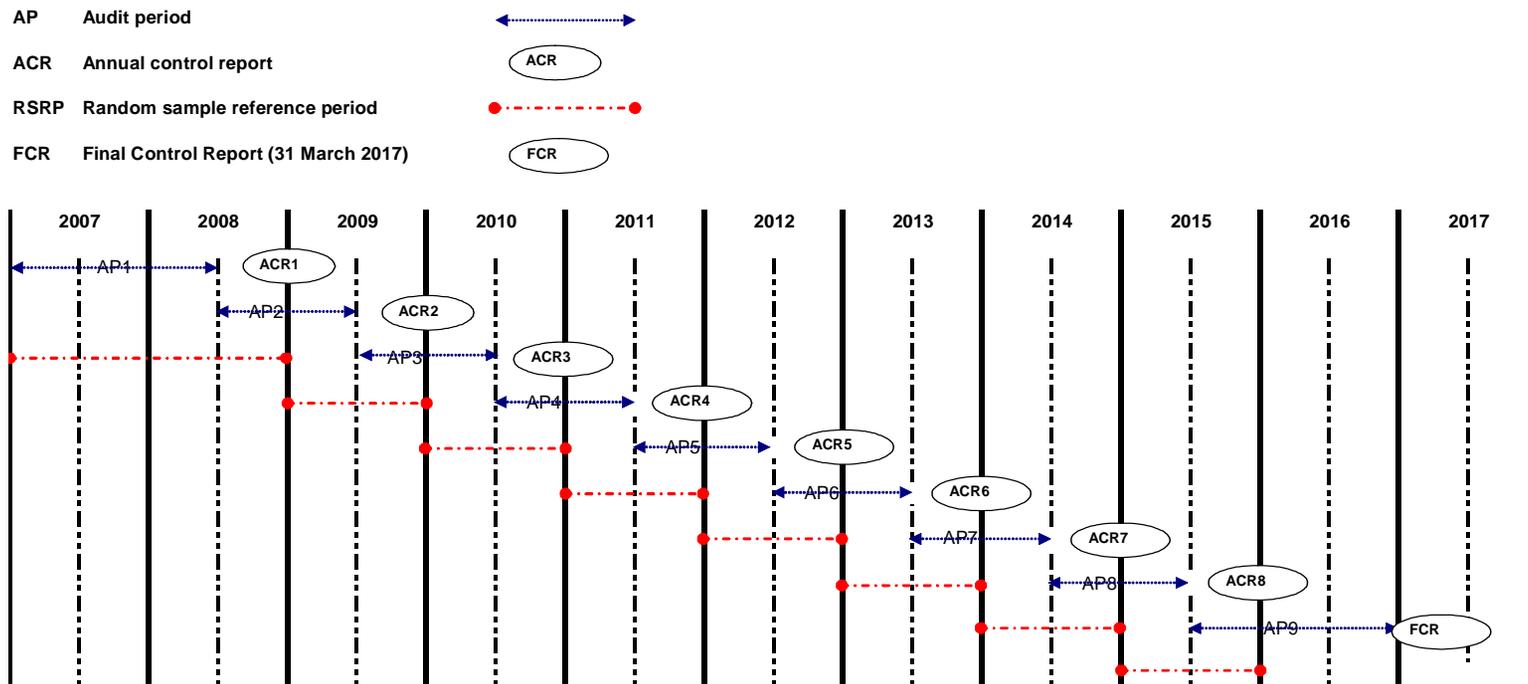
Audit Strategy (cont.)

- The Audit Strategy comprises the **systems audits** and **audits on operations** that will be carried out during the whole programming period and the **auditing methods** to be used.
- Systems audits** are carried out to verify the **effective functioning** of the management and control systems
- Audits on operations** are carried out to verify **expenditure declarations**, on the basis of an appropriate **sample**. Their timing depends on expenditure declarations to the Commission:

DECLARED	AUDITED	REPORT & OPINION
2009	July 2009-June 2010	31/12/2010
2010	July 2010-June 2011	31/12/2011
etc.		



Time schedule for reporting by the Audit Authority



Annual Control Report and Opinion

- ❑ The scope of the annual control report and opinion, based on systems audits and audits on operations (if any), is to provide reasonable assurance on the effective functioning of the management and control systems.
- ❑ The 2009 Annual Control Report and Opinion for OP I and OP II, based on systems audits, were submitted by IAID prior to **31 December 2009**, in terms of Article 62 (1) (d) (i) and (ii) of Council Regulation (EC) No 1083/2006.
- ❑ The 2009 Report explained that the implementation of the operational programmes was slower than it had been envisaged. Therefore, IAID decided to postpone the commencement of the first system audits to the second half of 2009.
- ❑ The general prioritization for the systems audits, subject to implementation stage, is as follows:
 - ✓ main implementing bodies;
 - ✓ other key implementing bodies;
 - ✓ horizontal issues



Systems audits carried out (Jul-Dec '09)

OP	Audited Body	Scope of the audit	Scope Limitations	Preliminary principal findings and conclusions
OP I (ERDF/Cohe- sion Fund) & OP II (ESF)	Managing Authority (Partial)	Key requirements audited: <ul style="list-style-type: none"> • <i>Functions</i> • <i>Selection of operations</i> • <i>Guidance to beneficiaries</i> • <i>Audit trail</i> • <i>Computerised reporting systems</i> 	Key requirements audited later (in 2010) due to early stage of programmes: <ul style="list-style-type: none"> • <i>Management verifications</i> • <i>Preventive and corrective actions</i> 	Works well. Only minor improvements are needed.



Systems audits carried out (Jul-Dec '09)

OP	Audited Body	Scope of the audit	Scope Limitations	Preliminary principal findings and conclusions
OP II (ESF)	IB: ETC (Partial)	Key requirements audited: <ul style="list-style-type: none"> • <i>Functions</i> • <i>Selection of operations</i> • <i>Guidance to beneficiaries</i> • <i>Audit trail</i> • <i>Computerised reporting systems</i> 	Key requirements which will be audited later due to early stage of programme: <ul style="list-style-type: none"> • <i>Management verifications</i> • <i>Preventive and corrective action</i> 	Works well. Only minor improvements are needed.



Systems audits carried out (Jul-Dec '09)

OP	Horizontal Issue audited	Scope of the audit	Scope Limitations	Preliminary principal findings and conclusions
OP I (ERDF/Cohe-sion Fund) & OP II (ESF)	Public Procurement	Procedures in place to ensure adherence to EU and national procurement regulations.	The level of assurance was determined <u>solely</u> on the basis of systems audit. No audits on operations (2007-2013) were carried out till 2009 as no expenditure was declared to CION in 2008.	Works well. Only minor improvements are needed.



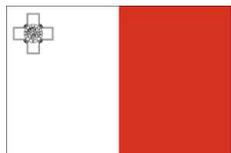
Annual Control Report and Opinion

- An unqualified (clean) opinion with scope limitations** accompanied the 2009 annual control report, i.e. on the basis of the limited systems audits carried out, IAID concluded that the management and control systems of the Operational Programmes function well and only minor improvements are needed.
- DG Regional Policy approved the annual control report and opinion in its letter dated **22 February 2010**.
- DG Employment, Social Affairs and Equal Opportunities approved the annual control report and opinion in its letter dated **9 March 2010**.





Thank you!



Operational Programme I and II – Cohesion Policy 2007-2013
Investing in Competitiveness for a Better Quality of Life
Empowering People for More Jobs and a Better Quality of Life

Event part-financed by the European Union
European Regional Development Fund (ERDF)
Cohesion Fund

European Social Fund (ESF)

Co-financing rate: 85% (70% ERDF, 30% ESF) EU Funds; 15% National Funds



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