



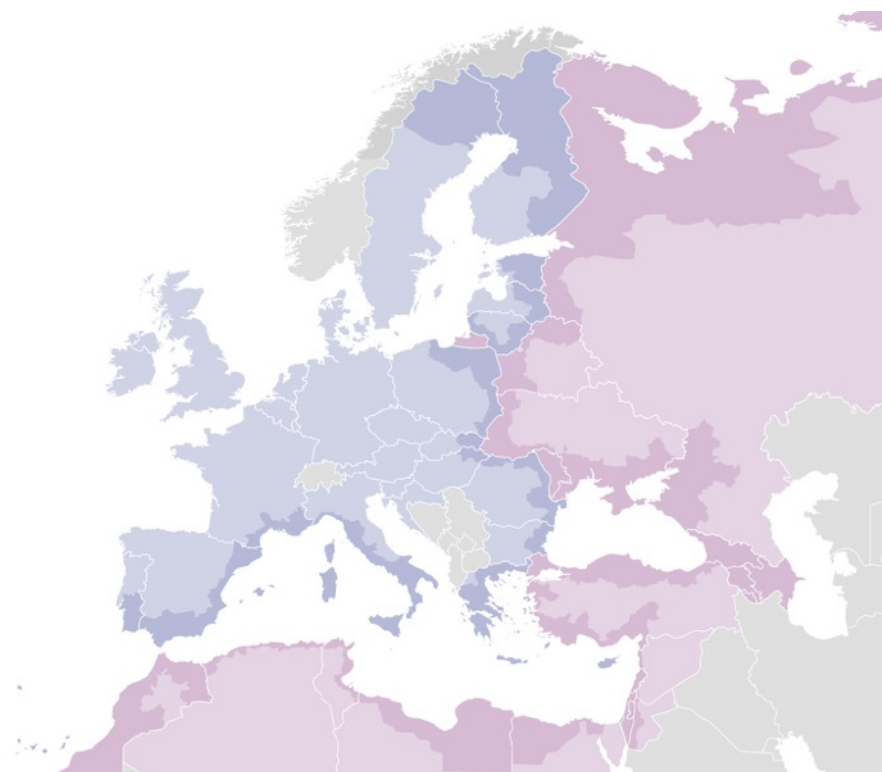
# TESIM

Technical support to the implementation  
and management of ENI CBC programmes

## Overview of 2018 annual audit reports

**3<sup>rd</sup> audit network meeting of ENI CBC  
programmes**

**Marseille, 29 May 2019**



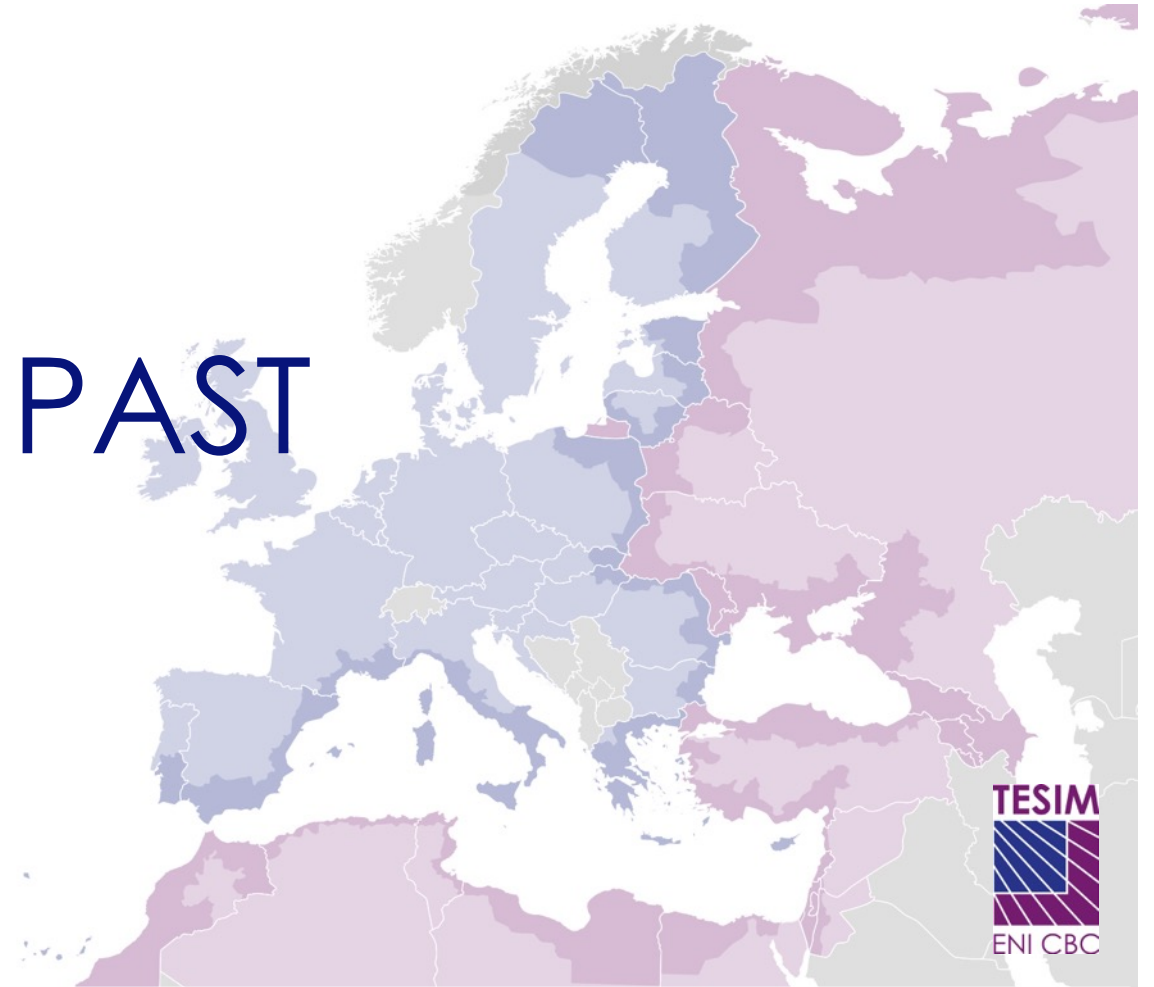
A project funded by the European Union



Implemented by a consortium led by



# THE PAST



No critical risks  
identified

Main key findings -  
the improvement  
and finetuning of  
various procedures

5 of 11 key internal  
control categories  
with 0 findings\*

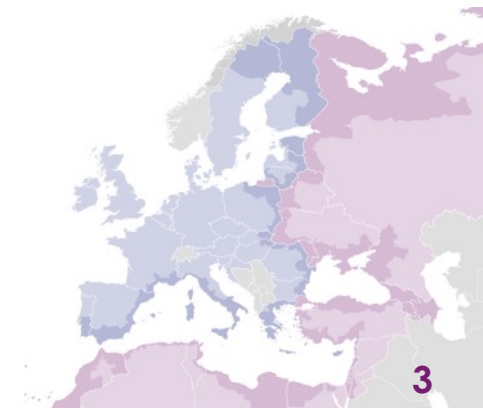
\* Accounting system and procedures

Financial reporting system and procedures

Asset management including related procurement processes and procedures

Cash and bank management

Expenditure control including related procurement processes and procedures



**Unqualified opinion** – 8 programmes

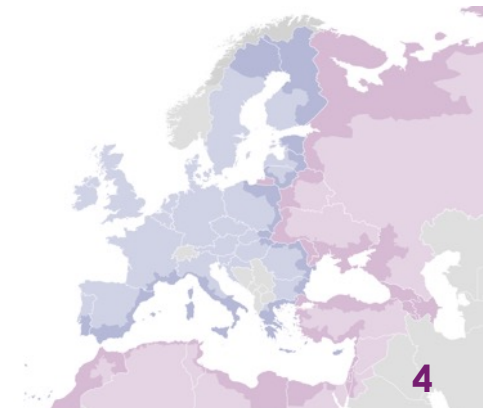
**Qualified opinion** – 5 programmes

**Findings** – ~ 5 per programme

**Priority 1** – 38 findings

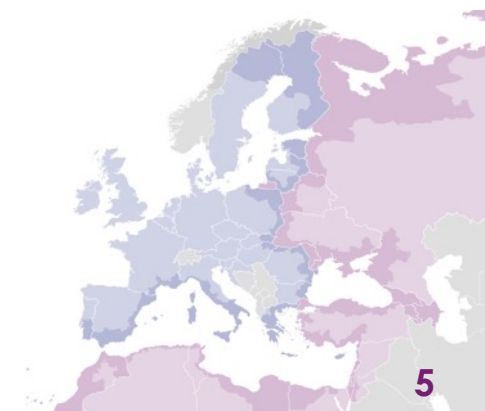
**Priority 2** – 31 findings

**Priority 3** – 6 findings



## PRIORITY 1

- **Control environment** - 19 findings
- **Other** – 7 findings
- **IT systems and procedures** – 6 findings
- **Human resources** – 6 findings



### Criterion 5 – Control environment

Insufficient anti-fraud policy and measures. Missing elements such as:

- fraud detection measures and red flags checklist;
- staff fraud awareness surveys and targeted fraud trainings;
- formal procedure for fraud reporting and whistle blowing.

*Related recommendation – to develop comprehensive anti-fraud policy including the missing elements.*

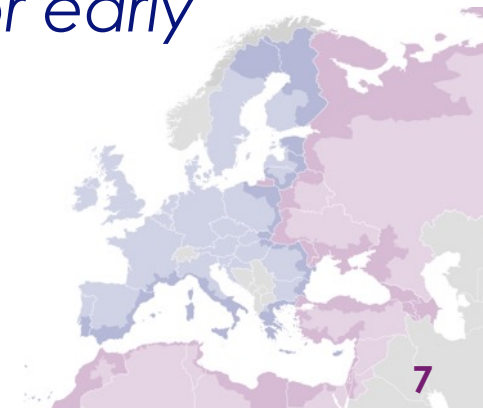


### Criterion 4 – IT systems and procedures

IT systems partially operational. Missing elements such as:

- monitoring modules not operating;
- the system to ensure audit trail not fully functional.

*To ensure the fully operational IT systems by the end of 2018 or early 2019.*

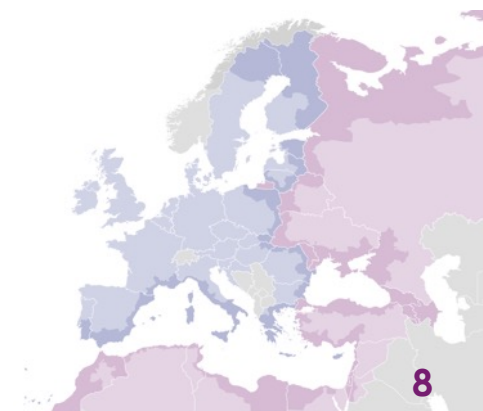


## PRIORITY 2

- **Other** - 12 findings
- **Control environment** – 11 findings
- **No or inadequate documentation** – 4 findings
- **Human resources and payroll** – 2 findings
- **IT systems** – 1 finding

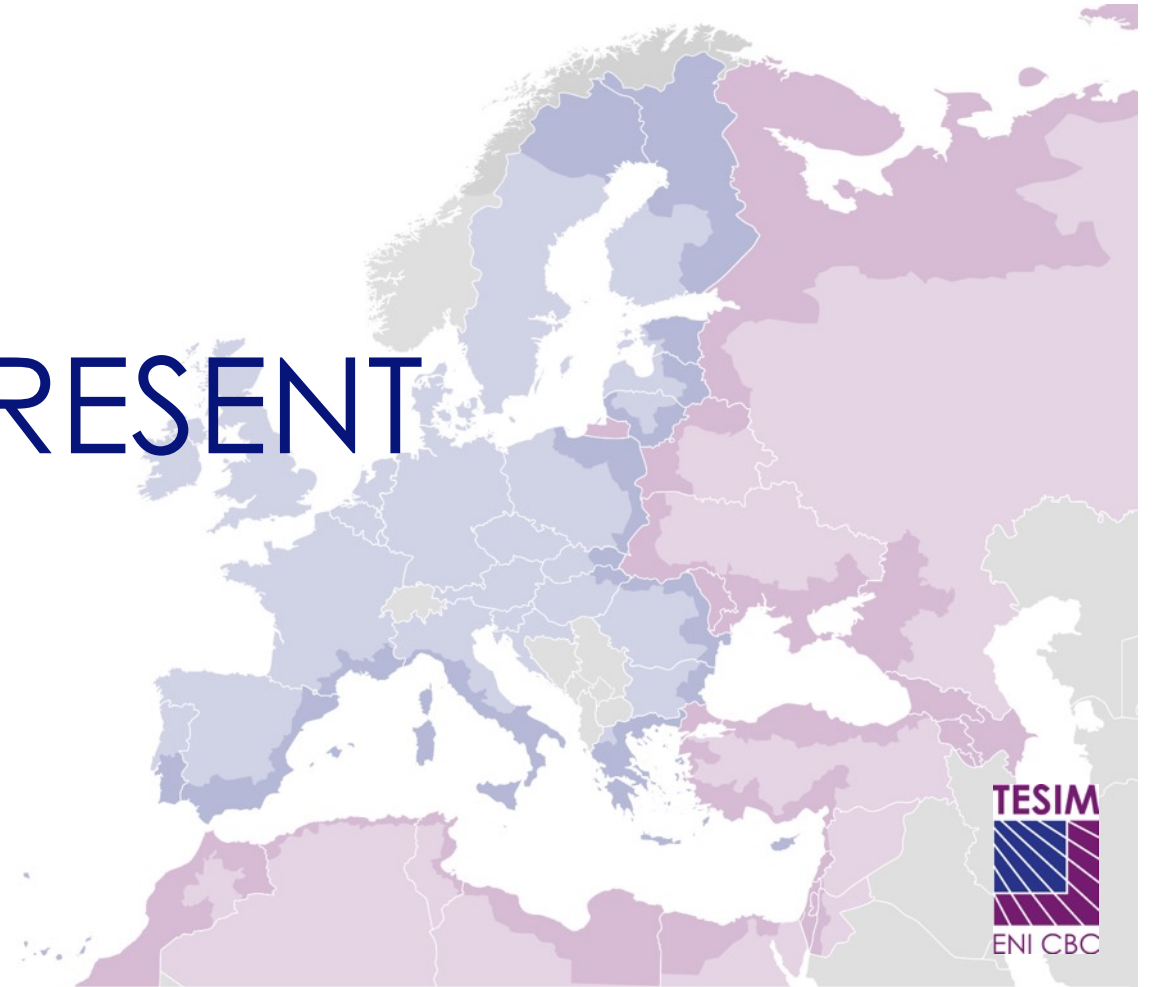
## PRIORITY 3

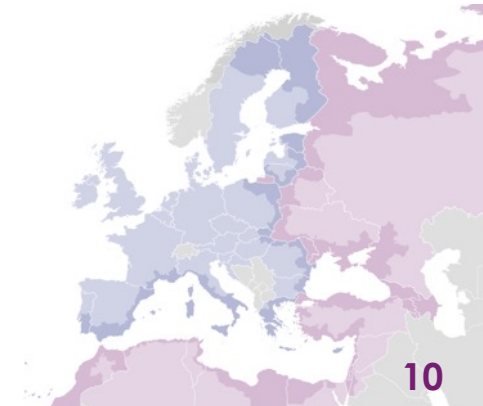
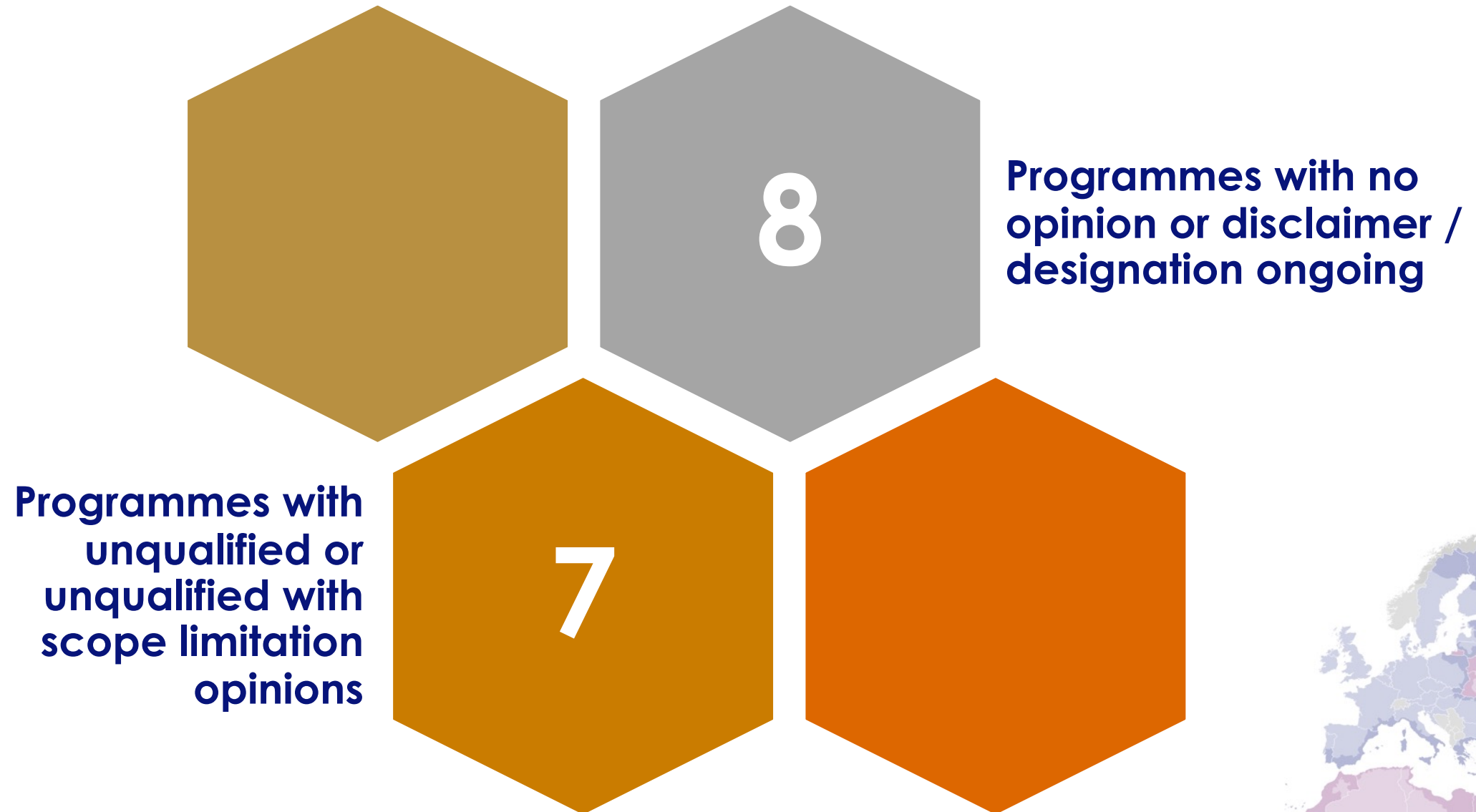
- **Other** – 4 findings
- **IT systems** – 2 findings





# THE PRESENT

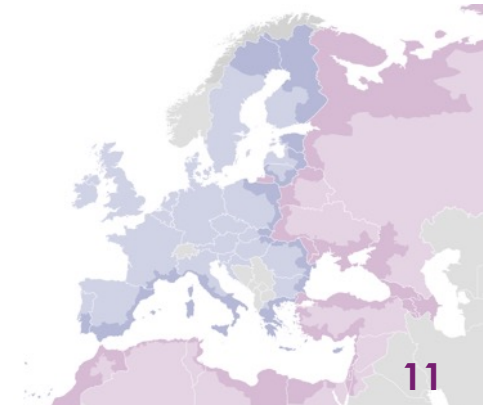




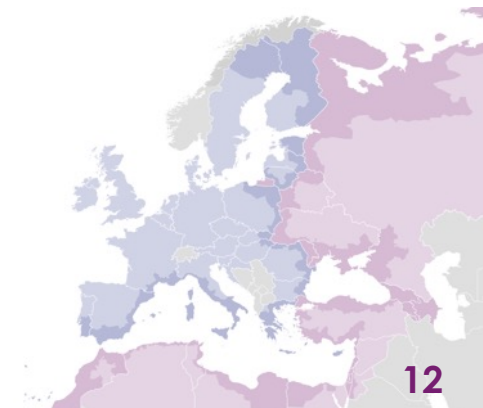
5 programmes  
with system  
audits carried  
out

Systems work,  
**but some  
improvements  
are needed**

No systemic /  
systematic errors  
detected



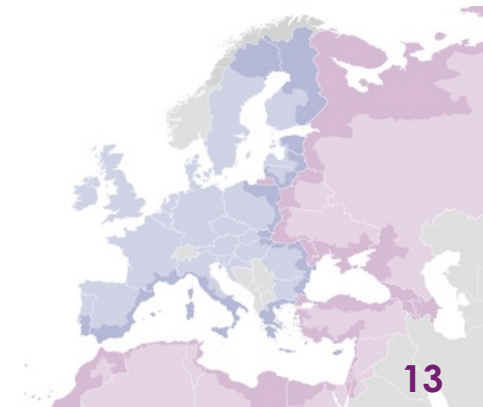
- Overall assessment of the monitoring and system controls
- Project selection procedures
- Electronic information systems
- Procedures of drawing up the annual financial statements/accounts



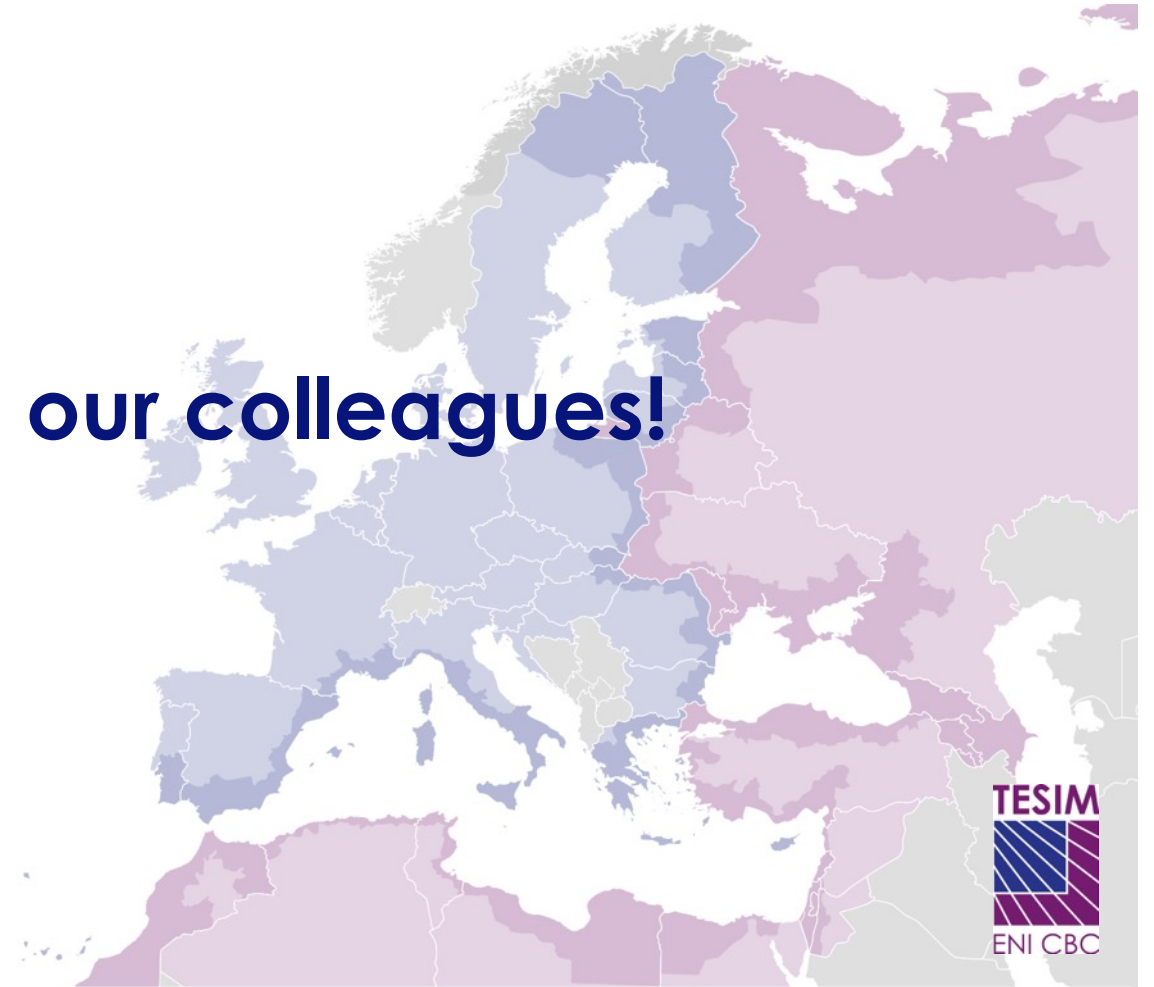
No audits on  
projects carried  
out

Technical  
assistance  
expenditure  
audited

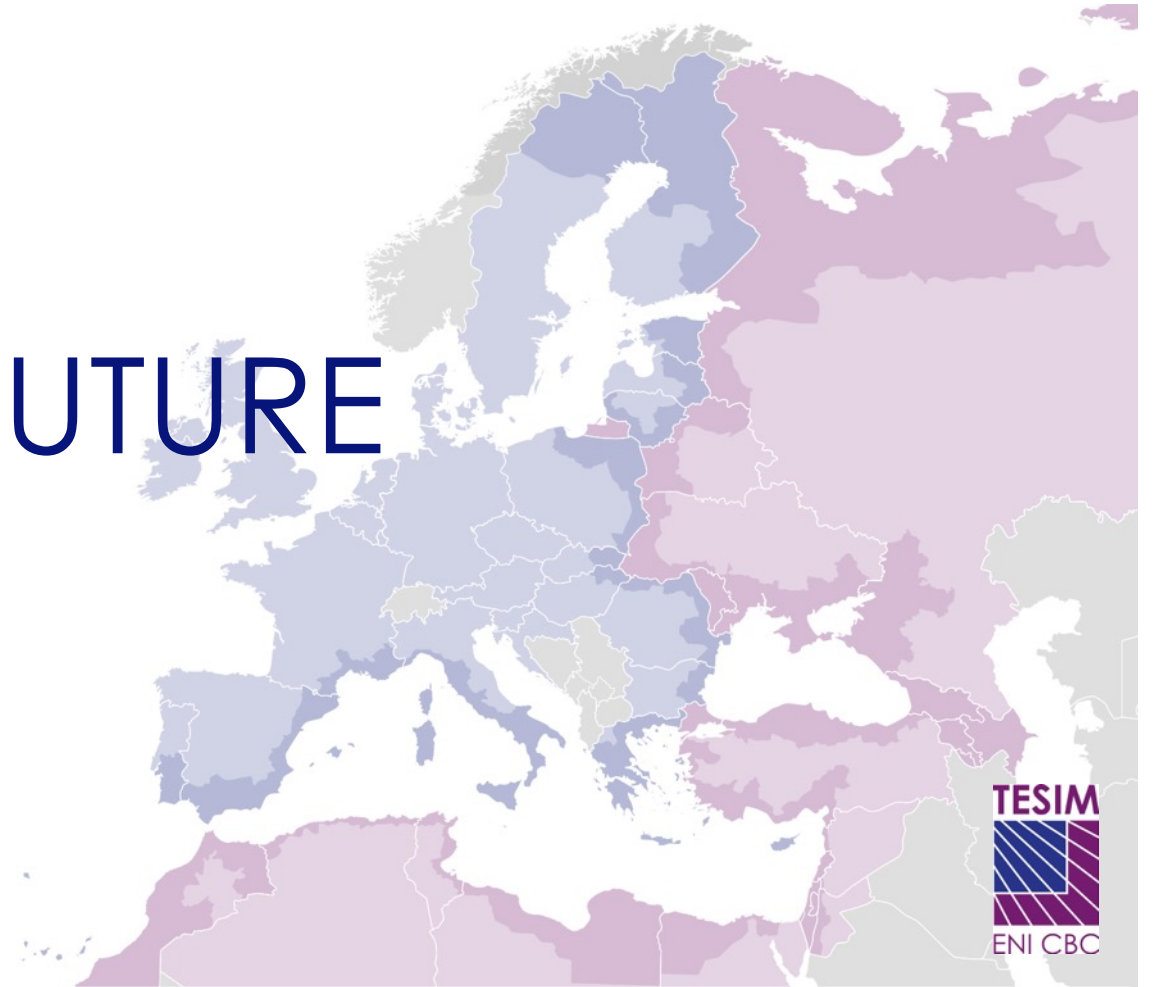
On average,  
ECR of ~80% for  
the audit on TA  
expenditures

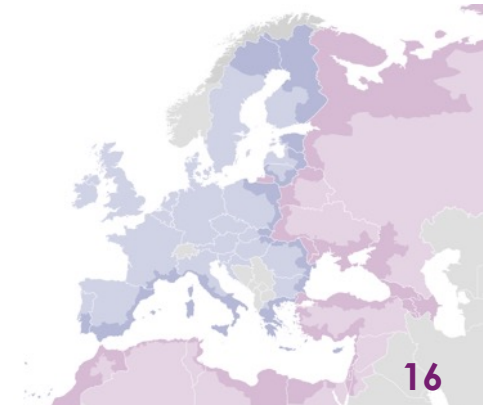
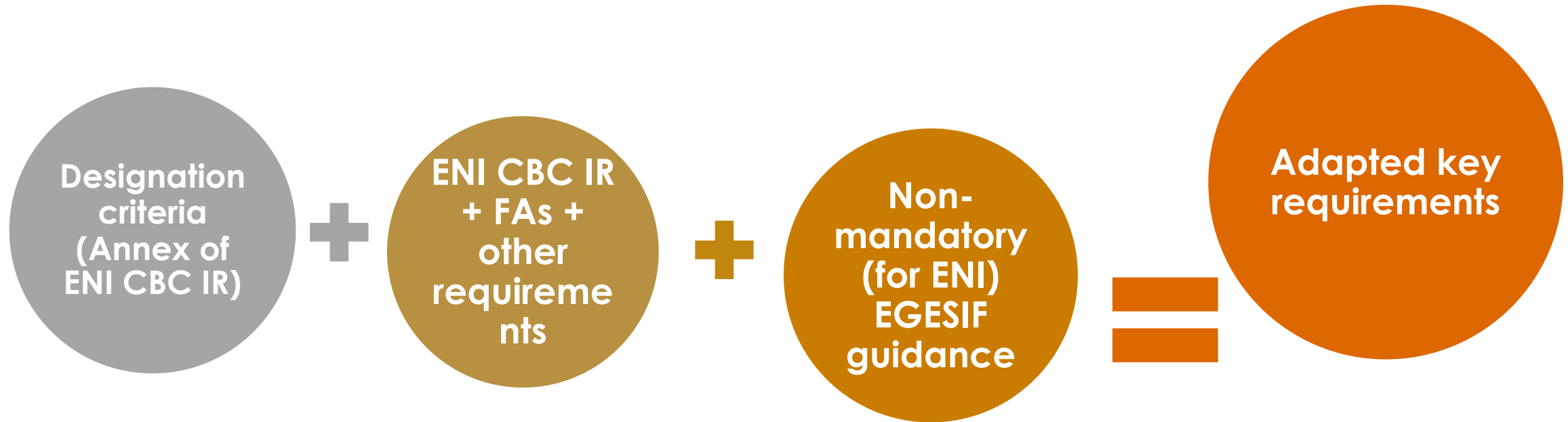


**Let's hear from our colleagues!**



# THE FUTURE



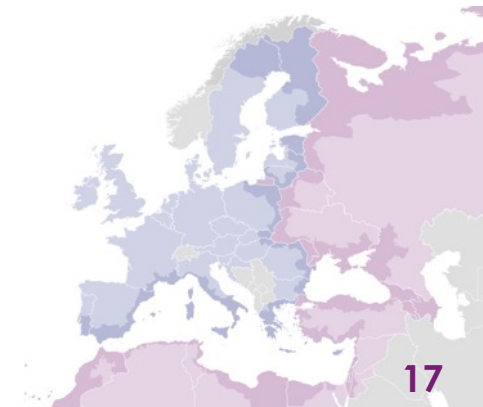




18 key requirements adapted and 1 additional key requirement of the management and control systems and the adapted criteria:

- The MA / IBs (9 key requirements containing 39 assessment criteria)
- The CA/ IBs\* (5 key requirements containing 18 assessment criteria)
- The AA / any audit bodies (5 key requirements containing 27 assessment criteria)

\* Payment/declaring to the EC in the ENI CBC



1. Read the handouts with key requirements and discuss with your colleagues!
2. What is your overall impression – does the working paper cover the needs for your system audits?
3. Are there any elements missing?
4. Please discuss how which key requirements can be used to assess programme bodies?

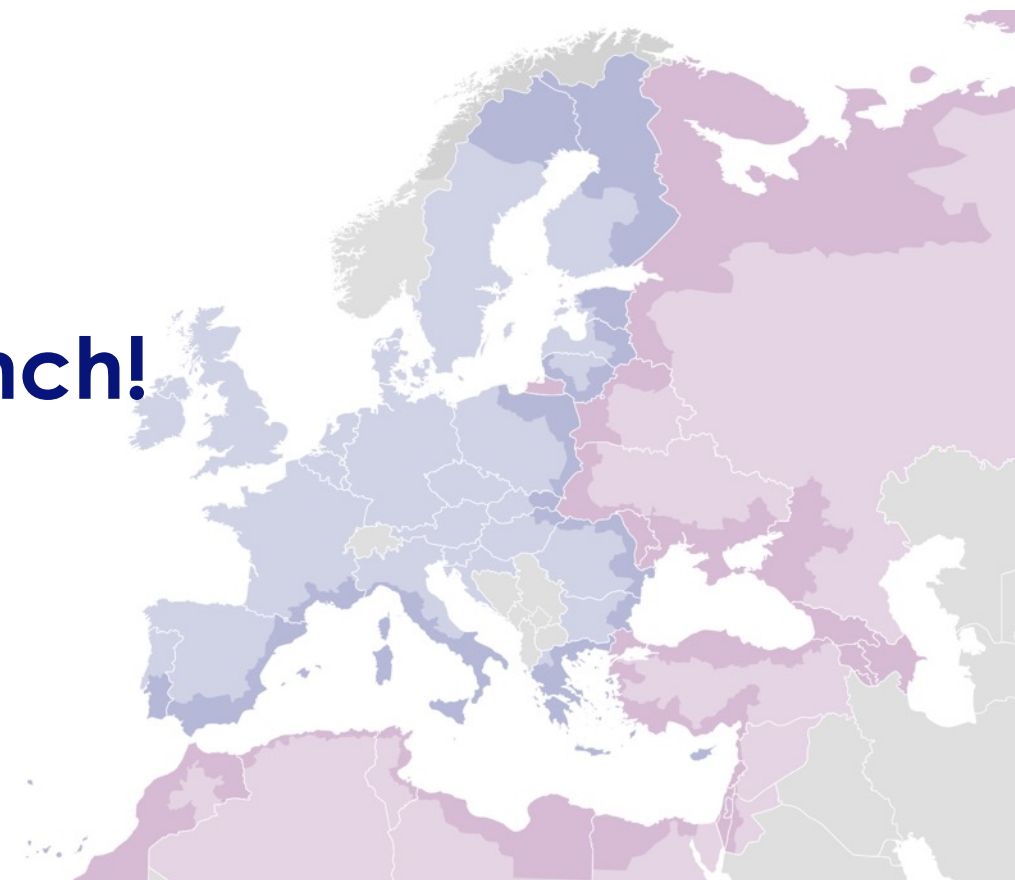




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**You deserve lunch!**



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