



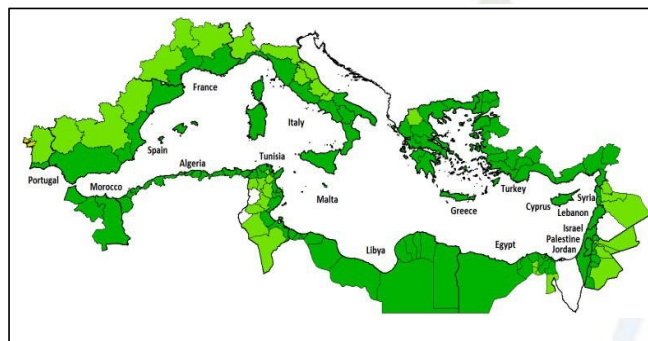
# 7<sup>th</sup> Meeting of the Audit Network of ENI CBC and Interreg NEXT Programmes

***ENI MED experience on  
managing the audit cycle***

# Main features of ENI CBC MED OP 2014-2020

**General Objective:** to foster fair, equitable and sustainable economic, social and territorial development, which may advance cross-border integration and valorise participating countries' territories

- **Budget: 209 M € EC contribution (90% for the financing of projects/10% for Technical Assistance)**



✓ 14 participating countries:

*Algeria\*, Cyprus, Egypt, France, Greece, Israel, Italy, Jordan, Lebanon, Malta, Palestine, Portugal, Spain, Tunisia*

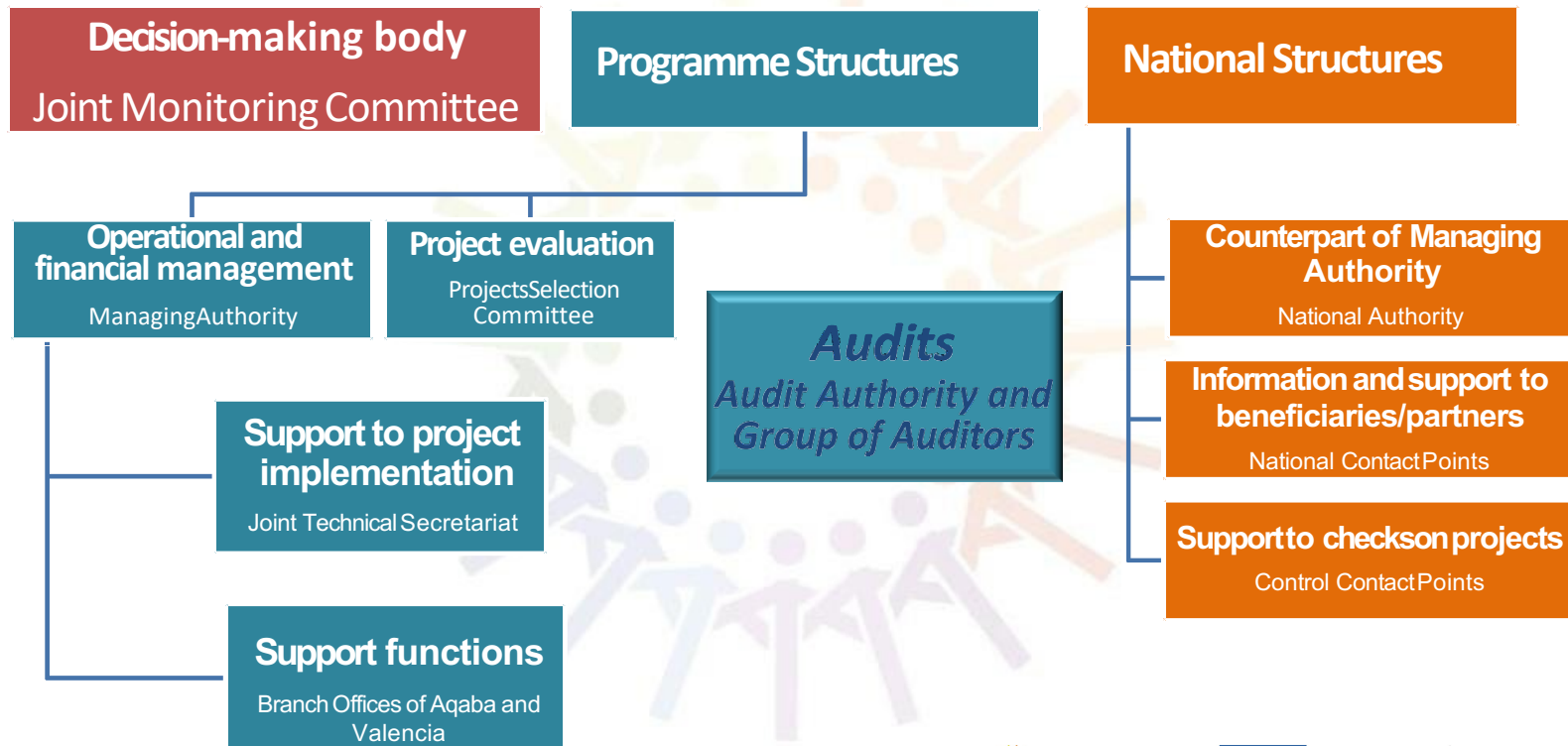
\* Algeria did not sign the FA with the EC



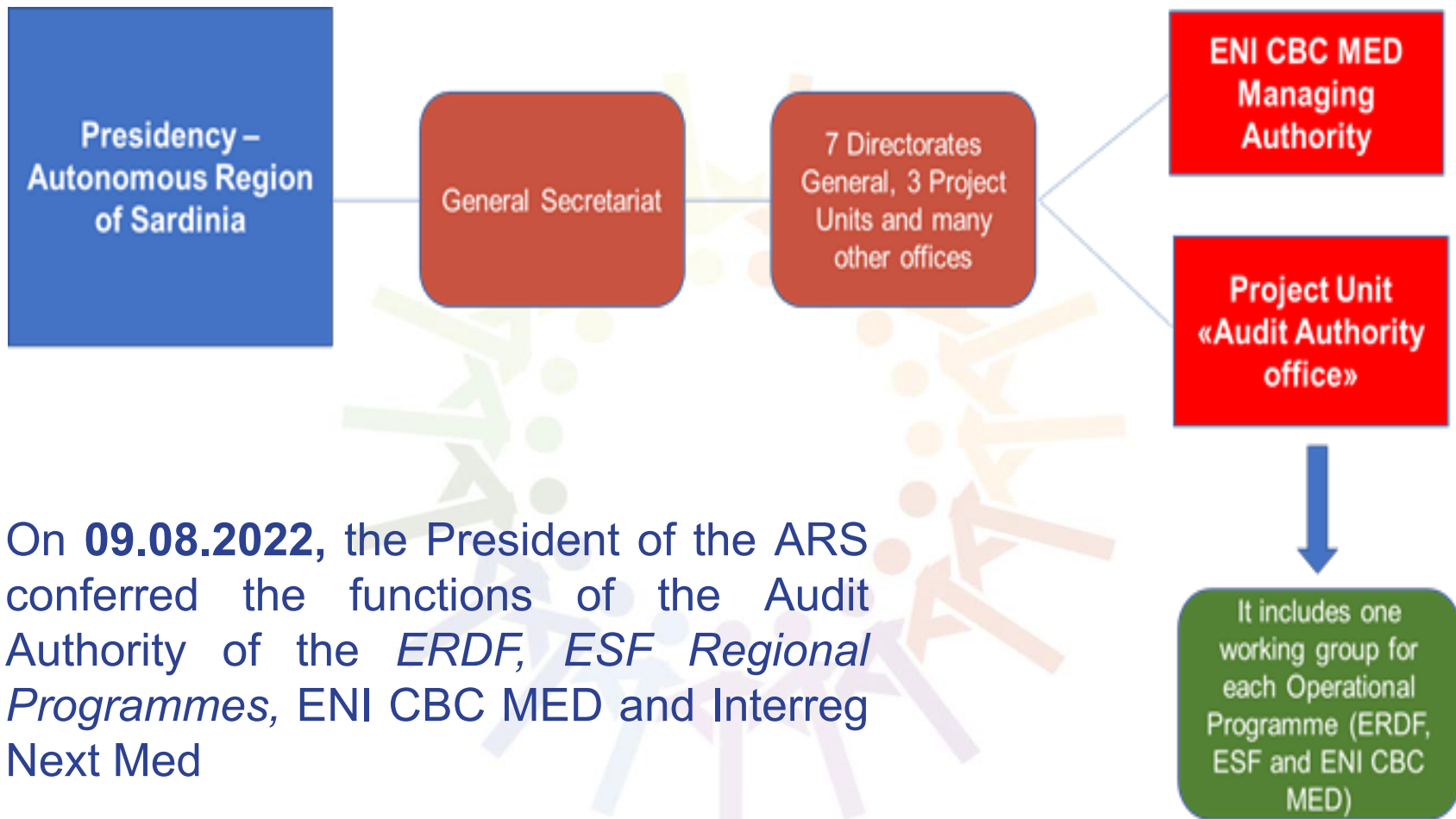
# Main features of ENI CBC MED Programme 2014-2020

- It is the largest ENI Programme in terms of financial and geographical dimension.
- 3 calls for Standard - Strategic and Capitalization Projects **(80 projects granted involving 626 Beneficiaries)**.
- The so called 50% GOLDEN RULE applies.
- Only De Minimis Regime apply as for State Aid (for EU organisation but also for Egyptian, Tunisian and Jordanian ones).
- 7% flat rate for administrative indirect cost, lump sums up to 10.000 for project preparation apply (for HR and Travel costs only).

# The OP Governance - Who does what

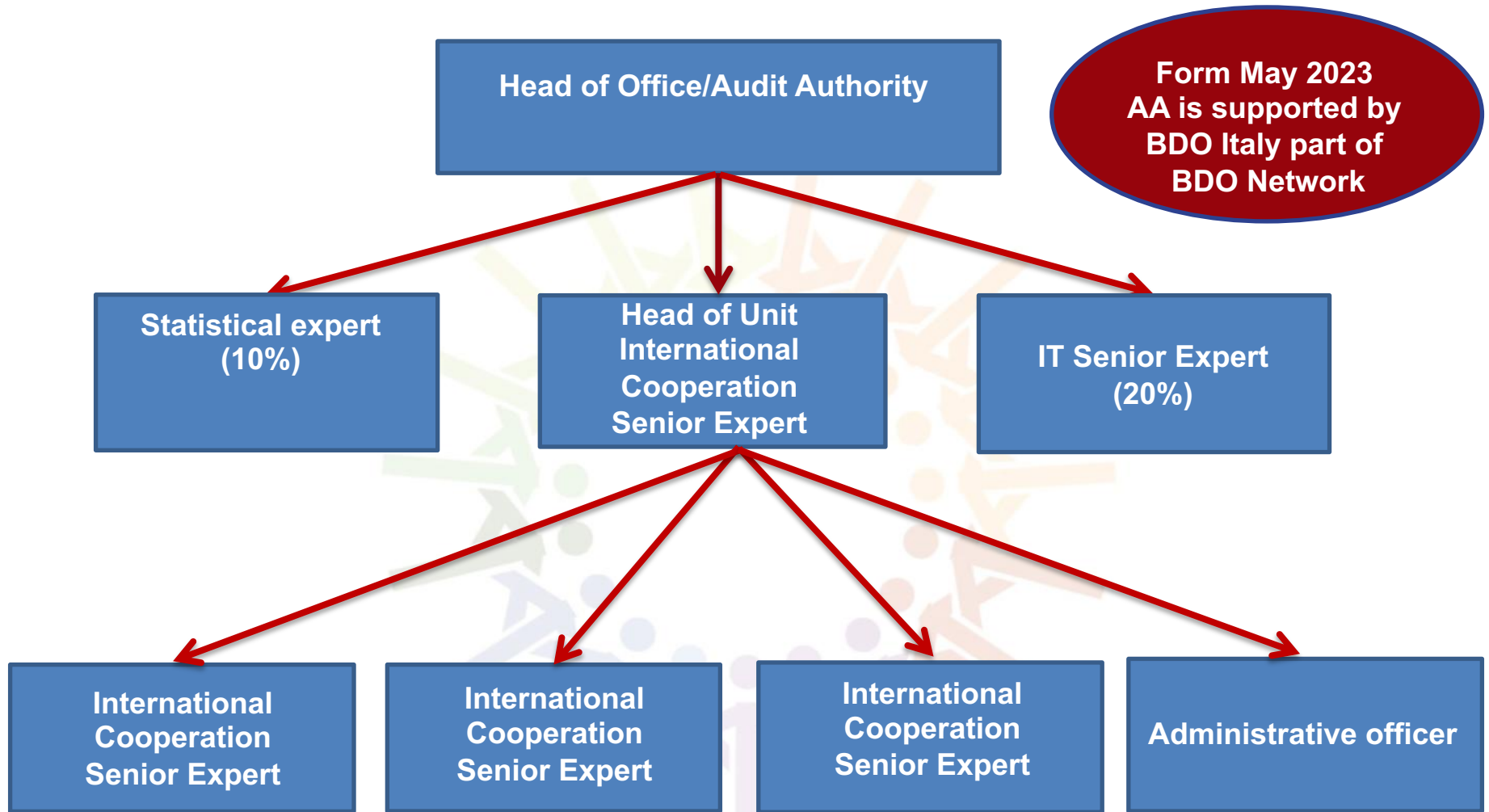


# AA new functional structure



On **09.08.2022**, the President of the ARS conferred the functions of the Audit Authority of the *ERDF*, *ESF Regional Programmes*, ENI CBC MED and Interreg Next Med

# AA new organization



# Main issue in the Audit Cycle

Late setting of the  
GoA – November 2019

The Pandemic and  
consequent limits in  
AA activities  
2019-2021

Limited Human  
resources assigned to  
the AA and high  
turnover

NO Technical  
assistance till 2023

OP MIS and  
accounts preparation  
weaknesses  
(NO EMS)

Revision of AA  
administrative setting  
2021 and Head of AA  
retirement mid-2022



# ***Review of the work of the AA carried out by DG REGIO (DAC 2)***

**Period:** 25.07.2022 – 14.08.2023

**Modality:** on the spot checks in Cagliari (24/10/2022 to 28/10/2022) and remote for clarification and wrap up phase

**Objective:** obtain a reasonable assurance that there is no serious deficiency in the management and control system that remains undetected, unreported and therefore uncorrected once the accounts have been submitted to the Commission

**Audited accounting year:** 2020/2021

**Key requirements covered for the AA:** KR 15 - KR 16 - KR17 - KR18

**Key requirement covered for the MA:** KR 13



# ***Review of the work of the AA carried out by DG REGIO (DAC 2)***

- Warning letter of corrective measures was issued on 06/06/2023 inviting the Programme authorities to report **no later than by 31/12/2023** on the implementation of the preventive and corrective measures to improve the functioning of the management and control system of the Programme.

Audited KRs	KR13	KR15	KR16	KR17	KR18
Category	3	2	2	2	2

- The Commission identified a serious deficiency in the Essential KR13 ‘appropriate procedures for drawing up and certifying the completeness, accuracy and veracity of the accounts’.
- The audit opinion on the functioning of MCS at the level of the Managing Authority has been **qualified with significant impact**.

# ***Audit work carried out by ECA***

**Period:** 10.03.2023 (Announcing letter) – 08.09.2023 (Final Report)

**Modality:** desk reviews at ECA headquarter in Luxembourg

**Objective:** audit work concerned the accounts that the European Commission accepted on 25.11.2022 and covered one of the operations checked by the AA

**Project:** A\_B.4.3\_0218 - Mediterranean University as Catalyst for Eco-Sustainable Renovation- Med-EcoSuRe

**Lead Beneficiary:** Mediterranean Renewable Energy Centre - Tunisia

**Audited partner:** University of Florence, Italy

**Audited accounting year:** 01.07.2020 – 30.06.2021



# ***Audit work carried out by ECA***

## **Final Findings summary notified on September 8<sup>th</sup> 2023**

Audit of operations checklist shall be implemented with:

- relevant aspects concerning the selection of operations;
- specific control points to better document the checks performed on potential risk of fraud;
- a specific field where all documents assessed during the audit will be listed and where a description of the audit work carried out will be provided as well as with a specific field that will include information on any non-compliances/irregularities detected.

# Main improvements in the Cycle

Consultation with  
EC DG REGIO DAC  
service reinforced  
2022-2023

Cooperation with the  
GOA revamped  
2022-2023

AA Strategy and tools  
(e.g. ,AA Manual)  
revised - 2023

Thematic Audit on  
the OP MIS carried  
out and binding  
Action Plan for the  
MA - 2022

System audits on  
national bodies to be  
completed in 2024 for  
all countries

AA Governance and  
operational internal  
setting improvements  
late 2022-2023

# Focus: ENI CBC MED GoA

3 Meetings carried out  
(2019-2020-2023)

Constant information on  
AA activities ensured

Involvement in the AA  
Strategy updates on  
annual basis

GoA Delegates involved  
in System audits on  
national Bodies  
(Tunisia, Lebanon,  
Greece, Spain)

Tunisian GoA delegate  
performed a joint system  
audit on 2 ENI  
Programmes - 2021  
(ENI CBC MED and Italy-  
Tunisia)

GoA Delegates involved  
in the Audit of operations  
for projects sampled in  
the 2021-2022 accounting  
year (Jordan, Lebanon,  
Greece and Tunisia)

# Focus: ENI CBC MED GOA

## AA goal

**ENI MED AA expectation was and still is to try go beyond the EU regulation and JOP prescription, through a reasonable equilibrium between advisory and decision-making role, in the spirit of mutual cooperation and common interest**

## AA tools

- **GoA customized RoP (including vote mechanisms)**
- **Involvement in national system audits as facilitator**
- **Performing the audit on operation on a voluntary basis**

# THANK YOU

## MERCI

## شكراً

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