

***MEETING OF THE MONITORING COMMITTEE***

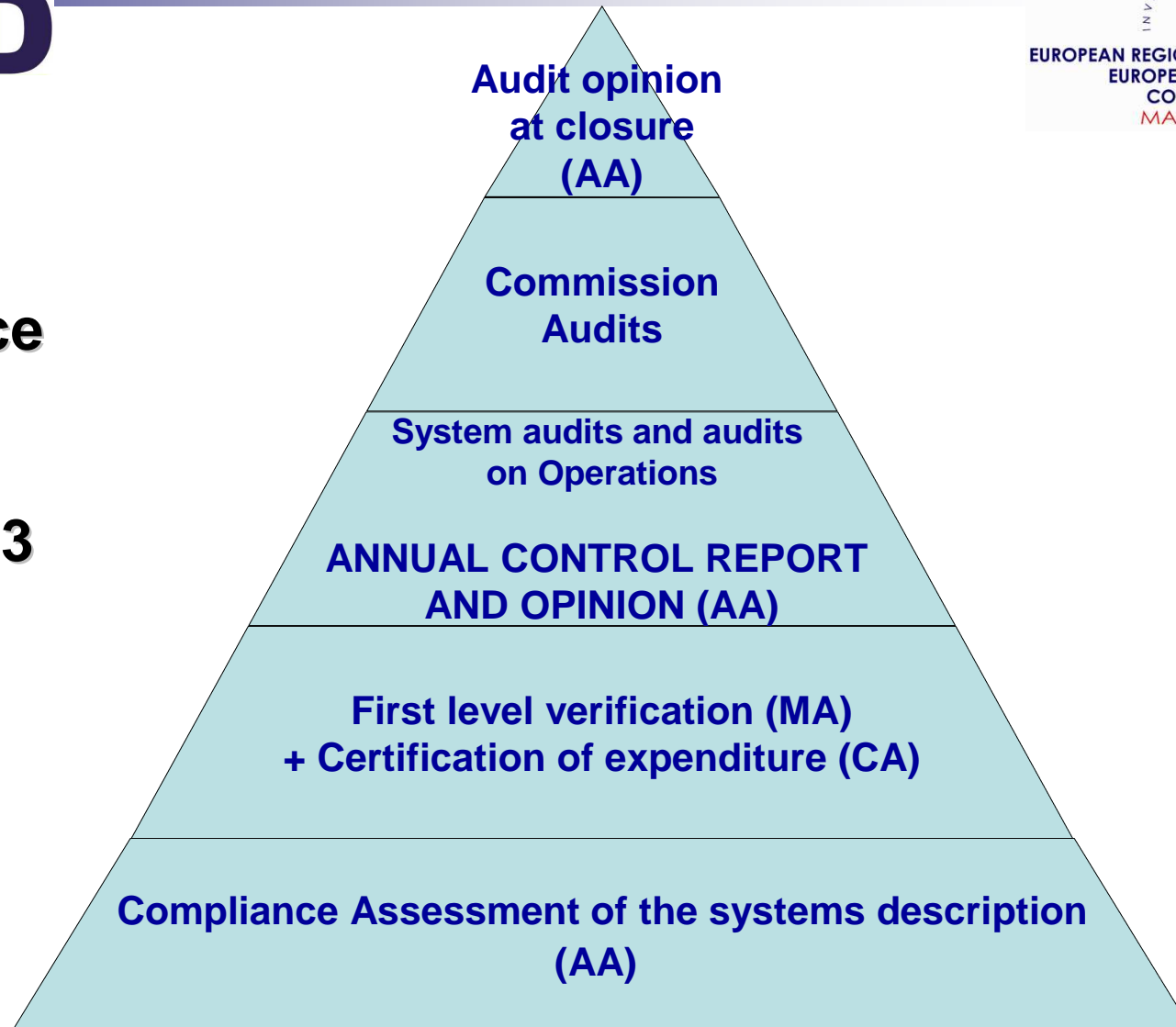
***OPERATIONAL PROGRAMME I (2007 – 2013)***  
***Investing in Competitiveness for a Better Quality of Life***

***29 April 2011***

***2010 Annual Control Report and Opinion***



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



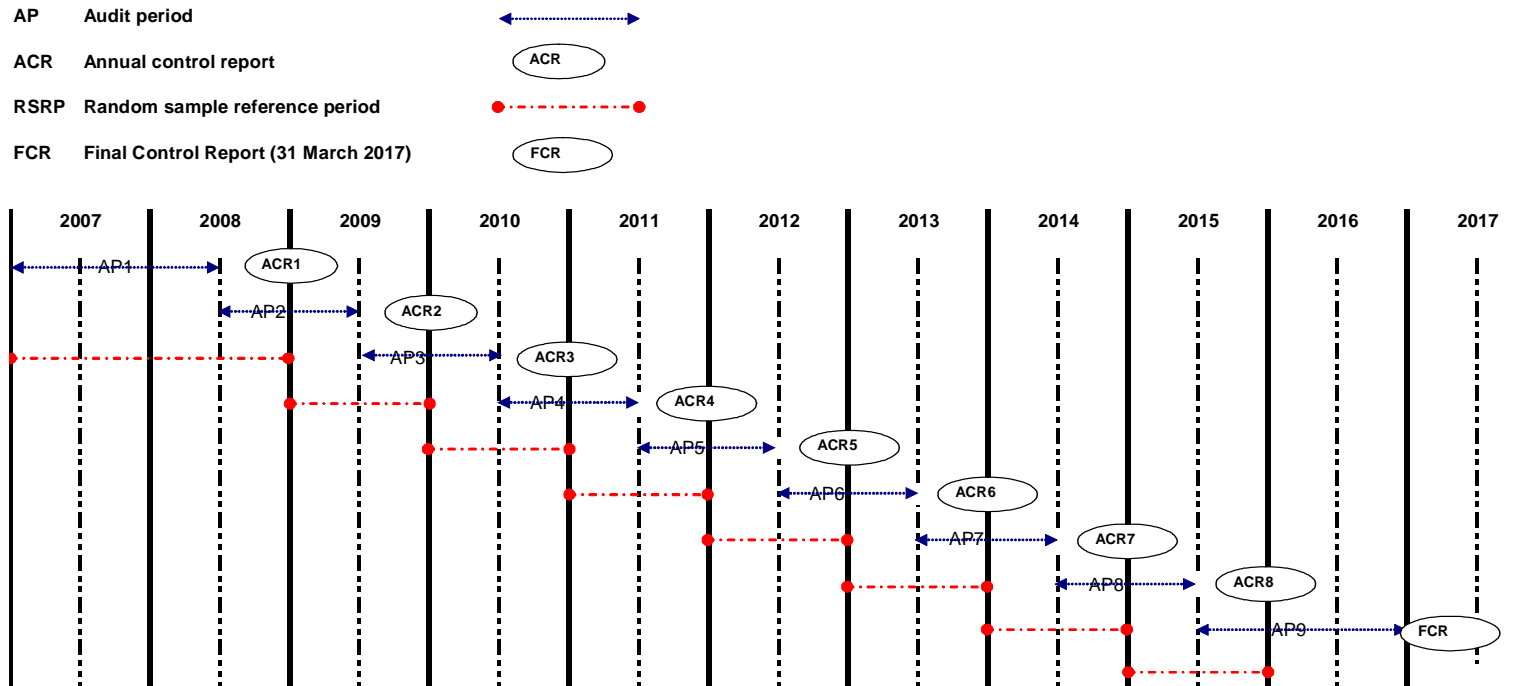
## Audit Strategy

- ❑ IAID's Audit Strategy, as approved by the Commission, comprises the **systems audits** and **audits on operations** that will be carried out during the 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:

<b>DECLARED</b>	<b>AUDITED</b>	<b>REPORT &amp; OPINION</b>
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 2010 Annual Control Report and Opinion for OP I and OP II, based on systems audits, were submitted by IAID prior to **31 December 2010**, in terms of Article 62 (1) (d) (i) and (ii) of Council Regulation (EC) No 1083/2006.



## Systems Audits Carried Out (July 2009–June 2010)

### Managing Authority (OP I and OP II)

- *Functions*
- *Selection of operations*
- *Guidance to beneficiaries*
- *Management verifications*
- *Audit trail*
- *Computerised reporting systems*
- *Preventive and corrective actions*



## Systems Audits Carried Out (July 2009–June 2010)

### Intermediate Bodies: *ETC (OP II), Malta Enterprise (OP I)*

- *Functions*
- *Selection of operations*
- *Guidance to beneficiaries*
- *Audit trail*
- *Computerised reporting systems*

### Public Procurement (Horizontal Issue – OP I and OP II)

- Procedures in place to ensure adherence to EU and national procurement regulations.



## Systems Audits Carried Out (July 2010–Dec 2010)

### Certifying Authority (OP I and OP II)

- *Functions*
- *Audit trail and computerised reporting systems*
- *Arrangements for reliable and sound certification of expenditure*

### Intermediate Body: *Tourism and Sustainable Development Unit (OP I)*

- *Functions*
- *Selection of operations*
- *Guidance to beneficiaries*
- *Audit trail*
- *Computerised reporting systems*





## Audits on Operations (Projects) *Expenditure Declared in 2009*

### *Random Sample*

- OP I (ERDF/Cohesion Fund): **3 operations** from a total of 24 **(12.5%)**
- OP II (ESF): **2 operations** from a total of 17 **(11.8%)**

### *Complementary (Additional) Sample*

- **1 Cohesion Fund operation** (selected on the basis of risk assessment to ensure coverage of both Funds under OP I)



## Audits on Operations (Projects)

<i>Fund</i>	<i>Cumulative expenditure declared to the Commission up to 31.12.2009</i>	<i>Cumulative expenditure audited</i>	<i>Cumulative expenditure audited as a % of cumulative expenditure declared</i>
	€ (a)	€ (b)	% (b/a)
<b>Cohesion Fund – OP I</b>	15,510,521	15,285,429	98.6 %
<b>ERDF – OP I</b>	6,299,621	3,068,279	48.7 %
<b>ESF – OP II</b>	676,345	39,464	5.8 %



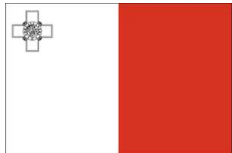
## Annual Control Report and Opinion

- An unqualified (clean) opinion** accompanied the 2010 annual control report, i.e. on the basis of the systems audits and audits on operations carried out, IAID concluded that the management and control systems of the Operational Programmes functioned effectively so as to provide reasonable assurance that statements of expenditure presented to the Commission were correct and that the underlying transactions were legal and regular.
- The annual control report and opinion were approved by the European Commission in its letter dated **21 February 2011**.





# Thank you for your attention



**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



*Investing in your future*

