

MEETING 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

12 May 2009

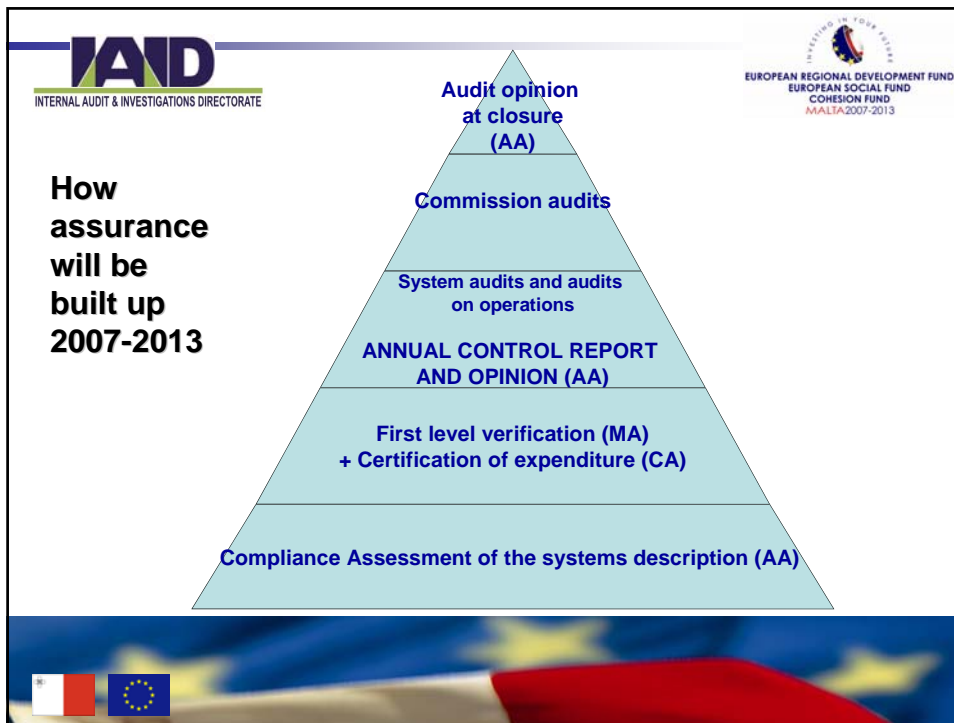
Annual Control Report and Opinion



Internal Audit and Investigations Directorate

- IAID is the Compliance Assessment Body and Audit Authority for Structural, Cohesion, and Fisheries Funds 2007-13.
- IAID is also the audit body and winding-up/closure body for all types of Structural Funds and for the Cohesion Fund 2004-2006.
- Other Functions of IAID include:
 - Performing local internal audits;
 - Conducting financial investigations (both related to local and EU Funds) and acting as OLAF's interlocutor; *and*
 - Auditing of other EU funds and Bilateral Funding Instruments (e.g. Transition Facility, the Solidarity and Management of Migration Flows, Agricultural Funds, Norwegian/EEA/Swiss Funds etc.)





IAID
INTERNAL AUDIT & INVESTIGATIONS DIRECTORATE

EUROPEAN REGIONAL DEVELOPMENT FUND
EUROPEAN SOCIAL FUND
COHESION FUND
MALTA 2007-2013

Compliance Assessment

- Assessment of whether the management and control systems in place for both OP I and OP II are compliant with the regulations - *new requirement for 2007-13.*
- The IAID submitted the single compliance assessment report and opinion for OP I and II on **26 June 2008** (i.e. within 12 months of their adoption by the Commission) in terms of Article 71(2) of Council Regulation 1083/2006.
- An **unqualified (clean) opinion** was issued by IAID.
- In its letter dated **12 December 2008**, the Commission approved the compliance assessment and stated that the management and control systems comply with the regulations.

Audit Strategy

- ❑ IAID was required to submit a single Audit Strategy within 9 months of the Commission's adoption of OP I and OP II. In fact, it was submitted by IAID to the Commission on **26 March 2008**, in accordance to Article 62(1)(c) of Council Regulation 1083/2006.
- ❑ This 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.
- ❑ On the **7 November 2008** the Commission approved the Audit Strategy in its entirety as submitted by IAID.
- ❑ The Audit Strategy will be updated annually by IAID and presented to the Commission in the Annual Bilateral Co-ordination Meetings.



Audit Strategy (cont.)

- ❑ Systems audits are carried out to verify the **effective functioning** of the management and control systems and will be carried out during the period 2009-2011.
- ❑ Examples of bodies to be audited include:
 - ✓ Managing Authority and all its Intermediate Bodies
 - ✓ Public Procurement (horizontal issue)
 - ✓ Treasury
 - ✓ Certifying Authority



Audit Strategy (cont.)

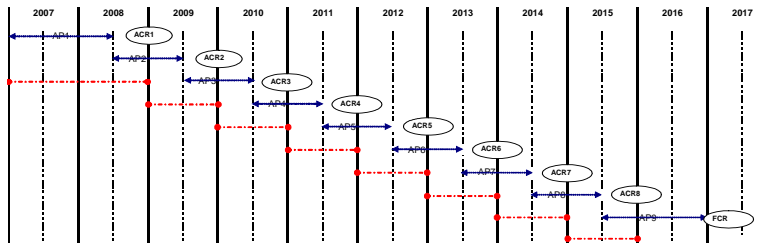
- ❑ Audits on operations are carried out to verify **expenditure declarations**, on the basis of an appropriate **random sample** (preferably statistical random sample)
- ❑ The timing of the audits on operations depends on expenditure declarations to the Commission:

DECLARED	AUDITED	REPORT & OPINION
2009	July 2009-June 2010	31/12/2010
2010	July 2010-June 2011	31/12/2011
2011	July 2011-June 2012	31/12/2012
etc.		



Time schedule for reporting by Audit Authority

- AP Audit period
- ACR Annual control report
- RSRP Random sample reference period
- FCR Final Control Report (31 March 2017)



Annual Control Report and Opinion

- ❑ The scope of the annual control report and opinion, based on system audits and audits on operations, is to provide reasonable assurance on the effective functioning of the management and control systems.
- ❑ The 2008 Annual Control Report and Opinion for OP I and OP II were submitted by IAID prior to **31 December 2008**, in terms of Article 62 (1) (d) (i) and (ii) of Council Regulation (EC) No 1083/2006.
- ❑ The 2008 Annual Control Report explained that systems audits could not be carried out during the audit period ending 30 June 2008 as both Operational Programmes were still at a very early stage of implementation. In fact, no expenditure has been declared by the beneficiaries or to the Commission by the end of 2008.
- ❑ Thus, a **disclaimer of opinion** accompanied the first annual control report.
- ❑ The Commission approved the annual control report and opinion in its letter dated **4 February 2009**.



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

Investing in your future

