

Agreed-upon procedures on internal control to be performed and standard factual findings to be confirmed by the Auditor

First draft for PRIMA

	PROCEDURES	SELECTION TESTED	FACTUAL FINDINGS
	1. INTERNAL CONTROL SYSTEM		
1	<p>Substantial changes in the control environment</p> <p>Confirm that the following information has been communicated to the European Commission (the "Commission"):</p> <p>a) substantial changes to the dedicated implementation structure (DIS) systems, rules or procedures that relate to the management of the entrusted EU funds;</p> <p>b) substantial change in the DIS' legal, financial, technical, organisational or ownership situation</p> <p>(Delegation Agreement (DA) Article 18 - General Obligation to inform the Commission)</p>		
2	<p>Risk assessment</p> <p>Obtain the DIS risk register and confirm that there is a risk response for each risk identified</p> <p>In case of critical risks confirm that the Commission has been informed.</p>		
3	<p>Whistleblowing and fraud follow-up</p> <p>Obtain the internal DIS reporting on whistleblowing and fraud cases and confirm that if an investigation is mentioned in the reporting, a follow up by the DIS is indicated in the reporting.</p> <p>(DA - Articles 6 and 18)</p>		
4	<p>External audit</p> <p>List the qualifications of the independent auditor's report on Statutory Accounts of PRIMA</p>		

	List the qualifications of the independent auditor's report issued for the benefit of the Commission with the accompanying statement of expenditure.		
5	<p>Controls on payments to the recipients</p> <p><u>Planning</u></p> <p>Confirm that the process of selection of yearly site visits is documented for the external auditor's visits and for PRIMA visits (ex-ante checks)</p> <p>Confirm if the annual planning is implemented</p> <p><u>Follow up of recommendations</u></p> <p>Confirm on a random selection of 5 site visits of the external auditor that it includes a follow-up action for recommendations provided in management letters.</p> <p>Confirm on a random selection of 5 site visits of PRIMA that it includes a follow-up action for recommendations of PRIMA reports.</p> <p><u>Interim and final report</u></p> <p>Confirm on a random selection of 5 interim reports reviewed that it includes a follow-up action</p> <p>Confirm on a selection of 10 audit certificates that findings are taken into account in the validation of the payment (e.g rejection of costs, qualification...)</p> <p>Confirm on a selection of final reports that Reviews of the financial and technical reports have been validated by the Grant Financial Assistant, Grant Financial Officer, Operations Manager, Director of Finance</p> <p>(DA Article 13.1 - Controls by PRIMA Foundation)</p>		
6	<p>Compliance of the level of information provided in the Summary Report on Audits and Controls delivered in the annual report sent to the Commission with the requested information, as specified in the DA Article 19.1.1 (d)</p> <p>Check that the paragraph "Summary Report on Audits and Controls" delivered in the annual report sent to the Commission includes</p>		

	<p>the following information requested by the Delegation Agreement:</p> <p><i>"- the results of the audits performed, in terms of number of audits, audit coverage in terms of amount audited in comparison with the amounts paid out to beneficiaries, conclusions and costs eventually disallowed;</i></p> <p><i>- the nature, amount and recurrence of the findings, and the costs categories affected and in particular whether any irregularity or fraud has been discovered;</i></p> <p><i>- any consequences from errors/irregularities identified either by the Art.185 implementation structure's own ex-post audits or by the independent auditors issuing audit Certificates on the Financial Statements claimed by project participants (if applicable);</i></p> <p><i>- any fraud or irregularity that occurred in the article 185 activities, and the measures taken by DIS to recover the funds unduly paid."</i></p> <p>(DA Article 19.1.1 (d) - Reporting)</p>		
<p>7</p>	<p>Accuracy of the information submitted to the Commission in the Summary Report on Audits and Controls delivered in the annual report sent to the Commission</p> <p>7. 1. Reconcile figures provided in the annual report, submitted to the Commission, with the DIS internal reporting and indicate any difference(s)</p> <p>7. 2. Select a minimum of 5 audits by type of audits (5 for the ex-ante external auditor's visits, 5 for ex-ante PRIMA visits, 5 for the Certificates on Financial Statements and 5 by other types if any)</p> <p>- Check that data provided in the annual reporting, submitted to the Commission, match with:</p> <p>(i) data provided in the individual audit report</p> <p style="padding-left: 40px;">*costs audited</p> <p style="padding-left: 40px;">* amount paid</p>		

	<ul style="list-style-type: none"> * costs disallowed <p>(ii) the PRIMA accounting system for</p> <ul style="list-style-type: none"> * amount paid * costs rejected * costs recovered <p>- Indicate the nature of findings and any differences in the data submitted in the annual reporting</p>		
2. GRANTS			
1	<p>Awarding grants (Article 7 of the Delegation Agreement (DA))</p> <p>Obtain a list of all Calls for grant awarded during the year and confirm for 50 % of calls (selected randomly) with a minimum of 2 calls and 5 proposals by call that:</p> <ul style="list-style-type: none"> - the call was mentioned in the work plan and has been published - admissibility and eligibility checklist was completed for all applications in accordance with the related call(s); - independent review took place with 3 independent reviewers; - if it is a joint call with third countries or third parties, confirm that the evaluation and selection procedure involve a balanced group of independent experts appointed by each party; - the evaluation report with the final ranking list is signed by the members of the evaluation committee; - the General Assembly made the formal decision to award the grants; - Indicate issues arising from the above verification and those reported by the <ul style="list-style-type: none"> * the evaluation report * the observer report if applicable 		
2	<p>Grant agreements</p> <p>For calls organised and funded by the DIS, confirm on a selection of 10 grants signed during the year (selection to be made on minimum different calls) that</p> <ul style="list-style-type: none"> - the Commission Article 185 model grant 		

	<p>agreement was used (DA Article 7)</p> <ul style="list-style-type: none"> - the grants signed were authorised by the formal decision of the General Assembly <p>For calls organised by the DIS and funded by the Participating States, confirm on a selection of 10 grants signed during the year (selection to be made on minimum different calls) that</p> <ul style="list-style-type: none"> - the grants signed were authorised by the formal decision of XXX 		
3	<p>Request for redress</p> <p>Indicate the number of requests for redress received by PRIMA</p> <p>Give the number of appeals and the number of cases lost by the DIS</p>		
3. RULES AND PROCEDURES FOR APPOINTING EXPERTS (DA Article 10)			
1	<p>Confirm for 10% of experts involved in the selection and monitoring processes with a minimum of 10 experts (selected randomly) that they have signed a declaration of absence of conflict of interests.</p> <p>Indicate if the rules applied by the DIS for selecting experts are in compliance with the H2020 Rules for Participation and Decision 2017/1324</p>		
4. PROCUREMENT (DA Article 8)			
1	<p>Obtain the detail/breakdown of contracting costs which are registered under other actions and administrative costs and select a random sample of cost items (full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 items, or 10% of the total, whichever number is highest).</p> <ul style="list-style-type: none"> i. if it concerns pre-commercial procurements or procurement of innovative solutions the Auditors verify that the provisions of the rules for participation are followed (DA Article 8) ii. if the Beneficiary did not fall under the above-mentioned category, for the items included in the sample, the Auditor verifies that the DIS followed its own rules and procedures on procurements and indicates any 		

	<p>instances of non-compliance, specifically those related to the thresholds for open procedures.</p> <p>iii For the items included in the sample, verify that:</p> <ul style="list-style-type: none"> - when it concerns other actions, it was mentioned in the work plan - there were signed agreements between the Beneficiary and the contractor; - there was evidence that the services/equipment were provided by the contractor 		
2	<p>Unsuccessful tenderers</p> <p>Indicate the number of complaints of unsuccessful tenders received by PRIMA</p> <p>Give the number of appeals and the number of cases lost by the DIS</p>		
	<p>5. ADMINISTRATIVE EXPENDITURE See DA Articles 5.1 d (i) and 5.2 See also ex ante assessment (internal control part)</p>		
1	<p>Personnel directly assigned to the implementation of the programme (DA Article 5.1 d (i))</p> <p>Allocation of staff costs are based on actual hours and actual salary according to the ex-ante assessment</p> <p>For 10% of the persons paid under the PRIMA programme with a minimum of 5 persons selected randomly, verify</p> <ul style="list-style-type: none"> - a contract is signed and the payroll paid in December is compliant with the contract and promotions - the person is assigned to the implementation of PRIMA - timesheets are signed and reviewed by the line manager - reconcile the detail of costs calculated and allocated to PRIMAwith : <ul style="list-style-type: none"> * the end of year calculation of hours by project approved by the DFA * the end of year calculation of salaries paid 		

2	<p>Other direct costs</p> <p>For a random sample of 10% for each of the following categories of other direct costs assigned to the implementation of the PRIMA programme verify that internal PRIMA rules are followed and check compliance with Article 5.1 (d) (ii):</p> <ul style="list-style-type: none"> - Missions - Service contracts - Consumables and supplies - Depreciation of equipment - Costs fees for audit of annual statutory accounts 		
6. PUBLICATION OF INFORMATION ON RECIPIENTS AND EXPERTS			
1	<p>The information on recipients of EU Funds (for grants and contracts) and experts is published annually on the DIS website in compliance with DA Article 16.</p>		
7. MANAGEMENT DECLARATION			
1	<p>Declare that the audit work performed does not put in doubt the assertions made in the management declaration (DA Article 19 (d) (iv) opinion independent body)</p>		
8. IMPLEMENTATION OF THE RECOMMENDATIONS OF THE EX-ANTE ASSESSMENT (For Article 185 initiatives that have not documented the review and/or need a follow up of the review).			
1	<p>Document in an annex to this questionnaire the review of the implementation of the recommendations of the ex-ante assessment (provided in annex to the Delegation Agreement). The review will be presented by recommendation and mention the work performed and the conclusion(s) on the implementation.</p>		
9. EARLY DETECTION AND EXCLUSION SYSTEM			
1	<p>Auditors check that Article 15.1 and 15.3 have been complied with by the DIS.</p>		