



**EACEA**

# **The Audit Procedure in the EACEA**

**Erasmus + Sport**

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# Audit Process in the EACEA

## I. Annual Audit Plan

- Selection of projects to be audited (+-120)
- 2 Type of audits:
  - ✓ random
  - ✓ risk based
- Eligible projects: **up to 5 years** following the payment of the balance and **for 3 years** in case of low value grants (\*).

(\*) as stated in the **Article 136** of the Financial Regulation applicable to the general budget of the Union and its rules of application.

## II. Communication with beneficiaries and performance of the audits

- Audit announcement letter (sent by the EACEA to the beneficiary)
- The audits are performed by external auditors
- Contradictory procedure: the draft audit report is sent to the beneficiary by the external auditor (\*)
- Following the contradictory procedure, the auditors present the report to the EACEA to check the quality & the procedures applied
- EACEA sends the final report to the beneficiary and implements the audit result (payment or recovery if any)

(\*) **Keep in mind that the EACEA does not perform the audit and** does not intervene in the audit process except in providing technical or logistic support. Agency does not review any supporting documents.

# Audit Process in the EACEA

## What does the EACEA do?

- Prepares and sends the announcement letter to the beneficiary
- Reviews the draft audit report and discuss it with the operational unit
- Sends the final audit report to the beneficiary
- Implements the final audit result (payment or recovery if any)

## What does the beneficiary do?

- Provides external auditors with the supporting documents and additional explanations if needed during the fieldwork phase
- Gives the comments on the draft audit report (**contradictory procedure**)

## What does the external auditor do?

- Planning of the fieldwork
- Conducting the fieldwork
- Issuance of the draft report
- **Contradictory procedure** with the beneficiary
- Issuance of the final audit report



# Financial management of the grants

The cost are eligible if:

- **Foreseen in the budget**
- **Necessary & directly linked** to the performance of the project
- Generated **during the life time** of the project
- **Reasonable** and **justified**
- **Recorded** in the accounts in accordance with the requirements of tax and social legislation
- Be **identifiable** and verifiable & allow reconciliation between accounts and **supporting documents** (audit trail)

## Most frequent/significant error

- **Missing or inadequate supporting documents**  
(staff, travel cost & subsistence)
  
- **Non-compliance with the eligibility rules of the program**
  - ✓ claimed outside the eligibility period,
  - ✓ not foreseen in the budget,
  - ✓ cost exceeding budget headings,
  - ✓ ineligible VAT,
  - ✓ non-compliance with the subcontracting rules
  
- **Incorrect exchange rates**
  
- **Documents without a clear reference to the project**

# Which documents have to be kept?

- Keep all the supporting documents:
  - ✓ For all the headings and no matter which co-beneficiary incurred the costs
  - ✓ From the **beginning** of the project **up to 5 years** following the payment of the balance, and **for 3 years** in case of low value grants (<60,000€).
- **Examples** of supporting documents that should be checked by the auditors:
  - ✓ **Staff:** employment contract; official payroll; timesheets signed; proof of presence to meetings and events; extract of official accounting books with reference to staff; bank statements.
  - ✓ **Travel & subsistence:** travel tickets; boarding pass; invoices (hotels, restaurants, travel agency); signed receipts by the travelling person receiving an allowance; proof of payments.

**!!! Clear reference to the project or directly attributable to the project has to be mentioned**

# TIPS

- Read carefully your grant agreement and the Project Handbook Erasmus+ Sport – financial rules (chapter 4)
- Before issuing the final report double-check your accounting records and documentation (supporting documents).
- Keep your **accounting** and **internal control** systems **transparent**.
- Be careful with the **payments to co-beneficiaries**. Check and keep copy of **all** payments to the partners.
- Keep all the supporting documents (**for you and your co-beneficiaries**).



## Contact details

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