

## INFORMATION NOTE FOR PROJECT SPONSORS

### The Role of the Audit Authority

#### BACKGROUND

1. Under Article 62 of Council Regulation (EC) 1083/2006 the Audit Authority is required to carry out the following tasks:

- (a) System Audits of the Managing Authority, Certifying Authority and the Intermediate Administration Body.
- (b) On-the-spot checks on projects.
- (c) Designing an Audit Strategy for the Programme period.
- (d) Reporting their findings, on an annual basis, to the Commission from the audits carried out and providing an audit opinion on the Management and Control systems in place and, if applicable, submitting a declaration for partial closure of the Programme.
- (e) Submitting to the Commission by 31 March 2017 a closure declaration.

#### ARTICLE 62(b) ACTIVITY

2. As a project sponsor you may be subject to an Article 62(b) on-the-spot (audit of operations (verification)) check. This checking regime is in addition to the separate administrative checks that the Intermediate Administration Body may undertake and the Article 60(b) on-the-spot checks that the Managing Authority may carry out at individual projects.

3. The Article 62(b) visit, in compliance with Council Regulation (EC) 1083/2006 (see below) which also covers Commission Regulation (EC) 1828/2006 Article 16, requires the Audit Authority to:

- 3.1. Audit, on-the-spot, a randomly selected sample of projects in each 12 month period from 01 July 2008.
- 3.2. Verify that the following conditions are fulfilled by the project:
  - (a) meets the selection criteria for the operational programme;
  - (b) has been implemented in accordance with the approval decision;
  - (c) fulfils any applicable conditions concerning its functionality and use or the objectives to be attained;
  - (d) the expenditure declared corresponds to the accounting records and supporting documents held by the beneficiary;

- (e) the expenditure declared by the beneficiary is in compliance with Community and National Rules; and
  - (f) the public contribution has been paid to the beneficiary in accordance with Article 80 of Regulation (EC) No 1083/2006.
- 3.3. Carry out further examination, involving additional visits where necessary, if problems detected appear to be systemic in nature..

#### **TIMESCALE FOR PLANNED VISITS**

- 4. The Audit Authority will notify project sponsors 3 weeks prior to any intended audit, However, there may be situations when that timescale is shortened to meet EC deadlines.
- 5. It should also be noted that, as the random selection is based on expenditure declarations in a 12 month period, a project/project sponsor could be subject to an Article 62(b) visit on more than one occasion. Following the first visit any subsequent visits may concentrate on expenditure declared only.