



# **Assessment of the Annual Audit Reports by DG REGIO**

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**Regional  
Policy**

# General information

- All 15 assurance packages for 15 ENI CBC programmes were received on time.
- In May 2021, letters with comments or observations were sent to the MS.
- MS replies are awaited within one month from the receipt of the EC letter, which will trigger the second rounds of the analyses.

# General conclusions

- More complex and detailed AARs
- Most of the REGIO recommendations from the last year were followed
- In most of the cases, REGIO agreed with the audit opinion issued by the AA

# **Most common issues identified during the analysis of the AARs submitted in 2021**

# 1. Audit of operations

- The sample for the audit of operations was not selected from the entire population
- Sample or sub-sample elements were not selected in a random manner
- TER and/or RTER was not disclosed in the AAR
- Missing information concerning the nature of the identified errors, its root causes or recommendations to mitigate the occurrence of the same errors in the future
- Missing justification for the difference between the amount requested for clearance and the amount from the audit population

## 2. System Audit

- The system audit report did not contain information concerning the work performed for some of the bodies involved in the implementation of the programme
- The results of the follow-up procedures were not sufficiently detailed in the system audit report, or no follow-up was performed
- The system audit report did not include sufficient details concerning the KRs tested
- Not properly detailed changes occurred in respect to the MCS and missing confirmation on compliance of the updated MCS

### 3. Audit strategy

- The audit strategy provided did not cover the reference period
- Insufficient description of the procedures in the audit strategy
- The audit strategy was not updated

## 4. Audit of accounts

- Insufficient description of the work performed in the audit of accounts
- No separate report was issued by the AA concerning the audit of the accounts



## 5. Financial reporting

- Inconsistencies between the figures reported in the Financial Report and in the SFC
- The AA did not use the updated TESIM template of the Financial Report

## 6. Audit opinion

- In a few cases, REGIO auditors did not agree with the audit opinion issued by the AA
- The AA did not indicate in the AO the eligible expenditure subject to clearance in line with Art. 69(2) IR 897/2014

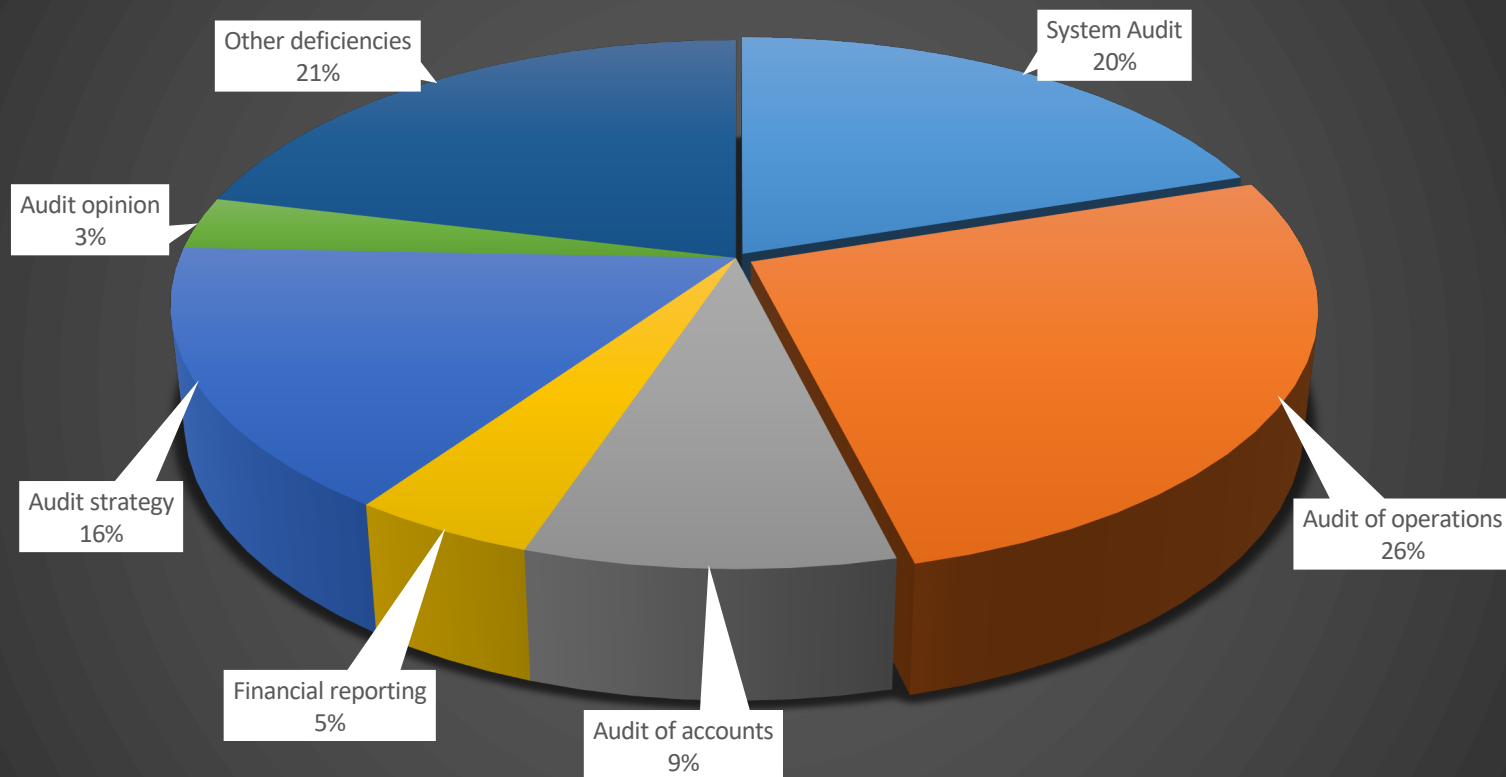
## 7. Other deficiencies

- The AAR did not contain sufficient information concerning the coordination and supervision activities carried out by the AA
- The AA did not include sufficient information in the AAR in the "Other information" section concerning instances of fraud and/or subsequent events
- The level of assurance obtained is not sufficiently disclosed in the AAR



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## Deficiencies by section



■ System Audit ■ Audit of operations ■ Audit of accounts ■ Financial reporting ■ Audit strategy ■ Audit opinion ■ Other deficiencies

# Thank you for your attention

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