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Erasmus+ Programme 2021-2027

European Solidarity Corps 2021-2027

2021 Guidelines for National Authorities
in relation to the responsibilities of the
Independent Audit Body

30/09/2021

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1. Objective

The aim of this document is to provide the National Authorities (hereinafter also referred to as "NAU") of Programme countries and Independent Audit Bodies (hereinafter also referred to as "IAB") with guidelines on the preparation of the yearly IAB Opinion for the Erasmus+ Programme (2014-2020 and 2021-2027) as well as the European Solidarity Corps Programme (2018-2020 and 2021-2027).

This document considers, in parallel, the terminology, rules and IT tools related to the Erasmus+ and European Solidarity Corps programmes 2021-2027 and to the previous generation of the programmes.

As the 2021-2027 programmes have only started recently, the vast majority of the IAB's work will remain focused on the previous generation of the programmes, with only the selection elements of the 2021-2027 programmes being available for potential audit.

2. Legal framework relating to the National Authorities

In the framework of the Erasmus+ Programme and the European Solidarity Corps, the responsibilities of the Programme countries for the Programme implementation are carried out by the NAUs who monitor and supervise the management of Erasmus+ and the European Solidarity Corps in accordance with its legal basis¹.

The legal basis of the Erasmus+ Programme and the European Solidarity Corps establishes the National Agency (hereinafter referred to as "NA") as the entity in the Programme country entrusted with indirect management of the Programme. The Programme country can designate more than one NA in that country.

In accordance with the Financial Regulation² of the European Union, entities entrusted with indirect management, i.e. NAs, shall respect the principles of sound financial management, transparency, non-discrimination and visibility of Union action. It shall also be subject to an independent external audit performed in accordance with internationally accepted auditing standards by an audit service that is functionally independent of the entity concerned. The NA is responsible for the overall project life-cycle management of the decentralised part of both programmes. Each NA must prepare a NA Management Declaration annually as part of its activity. This NA Management Declaration shall be accompanied by an IAB Opinion.

¹ Article 26 of Regulation (EU) 2021/817 of the European Parliament and of the Council of 20 May 2021 establishing Erasmus+ : the Union Programme for education and training, youth and sport

Article 23 of Regulation (EU) 2021/888 of the European Parliament and of the Council of 20 May 2021 establishing the European Solidarity Corps Programme

Art 27 of Regulation (EU) No 1288/2013 of the European Parliament and of the Council of 11 December 2013 establishing 'Erasmus+': the Union programme for education, training, youth and sport.

Art 18 of Regulation (EU) 2018/1475 establishing the 'European Solidarity Corps.'

² Art 154.2 and 154.4(c) of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union.

The Commission ensures proper coordination of its controls with NAUs and the NAs on the Programme funds transferred to the NAs on the basis of the single audit principle and following a risk-based analysis³.

2.1. Responsibilities of the National Authority

In accordance with the legal basis of both Programmes, the responsibilities of the NAU with regard to the IAB are to

- designate an IAB for the preparation of the audit opinion on the yearly NA Management Declaration
- supervise the work of the IAB, by ensuring the minimum content specified in the guidelines is present in the report, and that the scope and depth of the audit work is sufficient

2.2. Responsibilities of the IAB

In accordance with Article 29 of the legal basis of Erasmus+ and Article 26 of the legal basis of the European Solidarity Corps, the IAB shall issue an audit opinion on the NA Management Declaration, issued annually by the NA by 15 February. The IAB Opinion shall be issued thereon by 15 March.

According to the EU Financial Regulation applicable for reporting on 2021, the audit opinion shall establish whether⁴

- the control systems put in place function properly and are cost-effective
- the underlying transactions are legal and regular

In order to take into account the contractual framework for NAs and their specific activities, the scope of the IAB Opinion also includes:

- the compliance of the NA's supervision arrangements with the requirements set in the Guide for NAs, including its effectiveness. This ensures that the implementation of NA activities respects the principles of sound financial management (principles of economy, efficiency, effectiveness) while complying with the applicable rules set by the Commission (legality, regularity, risk assessment, governance structure etc.).
- checks of grant beneficiaries (primary checks)

³ Article 30 of Regulation (EU) 2021/817 of the European Parliament and of the Council of 20 May 2021 establishing Erasmus+ : the Union Programme for education and training, youth and sport

Article 27 of Regulation (EU) 2021/888 of the European Parliament and of the Council of 20 May 2021 establishing the European Solidarity Corps Programme

Art. 31 of Regulation (EU) No 1288/2013 of the European Parliament and of the Council of 11 December 2013 establishing 'Erasmus+': the Union programme for education, training, youth and sport.

⁴ Art 155.1 of Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union.

- transnational cooperation activities/training and cooperation activities between NAs (TCA)
- training and evaluation cycle for EVS volunteers/European Solidarity Corps participants (TEC)
- DiscoverEU Learning Cycle for DiscoverEU participants
- networks (ECVET/National VET Teams, Eurodesk, SALTO)
- networking activities under the European Solidarity Corps (NET)
- EU contribution to management costs
- grant application evaluation process (procedure and implementation in place)
- separation between Erasmus+ and European Solidarity Corps programmes' funds and spending to the relevant programme

The audit opinion shall also state whether the audit work puts in doubt the assertions made in the NA Management Declaration.

3. Designation of the IAB

3.1. Requirements for designation

The NAU designates the IAB. It is strongly recommended to designate the IAB covering the European Solidarity Corps in combination with Erasmus+. In accordance with the legal basis of Erasmus+⁵ and the European Solidarity Corps⁶, the NAU will verify that the IAB:

- a) has the necessary professional competence to carry out public sector audits
- b) ensures that its audits take account of internationally accepted audit standards
- c) is not in a position of conflict of interest with regard to the legal entity of which the NA forms part. In particular, it shall be independent, in terms of its functions, of the legal entity of which the NA forms part

Particular attention needs to be drawn on situations where the IAB is a public service (e.g. an internal audit department of a Ministry representing the NAU). In these cases, the IAB should according to the

⁵ Article 29 of Regulation (EU) 2021/817 of the European Parliament and of the Council of 20 May 2021 establishing Erasmus+ : the Union Programme for education and training, youth and sport

Art. 30 of Regulation (EU) No 1288/2013 of the European Parliament and of the Council of 11 December 2013 establishing 'Erasmus+': the Union programme for education, training, youth and sport.

⁶ Article 26 of Regulation (EU) 2021/888 of the European Parliament and of the Council of 20 May 2021 establishing the European Solidarity Corps Programme

Article 19 of the Regulation (EU) 2018/1475 of the European Parliament and of the Council establishing the "European Solidarity Corps". <http://data.europa.eu/eli/reg/2018/1475/oj>

hierarchical organisation not fall under the hierarchical supervision of the NAU. The IAB must always be hierarchically independent from the NAU.

Without excluding other possibilities, there are three main sets of international audit standards which are generally accepted within the auditing profession in Europe:

1. The standards issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), which include a short identification of issues that may be relevant to the public sector. These have also been completed by Public Sector Studies.
2. The standards issued by the International Organisation of Supreme Audit Institutions (INTOSAI) which are generally used by external public service auditors – European Court of Auditors and the National Supreme Audit Institutions. These have been completed with the European Implementing Guidelines for the INTOSAI Auditing Standards.
3. The standards issued by the Institute of Internal Auditors, used by internal auditors in the public and private sector.

These sets of standards comprise standards of ethics, standards related to work performance and standards related to reporting.

The IAB is allowed to delegate the entirety or a part of its audit work to another audit body only after prior approval by the Commission.

In case the NAU has doubts on whether the IAB meets the abovementioned requirements, it should always contact the Commission.

The form to designate the IAB is provided in Annex 1. It must be returned to the Commission immediately after the designation.

The NAU must ensure a timely designation of the IAB meaning that the IAB has to be formally designated before the audit work starts. The designation of the IAB should take place on time to ensure the audit opinion on the year 2021 for Erasmus+ and, if applicable, the European Solidarity Corps, is delivered by 15 March 2022.

3.2. Designation period

It is up to the NAU to decide on the designation period of the IAB, but at least this should cover the entire auditing period up to the submission of the report to the Commission. The NAU shall ensure that the IAB will have sufficient time for necessary audit work in view of the preparation of its audit opinion. It is strongly recommended to designate the IAB for at least two or, if possible, more years. The advantages of a multiannual designation period as compared with a shorter designation period are notably that:

- it enhances efficiency and cost-effectiveness of audit work of the IAB, building on audit experience each following year
- it facilitates the application of multiannual controls and audit strategies relating to avoid duplication of checks of NA systems and procedures

- as a consequence, it facilitates the IAB to respect the deadline (15 March) for submission of the IAB Opinion

3.3. Countries with more than one NA and/or NAU

A country can have more than one NA. Each NA can have a common or different NAU.

For these countries, it is recommended to keep the number of different IABs to a strict minimum: preferably one IAB. The advantages are that a single IAB can:

- compare across NAs and benefit from synergies
- provide advantages in terms of cost-benefit for both the NA and NAU; costs could be reduced, in so far as the IAB needs to check anyway the same procedures and the same kind of data for all NAs based on exactly the same rules applicable across both programmes

3.4. Relationship with IAB

The NAU shall determine how it organises its relationship with the IAB in view of the delivery of the audit opinion and keep all relevant documents on file: i.e. contract or any other type of agreement (e.g. service level agreement), Terms of Reference, correspondence, minutes of meetings etc.

If the IAB is a private body, the NAU shall conclude a contract containing all necessary details of the service to be provided. The contract shall include provisions for quality checks (timing and content) to be performed by the NAU in respect to all contractual provisions by the IAB.

For countries where the IAB is a public service body (e.g. state auditor or inspection service) an agreement should be concluded between the NAU and the IAB (e.g. service level agreement) permitting the NAU to perform the quality checks. The NAU shall ensure that the IAB is hierarchically independent from the NAU and the NA.

4. Audit scope and objectives for the IAB

The IAB shall, in accordance with the legal basis of Erasmus+ and the European Solidarity Corps, issue an audit opinion on the yearly Management Declaration of the NA.

The parts of the common NA Yearly Report consisting of Programme implementation, Programme management and Networks of the year under audit are not included in the audit scope of the IAB. However, the IAB should take note of it together with the following documents in the context of its preparatory work to obtain a good understanding of the audit environment:

- NAU October report submitted to the Commission by 31 October in the year under audit.
- Most recent Commission's evaluation conclusions letter and feedback letter
- Commission's supervisory visit report received in the year under audit (if applicable)

The IAB should use the latest version of open observations included in the latest letter sent by the Commission.

Attention: The NA Management Declaration includes a statement where the NA director confirms that "...the EU contribution to management costs was used and accounted for in compliance with the obligations laid down in the Delegation Agreement/Contribution Agreement". Considering that the

IAB Opinion is an opinion on the entire Management Declaration, it needs to cover also the EU contribution to management costs. As last year, the audit scope for the IAB also covers this small low-risk amount (approximately an additional 5% of managed funds to be covered) for the 2021 IAB Opinion. More details on the audit approach recommended are available in section 4.8.

The following paragraphs provide more details on the full audit scope for the IAB.

4.1. NA's financial reports related to funds for grant support for Erasmus+ and the European Solidarity Corps

The audit opinion establishes whether the control systems put in place function properly, are cost-effective and whether the underlying transactions are legal and regular. The legality aspect refers to the NA's contractual framework whereas the regularity aspect refers to the correct calculation of the amount.

The NA records its financial transactions in both the accounting system and the management tool provided by the Commission to the NA (EPlusLink or PMM⁷). On the basis of EPlusLink/PMM, the NA extracts financial tables of all financial transactions made between the Commission and the NA and also between the NA and its beneficiaries.

Taking into account the context of the NAs, the audit scope for the IAB consists of the yearly Financial Reports for all open Delegation Agreements/Contribution Agreements related to Erasmus+ and the European Solidarity Corps.

The compulsory elements to be checked by the IAB in relation to financial reports are mentioned in paragraph 6.2.

At Commission level, the financial reports as per 31 December 2021 should normally lead to the closure of the 2018 or 2017 Delegation Agreements/Contribution Agreements.

4.2. NA's internal control system

The audit opinion establishes whether the internal control system put in place complies with its contractual provisions, functions properly, is cost-effective and gives reasonable guarantees for the legality and regularity of the underlying transactions. The Commission's requirements on the NA's internal control system are described in the Guide for NAs implementing Erasmus+ and the European Solidarity Corps, of the relevant Call year. The Guide describes standards of internal control for NA operations (chapter 2), the systems and procedures related to the project lifecycle management (chapter 3) and the management of the Delegation Agreement/Contribution Agreement (chapter 4). The Guide for NAs is part of the contractual framework of the NA.

The IAB needs to mention explicitly in its audit opinion whether the NA's control systems are cost-effective. The audit approach to be applied is explained in section 6.1 (NA's internal control system).

The standards of internal control in the Guide for NAs also include "management supervision" (section 2.5) relating to the annual NA work programme, risk management and the governance

⁷ Project Management Module (PMM) is an IT tool provided by the Commission to the NAs for the management of the project lifecycle of indirect management actions of both Erasmus+ and the European Solidarity Corps (2021-2027).

structure. In this context, the IAB's scope also includes a check of the reliability of the related reporting in the NA Yearly Report.

The Guide for NAs requires the NAs to apply the principle of sound financial management across its procedures in relation to the management of the funds for grant support. Consequently this requirement falls within the scope for the IAB audit.

The attention of the IAB is drawn on the inherent risk that exists for projects where the beneficiaries applied procurement rules. The applicable public procurement rules may or may not be correctly applied. Therefore, in the case where costs are claimed on actual costs and there is a material amount of procured costs being claimed, the IAB's audit scope should include procedures applied by the NA to ensure that beneficiaries applied correctly the applicable public procurement rules during the phase of realisation of a project. If procurement is being applied where simplified costs are being claimed, no financial findings are normally appropriate, but a management recommendation can be made.

For more information on control systems, please see section 6.1.

4.3. Checks of grant beneficiaries

The NA performs checks of grant beneficiaries (primary checks) to obtain assurance on reality and eligibility of the activities supported with EU funds as well as on the legality and regularity of the underlying operations. The minimum requirements for these primary checks are set by the Commission in absolute numbers and percentages. The general principles as well as related systems and procedures are described in detail in section 3.11 as well as in Annex IV.11 (under development) of the 2021 Guide for NAs.

The IAB checks for Erasmus+ and the European Solidarity Corps:

(a) whether the NA reporting on primary checks is correct and reliable.

(b) whether the NA performs primary checks in accordance with the requirements set in the Guide for NAs (selection, timeliness, communication with beneficiaries (announcement, contradictory procedure), reporting). This also includes, as mentioned in paragraph 6.4 NA, procedures to ensure that beneficiaries apply correctly procurement rules for the realisation of projects, if applicable.

(c) the NA's assessment of the results of primary checks (error rates) (cause, remedial actions and if needed modification of the NA control strategy).

4.4. Training and cooperation activities between NAs (TCA)⁸

Under the Erasmus+ Programme 2021-2027, the NA is allocated under Key Action 3 funds for grant support for training and cooperation activities (TCA) between NAs in the different fields of education, training and youth and across sectors. Training and Cooperation Activities (TCA) aim to bring added

⁸ **Erasmus+ programme 2014-2020:** The NA could use a part of the Funds for grant support for Key Action 2 up to the maximum level indicated in the Delegation Agreements for **Transnational Cooperation Activities (TCA)** between NAs in the different fields of education, training and youth and across sectors.

value and increased quality in the overall Erasmus+ Programme implementation and so contribute to increasing the impact of the Programme at systemic level.

It is important to note that grant support to TCA and other networking activities is based on real costs with specific eligibility rules, whereas the funding of decentralised Erasmus+ projects is mainly based on unit costs. The TCA and other networking activities have to be approved by DG EAC in the NA WP. The audit approach of the IAB shall be adapted to this, and proportional to the amounts involved. In case some of the Erasmus+ TCA/ European Solidarity Corps NET activities would be covering both the Erasmus+ programme and the European Solidarity Corps, a clear audit trail for both funding sources should be ensured in order to provide coherent financial reporting per Programme and to avoid any double-funding.

More details on the applicable requirement are set out in Section 5.1 of the 2021 Guide for NAs.

4.5. Networking Activities under the European Solidarity Corps (NET)

The Networking Activities represent an instrument available to the NA to support the European Solidarity Corps in fulfilling its objectives and priorities. The NA may organise Transnational Networking Activities (TNA) between National Agencies and/or National Networking Activities and events (NNA) organised by the National Agency, The Funds allocated to each action of the European Solidarity Corps are specified in the Delegation Agreement/Contribution Agreement.

It is important to note that grant support to NET is based on real costs with specific eligibility rules. Networking Activities have to be approved by DG EAC in the NA WP. The audit approach of the IAB shall be adapted to this, and proportional to the amounts involved. In case some of the Erasmus+ TCA/ European Solidarity Corps NET activities would be covering both the Erasmus+ programme and the European Solidarity Corps, a clear audit trail for both funding sources should be ensured in order to provide coherent financial reporting per Programme and to avoid any double-funding.

More details on the applicable requirements are set out in Section 5.2 of the 2021 Guide for NAs.

4.6. Training and Evaluation Cycle for European Solidarity Corps participants and organisations (TEC)⁹

Specific training for participants and organisations in solidarity-related activities (Training and Evaluation Cycle (TEC)) aims to improve the level of preparedness of young people participating in cross-border solidarity-related activities. TEC also addresses organisations with an objective to provide training to newly awarded Quality Label organisations on the core features of the programme.

It is important to note that grant support to TEC is based on real costs with specific eligibility rules, whereas the funding of decentralised Erasmus+ projects is mainly based on unit costs. The audit approach of the IAB shall be adapted to this. More details on the applicable requirement are set out in sections 5.2 and 5.3 of the 2021 Guide for NAs.

⁹ **Eramus+ programme 2014-2020:** Before the launch of the European Solidarity Corps in 2018, the NA could use a part of the Funds for grant support for Key Action 1 in the field of youth in order to carry out sessions of **European Voluntary Service (EVS) Training and the Evaluation Cycle** in accordance with the rules established in the Programme Guide and with the requirements set out in the Guide for NAs.

4.7. DiscoverEU Learning Cycle for DiscoverEU participants

DiscoverEU offers young people, who are 18 years old¹⁰ a chance to have a short-term individual or group experience travelling across Europe by rail or other modes of transport where necessary. The DiscoverEU Learning Cycle consists of quality and support activities that aim to ensure the best possible learning experience for the participants' prior, during or after their mobility experience.

It is important to note that grant support to the DiscoverEU Learning Cycle is based on real costs with specific eligibility rules, whereas the funding of decentralised Erasmus+ projects is mainly based on unit costs. The audit approach of the IAB shall be adapted to this. More details on the applicable requirement are set out in sections 5.4 of the 2021 Guide for NAs.

4.8. Networks (ECVET/National VET Teams, Eurodesk, SALTO)

Apart from the funds for grant support and the contribution to management costs, the Commission also contributes to networks. The contribution to networks is based on eligible costs with specific eligibility rules (only costs which are identifiable and controllable and recorded in the accounts or tax documents of the NA are eligible, no overheads are allowed). The IAB should take this into account in its audit approach.

For all three networks described hereafter, the IAB will check to ensure that:

- a) the related accounts and financial reports give a true and fair view,
- b) there is no overlap/double funding of costs between the EU contribution to NA management costs and the EU support for the national ECVET/National VET Teams, Eurodesk and SALTO activities, including those related to ESC, where relevant (such as rental costs).

More details on the applicable requirement are set out in the Annex 2 of Terms of Reference for NA's WP (Guidelines for "Support and Network Functions").

The Delegation Agreement/Contribution Agreement concluded between the Commission and the NA indicates the networks for which the NA is entrusted with tasks. The three networks with which NAs may be entrusted with tasks are:

ECVET/National VET Teams

The NA may provide administrative and financial support to a national team of ECVET experts/National VET Team. The purpose of the national teams of VET experts is to provide a pool of expertise to promote the application of EU VET tools and principles in EU funded projects supported by the Erasmus+ programme.

Eurodesk

The Eurodesk Network offers information services to young people and those who work with them on European opportunities, notably in the education, training and youth fields, as well as the involvement of young people in European activities. It contributes to the animation of the European Youth Portal.

¹⁰ Exceptions to the age rule are possible in order to take COVID-19 pandemic circumstances into consideration.

The Eurodesk Network offers enquiry answering services, funding information, events and publications.

SALTO¹¹ (Erasmus+ and European Solidarity Corps)

Thematic Erasmus+ SALTO Resource Centres are structures that contribute to high-quality and inclusive implementation of the Programme. They should ensure a strategic and comprehensive approach in their respective areas. To ensure consistency in implementation across the networks, the SALTOs should provide guidance to and support to all National Agencies in their respective areas. Concretely, SALTOs will ensure a balanced offer of activities and resources for analysis, training, events, tools, publications and other support services.

The European Solidarity Corps Resource Centre provides assistance to the implementing bodies, participating organisations and stakeholders, to raise the quality and impact of the Corps' actions and activities and to enhance the identification and documentation of competences acquired through solidarity-related activities. Existing services offered by the SALTO Resource Centres under Erasmus+ will also continue to assist the European Solidarity Corps in line with their thematic or regional areas of responsibility

4.9. EU contribution to management costs for Erasmus+ and the European Solidarity Corps

In order to comply with the underlying principle that assurance is needed on all funds entrusted to the National Agencies, a coverage of the EU contribution to management costs by the IAB opinion is necessary so that no expenditure of EU funds is considered fully outside the scope of the assurance process.

However, given the fact that amounts are low risk and based on the principle of a fixed amount, the Commission's objective is to limit as far as possible any additional burden on the auditor, but nevertheless ensure that these costs remain within the scope DG EAC's supervision strategy. In particular, this would not put into question the lump sum basis or autonomy of NAs in managing their costs appropriately to their specific needs. Therefore, a lightweight process is proposed, which can be adapted according to the auditor's best practice. The baseline assumption is that the EU contribution to management costs does not need to be subject to an in-depth audit but rather a limited analytical review where the auditor reviews the annual financial statements and audit opinion thereon to identify major changes or anomalies. **In case such an audit opinion (based on national law) is not yet available for the year under audit, the IAB can use the opinion for the previous year.** In particular, no sample testing of individual payments is proposed.

Two sources of assurance which do not involve additional sample checks are available under the International Standards on Auditing (ISA): the IAB can rely on work of another auditor (ISA 600 Using the work of another Auditor). If an audit opinion is already given by a national auditor the "single audit approach" can be used, so this opinion and any qualifications should be reported by the IAB. No analysis of underlying documents of the national auditor should normally be expected.

In addition the IAB can perform an analytical review of financial statements and if necessary receive explanations for major year-on-year changes or data which may appear inconsistent to the auditor

¹¹ Support, Advanced Learning and Training Opportunities

(ISA 520 Analytical Procedures). Again, no sample substantive testing, or checking of underlying documents, would be required.

The auditor would therefore review the financial statements and audit opinion to identify major changes or anomalies.

This review would confirm in general that the budget was spent for the purpose intended (i.e. on staff and procurement clearly related to the implementation of the programme). In addition, the review would also inform the Commission in the context of its supervision strategy what level of audit assurance the management costs are subject to by the National State Auditor/ or equivalent.

This assurance would normally also cover the respect of procurement rules by the NA. If not, the IAB should explicitly review and describe the NA's procedures on procurement, and raise a recommendation for this to be included in the work of the National State Auditor/ or equivalent.

Where no anomalies are identified and the statements have received a clean opinion from the national auditor in most recently available period (which will normally be prior to the period under audit), no further action is required in the part of the IAB.

4.10. Specific guidance for NAs for dealing with the COVID-19 pandemic

In 2020/2021, the Commission provided NAs with specific guidelines¹² based on which they were allowed to apply the principle of force majeure to respond to exceptional situations caused by the COVID-19 pandemic". NAs have to use their judgement (case-by-case assessment) as to the situations in which the beneficiary is in the incapacity to fulfil its obligations under the grant agreement and consequently *force majeure* is applicable.

The IAB should test how NA treated the COVID-19 exceptions in 2021 applying the following approach:

- a) review the NA's monitoring system set up for dealing with such exceptions
- b) test 3 to 5 affected closed projects

For this purpose, a few specific audit questions have been added into the checklist attached as Annex 7 (Indicative audit programme for systems review for Erasmus+ and the European Solidarity Corps).

The IAB should report on work done and conclusions reached in a separate chapter in the audit report for the audit opinion to be issued by 15 March 2022.

¹² Link to NAconnECT:

<https://webgate.ec.europa.eu/fpfis/wikis/pages/viewpage.action?spaceKey=ErasmusPlus&title=FAQ%3A+COVID-19>

4.11. Procurement and subcontracting

A limited number of detailed audit questions are included in section 15 (Procurement and subcontracting) of the checklist attached as Annex 7 (Indicative audit programme for systems review for Erasmus+ and the European Solidarity Corps).

The IAB should use this checklist for setting up the audit approach concerning the NA's procurement procedures and report on conclusions reached in a separate chapter in the audit report for the audit opinion to be issued by 15 March 2022.

5. Erasmus+ and European Solidarity Corps programmes (2021-2027)

In the framework of the "pillar assessment" process and the applicable ex-ante compliance assessment, the IAB is requested to update and check via the sample testing three specific internal control systems. Also, for each of them, a limited number of additional questions are included in the checklist attached as Annex 7 (Indicative audit programme for systems review for Erasmus+ and the European Solidarity Corps).

These elements were first included in the 2020 reporting period. The IAB is therefore only required to review and update their previous analysis based on any changes from 2021. However it is very useful for the Commission to have some summary information on the situation at each NA if this was not included in the previous reporting period.

The three internal control systems with reference to the checklist are the following:

- a) Exclusion from access to funding (see new questions 5-11 of section 8 B, Grant Award Procedure)
- b) Publication of information on recipients, applicable for grants and public procurement (see new section 10 Publication of information on recipients)
- c) Protection of personal data (see new section 11 and Annex 9.2 on protection of data)

For purposes of traceability it is mandatory that this complementary assessment of the systems and procedures is distinguishable from the routine ex-post financial audit performed by the IAB. Therefore, the IAB should report on the work done and the conclusions reached in a separate chapter in the audit report of the next audit opinion to be issued by 15 March 2022.

For data protection, the IAB may rely on expert opinion in compliance with generally accepted auditing standards. If the NA itself is processing personal data exclusively through Commission systems, the scope of the work is unlikely to require expert assistance.

6. Methodological approach

It is the responsibility of the NAU to ensure that the IAB covers the scope set out in chapter 4 and that the IAB Opinion is delivered on time and is based on audit activities which are of good quality.

This section provides more details on the audit scope together with some practical guidance on the methodological approach.

6.1. NA's internal control system

Control objective

NA's are requested to implement an adequate level of internal control. The audits in this area shall address the existence and functioning of the NA internal control system and procedures to ensure that:

- the set-up of NA systems and procedures is compliant with the requirements set in Guide for NAs
- NA control systems function properly, are cost-effective and are reliable and efficient

In this area the control objectives are typically those of a compliance audit, meaning checking the extent to which the rules and procedures of the NA comply with the regulatory framework for NAs.

The control objective of assessing the adequacy and effectiveness of procedures governing the reliability of financial data contributes to the assurance on the probity of the accounts (i.e. assurance that no material misstatements exist in the examined data).

As mentioned before in the audit scope, the IAB has to verify whether the set-up of the NA's management supervision system is compliant with the requirements set in the Guide for NAs (paragraph 2.5), in particular with regard to the NA's risk management and governance structure.

In addition, the principle of sound financial management (economy, efficiency and effectiveness) for the management of funds for grant support is also included in the scope of the IAB audit.

This implies that the IAB should report on any evidence which comes to its attention that the functioning of the NA internal control system does not sufficiently ensure the respect of the principle of sound financial management. The IAB is not requested to perform a specific audit on the respect of sound financial management¹³.

The IAB has to verify that adequate and timely follow-up of recommendations resulting from previous controls was carried out. The control objectives have to include testing that remedial actions have been correctly implemented.

IABs are recommended to use the indicative audit programme for systems review attached as Annex 7. More information is provided in section 6.6. (Indicative work programmes).

As mentioned in section 4.2 (NA's internal control system), the IAB's audit opinion must mention explicitly whether the NA's control systems are cost-effective. Cost-effective controls are those, which are effective to fulfil the intended control objectives in an efficient manner and at a reasonable cost. In other words, cost effective controls need to strike the right balance between effectiveness, efficiency and economy, ensuring a higher level of controls in riskier areas and less control in low-risk areas.

¹³ Further information and definitions of Sound Financial Management can be found in the Financial Regulation Title II : Budget and budgetary principles, Chap. 7: Principle of sound financial management and performance (articles 33-34-35-36) http://ec.europa.eu/budget/biblio/documents/regulations/regulations_en.cfm

Based on the Commission's overview, the NA administrative costs are overall a reasonable percentage of the amount managed, and therefore a priori cost-effective, so the IAB is requested to report anything that comes to their attention which could improve cost-effectiveness of the individual NAs.

In order to conclude on the cost-effectiveness of the NA's control systems', IAB's are recommended to use the list of questions listed in Annex 12 and to report on it in a separate paragraph in the audit report, to be referred to in the completeness checklist (see section 7.4). In case nothing came to the IAB's attention to improve cost-effectiveness, the IAB should simply mention "Nothing identified".

Spread over the year

The controls by the IAB can be carried out until the date of signature of the audit opinion (due by 15 March of the year N+1). However, the IAB should take into account that certain controls, in particular on systems and procedures (through systems' audits), can, and should ideally, be conducted earlier, whereas, logically, audits related to the NA's yearly financial reports can only be carried out after these reports have been finalised and submitted to the IAB.

The IAB is strongly encouraged to carry out the necessary systems' audits during the year to prepare for the audit opinion. By doing so, it will be easier for the IAB to produce its audit opinion by the deadline.

Multiannual approach

If a particular systems check does not result in observations, repeating the same test each year would not be a good use of resources. Ideally the IAB should develop an approach where:

- a) new systems or procedures are always covered during the first year,
- b) processes and procedures where anomalies were found in the previous year are always re-checked the year after.

In case the IAB has been designated for more than one year, the systems audit should have a multiannual approach, ensuring that all NA systems and procedures are covered with an in-depth check at least once every two to three years. The NAU should plan its multiannual system's audits preferably on a risk-based approach.

The objectives, the scope and the methodology of the audit shall be clearly indicated in the audit report in order to support the Opinion. If needed, any limitations shall be expressed and explained.

6.2. Financial Reports

The yearly Financial Reports for each Delegation Agreement/Contribution Agreement are extracted from the programme management tools provided by the Commission and attached to the NA Management Declaration.

For the networks, the Financial Reports are prepared on a manual basis.

The Financial Reports relating to funds for grant support for the Erasmus+ Programme and the European Solidarity Corps consist of the following information:

- List of bank accounts with for each bank account the ending balance and interest earned

- Financial statements on the use of funds for grant support (summary tables, detailed tables per field and activity, financial and contractual information) for each Delegation Agreement/Contribution Agreement
- Reports on networks, if applicable
- Reports on outstanding and waived recovery orders
- Reports on irregularities and suspicion of frauds
- If applicable, co-funding from other sources (national, European Social Funds, etc.)
- TCA/NET and TEC reports related to 2020 and 2021 Delegation Agreements/Contribution Agreements

The IAB will focus the control work on all financial transactions that occurred in the year for which it prepares its audit opinion.

This means that the population for transaction testing consists of ALL financial transactions (pre-financing and balance payments, as well as recovery orders) carried out by the NA in relation to grant beneficiaries during the year under audit. This population covers all Delegation Agreements/Contribution Agreements which are not yet closed.

With regard to the financial reports, the IAB's control has to cover the following elements:

1. Bank accounts (the situation as per 31/12/N-1 and 31/12/N and changes occurred during year N: ending balance, type of accounts, interest earned);
2. The Financial Reports for Delegation Agreements/Contribution Agreements that were not yet closed¹⁴ on the basis of the information provided by the Commission in Annex 2 of the final evaluation conclusions letter on the previous Audit opinion. These reports reflect cumulative figures since the start of each of the Delegation Agreements/Contribution Agreements. Hence, the coherence with figures reported in the previous year shall be checked. This implies that if the figures (and the underlying transactions) of the Yearly NA Report of year N-1 are adequately checked and if a clear cut-off between the transactions of calendar year N and those incurred and registered in the preceding calendar years can be made, the detailed checks of figures and underlying transactions can be limited to those incurred in calendar year N..
3. A reconciliation of totals included in all financial reports with accounting data.
4. The data on recovery orders (the situation as per 31/12/N-1 and 31/12/N and changes occurred in year N)
5. The data on cases of fraud (the situation as per 31/12/N-1 and 31/12/N and changes occurred in year N). The IAB also needs to check whether the NA has given an appropriate follow-up

¹⁴ "Closed" means that all final grant amounts have been determined and all payments in favour of grant beneficiaries have been made. Thus implicitly some ex-post checks might still be on-going and all refunds resulting from issued recovery orders might not yet have been cashed.

to outstanding fraud cases from the past (on which the NA should normally have reported on in the previous Yearly NA Reports)

An example of Terms of Reference for financial audits is attached in [Annex 4](#).

6.3. Transaction testing

The size of the sample for transaction tests is planned by the auditors on the basis of their risk analysis. We recommend applying Monetary-Unit Sampling (MUS). This method, also known as probability-proportional-to-size sampling is widely accepted among auditors. If a MUS sampling results in projects of only one or two actions, some projects should be exchanged with projects of other actions (e.g. replace too many KA1 projects with some KA2 projects).

The sample of tested transactions (which should be a mixture of pre-financing and final payments) shall be representative for the population. Concretely, it should be proportionate in terms of number and value to payments made per Action Type (for example 'KA103') during the year under audit for all open Delegation Agreements/Contribution Agreements.

The number of tests shall be fixed in order to achieve reasonable assurance that major errors, fraud and/or systemic errors are detected.

The sample shall at least consist of 30 transactions under Erasmus+ as an absolute minimum applicable for all NAs. The IAB is requested to fill out the table attached as Annex 10 showing the list of project files tested.

In addition, the sample shall at least consist of 10 transactions under the European Solidarity Corps as an absolute minimum applicable for the NAs competent in the field of Youth.

If anomalies are detected the auditors shall analyse the source of errors and, if appropriate, increase the number of tests.

The control objectives typically used for financial audits are:

1. Transactions that should be recorded have been recorded (completeness)
2. Recorded transactions did take place (existence)
3. Transactions have been correctly valued (valuation)
4. Transactions have been recorded in the proper period (cut-off)
5. Transactions have been correctly classified (classification).
6. Transactions have been carried out in compliance with the regulatory framework (compliance)

Examples:

1. Completeness: All the bank accounts used for the management of the EU funds have been properly disclosed.
2. Existence: the beneficiary final financial report is a basic document needed to establish the final grant amount. Without such a report no final payment can be proposed. However, as well as this report, the elements contained in the report have to be supported by evidence,

depending on the type of check¹⁵ undertaken by the NA: for example participants, activities, travels...

3. Valuation: the daily/weekly allowance used to establish the grant allocated to a project corresponds with that published in the call for proposals;
4. Check that a reimbursement made of an excess pre-financing payment has been made during the same reporting period;
5. Classification: check that the grant has been reported in the correct key action;
6. Compliance: take a sample of final payments and compare the time used for payments with the maximum allowed period for analysis/approval and payment/recovery.

For each tested transaction, the IAB shall check whether the grant award procedure from which the concerned project was selected was in accordance with the requirements set in the Guide for National Agencies (section 3.7 'Grant award procedure'). The key checks in this context are the following:

- **Expert evaluators should be assigned on an automatized rather than manual basis and the NA should be able to demonstrate this. All actors involved also signed a statement on the prevention of conflicts of interest and disclosure of information in relation to the given selection round/for the 2021 report, as it is the start of the new programmes, the IABs are requested to put special emphasis on this part**
- Eligibility check
- Quality assessments
- Validation of organisations
- Check of multiple submission and double funding
- Evaluation committee (composition, minutes...)
- Grant award decision (minimum specifications)

For the transaction testing, the IABs are recommended to use the following two checklists:

- Project life-cycle management assessment checklist (attached as Annex 8)
- Indicative audit programme for substantive testing (attached as Annex 9)

More information is provided in section 6.6. ('Indicative work programmes').

¹⁵ Depending on the nature of each decentralised action, the NA is expected to undertake certain checks, such as final report checks, desk checks of supporting documents and on-the-spot checks (during action, after receipt of the final report and systems checks). The types of checks and technical guidelines for their undertaking are explained in the Guide for NAs and the technical instructions.

The list of tested project files should be provided by the IAB by using the template attached as Annex 10.

6.4. Checks of grant beneficiaries

The IAB shall also examine the reports on checks of grant beneficiaries. The audit activities shall include the following elements:

- Reconciling the BO reports on primary checks (EP034 reports) which are extracted from EPlusLink/PMM with the underlying registration system of the NA. The minimum number of checks to be complied with concerns only random checks. Risk based checks come on top of the minimum number of random checks. The total number of both random and risk based checks carried out by the NA will therefore determine the level of compliance.
- Checking of the NA procedure for these checks: staff involved (segregation of duties), sampling method, reporting system, effectiveness of primary checks (corrective measures taken based on errors found and weaknesses).
- Checking each year on a substantive sample basis whether these checks were carried out in accordance with the requirements of the Guide for NAs (quality of primary checks), and were properly recorded in Epluslink/PMM, with budgetary adjustments in line with the guidance. The results should be mentioned in the template provided in Annex 11 (List of primary checks tested).
- Checking the results of these checks, including resulting error rates

In the rare cases where beneficiaries have claimed actual costs based on procured services which are material at the level of the project, the procurement processes should be tested.

The size of the yearly test sample should be proportionate to the number of primary checks carried out by the NA during the year under audit. The sample size should also cover all types¹⁶ of primary checks carried out by the NA.

6.5. Documentation of audits

The process of the issuing of the audit opinion has to be structured and documented. The IAB has to keep a full audit trail of audit work carried out.

The Commission may proceed to a check of the documentation of the relationship between the NAU and the IAB (see paragraph 2.3), including IAB's working papers, as part of its supervisory visits.

As stipulated by the legal basis of the Erasmus+ Programme (Article 29) and the European Solidarity Corps (Article 26), the IAB shall give the NAU, the Commission and its representatives and the European Court of Auditors full access to all documents and reports in support of the audit opinion that it issues on the NA Management Declaration.

¹⁶There are 5 types of primary checks: final report check, desk check, on-the-spot check during project implementation, on-the-spot check after project implementation and system check.

6.6. Indicative work programmes

The following indicative work programmes for IABs are attached to these guidelines:

- Indicative audit programme for systems review (Annex 7)
- Checklist for Project life-cycle management assessment for both programmes (Annex 8)
- Indicative audit programme for substantive testing (Annex 9)

The purpose of sharing these Commissions' indicative work programmes with IABs is twofold: on one hand to ensure a more harmonised approach among IABs for fieldwork for procedures and transactions. On the other hand, to make the guidelines more concrete enhancing assurance that the regulatory framework is sufficiently covered by the IAB fieldwork.

The use of these audit programmes is strongly recommended. However, they should be considered as an indicative list of checks or guidance leaving the necessary room for the IAB's independency and own professional judgement. The IAB could decide to cover certain fields more (or, with justification, less) intensively than other indicated fields, based on a risk assessment.

7. Audit opinion

Based on the audit work performed, the IAB will be able to form an audit opinion on the following objectives of the audit:

- (1) The compliance and effectiveness of the internal control and management control system of the NA.
- (2) The legality and regularity of the expenditure declared to the funds (considering the results of the substantive testing).
- (3) The completeness, accuracy and veracity of the financial reports (considering the results of the substantive testing, the reconciliation work and the analytical review of management costs).

The form to be used for the preparation of the audit opinion is provided in [Annex 2](#).

The form to be used by the NA for the preparation of the NA Management Declaration is attached for information purposes in [Annex 3](#).

The NA Management Declaration of the NA covers the current programme (Erasmus+) and, when relevant, the European Solidarity Corps. Consequently, the audit opinion shall cover all of these programmes.

The Commission provides support to IABs in any difficulties they may encounter in the process of establishing their audit opinion. The NAU is invited to ask the Commission for support and advice on methodological issues on behalf of the IAB whenever problems arise.

Should a major difficulty arise during the controls or as a result of such controls, the IAB should immediately inform the NAU and the Commission in writing on the nature and the possible consequences of the problem.

7.1. Materiality

When forming its audit opinion, the IAB may find weaknesses or errors of various natures. It will have to make judgements on the relative importance of these weaknesses or errors and their potential impact on the assurance provided by the NA. Therefore, the IAB will have to judge whether it should qualify its audit opinion, by informing the NAU and the Commission on weaknesses or errors found.

A weakness or error is considered material when it affects the conclusions drawn by the IAB. In this context, the IAB should take into account the tolerable error rate of 2 % as described in the example of Term of reference in Annex 4.

The IAB can use different parameters in order to determine if an error/ weakness has to be mentioned in the audit opinion. Some examples: significant weaknesses in the control system of the NA, weaknesses in the system of primary checks, recurring errors or risk of damage to the reputation of the Commission.

As regards to system weaknesses, the classification and rating framework described below shall be used for assessing the weakness found.

The retained weaknesses/errors identified by the IAB as well as the related recommendations must be listed in Annex 1 of the IAB Opinion. If the remedial actions have already been implemented by the NA on signature of the audit opinion, this must be mentioned in the same Annex. If this concerns a financial adjustment, the IAB shall explicitly state whether or not the NA has already made the necessary correction.

As regards follow-up of observations/recommendations, DG EAC wishes to underline that the following observations/recommendations are included in the scope for the IAB for follow-up:

- Observations resulting from the NA's own controls in the preparation of the yearly Management Declaration (see Annex 1 of the Management Declaration).
- Observations issued by the internal auditor of the NA, if not yet included in Annex 1 of the NA's Management Declaration.

7.2. Classification and rating framework for observations/recommendations

The IAB is requested to use the Commission's common classification and rating framework. (Annex 5). The NAU shall refer to the common framework when reporting their observations. This will facilitate the analysis and reporting on the results of controls and enhance communication between the Commission, the NAU and the NA.

The control areas applicable for NAs are classified in categories such as existence and legal personality, infrastructure and resources, internal control system and so on. Each of these categories contains a number of sub-categories to which each observation has to refer to. Under each category key elements of control have been identified.

The decision on the level of importance (rating) of a weakness or lack of compliance depends on its seriousness¹⁷ and impact¹⁸ which both can be high, medium or low.

¹⁷ "Seriousness" is related to the importance level of the detected shortcoming (for example, a checklist which

The following table shows the rating when integrating the results of the assessment on seriousness and impact.

		impact		
		High	Medium	Low
seriousness	High	Critical	Very important	Important
	Medium	Critical	Very important	Important
	Low	Very important	Important	n/a

The higher the rating the more urgently the follow-up actions should be finalised and the closer the monitoring of the Commission on their implementation will be. Depending on the impact on assurance resulting from the weaknesses, the Commission may take precautionary measures in order to safeguard the interests of the European Union.

As shown in the grid above, three ratings are possible:

Critical: means that a key internal control (see Annex 5) is absent or is not at all compliant with EU requirements. Such fundamental weakness or deficiency in an internal control or in a series of internal controls directly leads to or represents a very high risk of either material error, or irregularity or fraud. It either results in an established loss of EU funds or represents a high risk of loss of EU funds with regard to the use of funds to be declared in future Yearly NA Reports. The weakness has a direct impact on the assurance to be provided to the Commission. The Commission expects immediate/urgent remedial actions to be taken and to be reported on by the NAU at short notice.

Very important: means that there is a significant weakness or deficiency in an internal control or in a series of internal controls that are not compliant with EU requirements and that results in a major risk of error, irregularity or fraud. The Commission expects that the remedial actions are implemented within a short timeframe (typically 3 months) and reported on by the NAU by the given deadline.

Important: means that there is a weakness or deficiency in an internal control or in a series of internal controls that are not fully compliant with EU requirements and that results in a limited risk of error, irregularity or fraud. The Commission expects that the remedial actions are implemented within a given timeframe and reported on by the NAU in the context of the yearly information on its monitoring and supervision activities.

is not signed by the person who performed the checks is a less 'serious' weakness compared to improper segregation of duties in a payment procedure).

¹⁸ "Impact" is the (possible) consequence of the identified weakness or error (for example, the impact of an unsigned checklist is low without any financial impact whereas a shortcoming in the NA's payment procedure can have high financial impact).

7.3. Reporting on observations/recommendations

The IAB is requested to:

- a) Follow-up existing open recommendations reported on in the most recent "evaluation conclusions letter" or feedback letter (or, if applicable, the Supervisory visit report received during the year under audit) of the Commission sent to the NAU on the basis of the previous audit opinion. The IAB examines the implementation of recommendations by the NA and reports on it in the IAB Opinion.
- b) Verify all new qualifications/observations/recommendations/reservation disclosed by the NA in its NA Management Declaration and conclude on them (observations/recommendations are confirmed or not or need to be modified or specified or remedial actions are already implemented partly or completely). The observations disclosed by the NA in its NA Management Declaration shall include also all relevant findings issued by the NA's internal auditor.
- c) Include new observations/recommendations resulting from its own audit into the list.

On the basis of these controls, the IAB shall fill in the template on observations/recommendations attached to the IAB Opinion. The concerned template serves to disclose information on all new observations/recommendations and on the follow-up made on all existing open recommendations and remedial action plans.

The Commission will close recommendations only on the basis of information received from the IAB, the NAU or on the basis of its own controls (like for example supervisory visits).

7.4. Audit Report

The IAB Opinion shall be accompanied by an audit report. The audit report shall include as a minimum the following information. For each element, the IAB needs to indicate the page and paragraph reference where it can be found in the audit report.

Completeness checklist for the IAB audit report	Page and paragraph reference by IAB of where this element can be found and confirmed by the NAU
Audit objectives	
Audit scope	
Reference to the applied internationally accepted audit standards.	
Results of reconciliation of aggregate amounts between financial reports and accounting system (differences).	
List of all open Delegation Agreements that have been subject to detailed checks of aspects of legality and regularity of financial transactions and primary checks.	
List of financial transactions per programme with project file numbers and grant amounts tested on aspects of legality	

and regularity. Sampling method should be described and results reported on an exception basis. Template provided in Annex 10 (List of financial transactions tested) is filled in and attached to the audit report.	
List of primary checks per programme with project file numbers tested (specified per type of primary check). Sampling method should be described and results reported on an exception basis. Template provided in Annex 11 (List of primary checks tested) is filled in and attached to the audit report.	
Audit approach and results for tests of expenditures concerning TCA and TEC under Erasmus+ as well as NET and TEC under the European Solidarity Corps (sample tested and compliance with requirements set in the Guide for NAs)	
List of Networks that have been subject of detailed checks on aspects of legality and regularity.	
Audit approach for tests of expenditures concerning Networks.	
Follow-up of previous observations. Latest version of open observations sent by the Commission used.	
Audit findings and recommendations including the importance level.	
Audit approach and conclusions reached on fraud cases report and waiver report as included in the Yearly NA Report.	
Audit approach and conclusions reached on NA's internal control system	
Audit approach and conclusions reached on the situation of the bank accounts.	
Audit approach and conclusions reached on the review of EU contribution to management costs.	
Conclusions reached on the cost-effectiveness of the NA's control systems. Describe identified areas for improvement or simply mention "Nothing identified" in the audit report (see section 6.1).	
Conclusions reached on the review of the NA's monitoring	

system for treating COVID-19 exceptions (see section 4.9).	
Conclusion reached on procurement and subcontracting (see section 4.10)	
Conclusions reached on the complementary assessment of systems and procedures regarding exclusion from access to funding, publication of information on beneficiaries and protection of personal data (see chapter 5).	
Comments of the NA on audit findings and, in case of disagreement, final comments of the IAB.	

The IAB submits a draft version of the audit report to the NAU for completeness check. The NAU checks carefully whether the minimum content of the audit report is respected by cross-checking the reference for each element where it can be found with the IAB's audit report. For this purpose, the NAU should use this checklist for completeness. It is attached as separate document in Annex 6.

The IAB sends together with the audit opinion also the properly filled in completeness checklist to DG EAC.

The IAB is asked to submit to DG EAC, if applicable, a translated version of the original audit report(s) to the Audit opinion in one of the three working languages of the Commission (English, French or German) or, if possible, draft their report directly in one of these three languages. This will accelerate substantially the time needed for the assessment of the Yearly Management Declaration and the Audit opinion thereon and thus will allow the Commission to reduce the time needed to send out the evaluation conclusion letters.

8. Communications and timetable

The table below summarises the workflows of documents to be received by the Commission and the feedback letters (evaluation conclusions letters) to be sent by the Commission.

The Commission reports on its analysis in the following way:

- a) the Commission sends an evaluation conclusion letter to the NA and NAU based on the assessment of the NA Management Declaration and the IAB Opinion. Feedback will cover:
 - Analysis of programme management and implementation
 - Analysis of financial reports
 - Observations and recommendations regarding issues of non-compliance or non-effectiveness; reporting will be requested by the indicated deadline for reporting to the Commission. The following deadlines may occur:
 - Observations rated "Critical": bilaterally agreed deadline for remedial actions
 - Observations rated "Very important": October report of the NAU
 - Observations rated "Important": next IAB Opinion

- b) the Commission sends a feedback letter to the NAU on the basis of information provided by the NAU in its October report.

Summary of communication flows:

Who sends?	Which document?	To whom?	Deadline
NA	<u>Yearly NA Report (including NA Management Declaration)</u>	NAU, IAB, Commission	15 February
IAB	IAB Opinion (including audit report and completeness checklist)	NAU, NA, Commission	15 March
Commission	Evaluation conclusion letter	NAU, NA	Within 90 calendar days <u>upon receipt of the IAB Opinion</u>
NAU	October report ¹⁹	Commission (NA in copy)	31 October
Commission	Feedback letter	NAU	Before end of year

The NA Management Declaration will be considered formally received by the Commission on receipt of the corresponding IAB Opinion.

The Commission shall have 90 calendar days **upon receipt** of the IAB Opinion to:

- complete the assessment of the NA Management Declaration and IAB Opinion
- request the NA/IAB for any additional information it deems necessary
- reject the NA Management Declaration and/or the IAB Opinion and ask for the submission of a new NA Management Declaration and/or IAB Opinion
- execute the related payment/recovery for Agreements that can be closed.

The IAB sends the signed and dated (scanned) version of the IAB Opinion (including all Annexes such as the audit report) by **15 March** of each year to the functional mailbox:

EAC-NAU-CONTACT@ec.europa.eu

¹⁹ The October report includes information on the follow-up made by the NA and NAU on open recommendations.

ANNEXES

ANNEX 1	Template for the designation of the IAB
ANNEX 2	Template for the Audit opinion
ANNEX 3	Template for the NA Management Declaration
ANNEX 4	Example of Terms of Reference for the IAB
ANNEX 5	Classification framework for observations/recommendations
ANNEX 6	Completeness checklist for the IAB audit report
ANNEX 7	Indicative audit programme for systems review for Erasmus+ and the European Solidarity Corps
ANNEX 8.1	Checklist for Erasmus+ (2014-2020) and European Solidarity Corps (2018-2020) Project life-cycle management assessment
ANNEX 8.2	Checklist for Erasmus+ and European Solidarity Corps (2021-2027) Project life-cycle management assessment
ANNEX 9.1	Indicative audit programme for substantive testing for Erasmus+ and the European Solidarity Corps
ANNEX 9.2	Indicative audit programme on protection of personal data for Erasmus+ and the European Solidarity Corps
ANNEX 10	List of financial transactions tested for Erasmus+ and the European Solidarity Corps
ANNEX 11	List of primary checks tested for Erasmus+ and the European Solidarity Corps
ANNEX 12	Cost-effectiveness of NA's control systems
ANNEX 13	Template for the audit report

ANNEX 1 *Designation of the independent audit body*



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR EDUCATION, YOUTH, SPORT AND CULTURE

DESIGNATION OF THE INDEPENDENT AUDIT BODY

The undersigned, [name, title, service], acting as the National Authority for the Erasmus+ Programme [and, if applicable] [the European Solidarity Corps], has designated on DD/MM/20XX the following organisation as Independent Audit Body for the National Agency(ies) [name(s) NA] in accordance with [the Regulation of the Erasmus+ Programme²⁰] [and] [the Regulation of the European Solidarity Corps²¹]:

Designation of the Independent Audit Body	
Name of the Independent Audit Body:	
Name of contact person(s):	Mr/Mrs
Address:	
Tel:	
Email(s) of contact person(s):	
Designation period:	From DD/MM/20XX to DD/MM/20XX

The undersigned declares that the designated Independent Audit Body:

- (a) has the necessary professional competence to carry out public sector audits;
- (b) ensures that its audits take account of internationally accepted audit standards;
- (c) is not in a position of conflict of interest with regard to the legal entity of which the National Agency forms part. In particular, it is independent, in terms of its functions, of the legal entity of which the National Agency forms part.

Done at:

Date:

Signature:

²⁰ Article 29 of the Regulation (EU) 2021/817 of the European Parliament and of the Council of 20 May 2021 establishing Erasmus+ the Union Programme for education and training, youth and sport.

²¹ Article 23 of the Regulation (EU) 2021/888 of the European Parliament and of the Council of 20 May 2021 establishing the European Solidarity Corps Programme



OPINION

OF THE INDEPENDENT AUDIT BODY

ON THE 2021 MANAGEMENT DECLARATION OF THE NATIONAL AGENCY [NAME OF THE NATIONAL AGENCY], IMPLEMENTING THE ERASMUS+ [AND EUROPEAN SOLIDARITY CORPS] PROGRAMMES IN [COUNTRY] IN 2021

I, undersigned, [name, title], acting as the legally authorised representative of the Independent Audit Body [NAME OF THE INDEPENDENT AUDIT BODY] as designated by the National Authority²² on [DD/MM/YY], declare that in my opinion²³:

A) with regard to the funds for grant support under the **Erasmus+ Programme** (including TCA²⁴ and TEC²⁵ activities):

- (1) the accounts of the National Agency as reflected in the 2021 Yearly NA Report dated [DD/MM/YY] are the product of an accounting system which functions properly and are based on verifiable supporting documents.
- (2) the internal control system put in place by the National Agency complies with its contractual provisions, functions properly, is cost-effective and gives reasonable guarantees for (a) the legality and regularity of the underlying transactions, (b) safeguarding of assets and information and (c) prevention, detection, correction and investigation and follow-up of fraud and irregularities.

²² Article 26 of Regulation (EU) 2021/817 of the European Parliament and of the Council of 20 May 2021 establishing Erasmus+ : the Union Programme for education and training, youth and sport

Article 23 of Regulation (EU) 2021/888 of the European Parliament and of the Council of 20 May 2021 establishing the European Solidarity Corps Programme

Article 27.5 of Regulation (EU) No 1288/2013 of the European Parliament and of the Council of 11 December 2013 establishing 'Erasmus+': the Union programme for education, training, youth and sport and repealing Decisions No 1719/2006/EC, No 1720/2006/EC and No 1298/2008/EC; [if applicable] Article 19 of the Regulation (EU) 2018/1475 of the European Parliament and of the Council establishing the "European Solidarity Corps". <http://data.europa.eu/eli/reg/2018/1475/oj>

²³ In accordance with international audit standards, equivalent to IFAC standard ISA 700.

²⁴ Transnational Cooperation Activities between National Agencies

²⁵ Training and Evaluation Cycle for EVS volunteers (youth field)

(3) the underlying transactions are legal and regular. They comply with the applicable EU rules and contractual provisions. The expenditure declared is eligible for EU funding and in accordance with the principle of sound financial management.

B) [if applicable] with regard to the network(s) [ECVET/National VET Teams, Eurodesk, SALTO, TCA resource centre, European Solidarity Corps resource centre]:

(1) the accounts of the National Agency dated [DD/MM/YY] are the product of an accounting system which functions properly and are based on verifiable supporting documents.

(2) the internal control system put in place by the National Agency functions properly, complies with the contractual provisions, functions properly, is cost-effective and gives reasonable guarantees for (a) the legality and regularity of the underlying transactions, (b) safeguarding of assets and information and (c) prevention, detection, correction and follow-up of fraud and irregularities.

(3) the underlying transactions are legal and regular. They comply with the applicable EU rules and contractual provisions. The expenditure declared is eligible for EU funding and in accordance with the principle of sound financial management.

C) [if applicable] with regard to the funds for grant support under the **European Solidarity Corps** Programme (including TEC²⁶ activities):

(1) the accounts of the National Agency as reflected in the 2021 Yearly NA Report dated [DD/MM/YY] are the product of an accounting system which functions properly and are based on verifiable supporting documents.

(2) the internal control system put in place by the National Agency complies with its contractual provisions, functions properly, is cost-effective and gives reasonable guarantees for (a) the legality and regularity of the underlying transactions, (b) safeguarding of assets and information and (c) prevention, detection, correction and investigation and follow-up of fraud and irregularities.

(3) the underlying transactions are legal and regular. They comply with the applicable EU rules and contractual provisions. The expenditure declared is eligible for EU funding and in accordance with the principle of sound financial management.

D) with regard to the EU contribution to management costs for Erasmus+ [(if applicable) and European Solidarity Corps]: based on a review of the available financial statements and audit opinion thereon [if applicable], the budget was spent for the purpose intended.

It is the responsibility of the NA to draw up the accounts and certify their completeness, accuracy and veracity and for ensuring a proper functioning of the NA's internal control system.

²⁶ Training and Evaluation Cycle for European Solidarity Corps organisations and participants

It is the responsibility of the Independent Audit Body to express an opinion on whether the accounts of the National Agency are the product of an accounting system which functions properly, whether the internal control system put in place by the National Agency complies with the contractual provisions, is cost-effective and functions properly and whether the underlying transactions are legal and regular.

I believe that the audit evidence gathered is sufficient and appropriate to provide the basis for my opinion except those which are mentioned under 'Scope limitation'.

Scope limitation: [there were no limitations on the audit scope] or [the audit scope was limited by the following factors: ...]

The audit work [does/does not] put in doubt the assertions made in the 2021 NA Management Declaration of the National Agency.

[if applicable] This audit opinion is subject to the observations/limitations/qualifications for which I propose the related recommendations listed in Annex 1.

This audit opinion has been drawn up in accordance with internationally accepted audit standards. The audit report is attached in Annex 2.

All documents involved in establishing the present audit opinion are available for scrutiny by the EU services, the National Authority, the European Court of Auditors and the Anti-Fraud Office (OLAF).

Date:

Name:

Signature:

LIST OF ANNEXES

ANNEX 1: Observations and recommendations

ANNEX 2: Audit report

Annex 1

LIST OF OBSERVATIONS/RECOMMENDATIONS AND ACTION PLAN

The Independent Audit Body should include in these tables below:

A) the follow-up made by the National Agency of all open formal recommendations addressed to the NA following the 2020 IAB Opinion, any subsequent supervisory visit, any audit by the Court of Auditors and the most recent financial audit carried out on behalf of the Commission (non-financial audit findings).

Identification number of the observation	Title of the observation/recommendation	Rating	Progress on implementation of recommendation	Conclusion of the IAB (remedial action fully or partially implemented)

B) new important/very important/critical observations and recommendations resulting from the audit of the Independent Audit Body (including new observations/recommendation disclosed by the NA in Annex 1 of the 2021 NA Management Declaration):

Title of the observation (control area)	Description of the weakness, non-compliance issue, error	Rating²⁷	Reference to the legal basis (Guide for NAs, national law...)	Recommendation

²⁷ Ref: Guidelines for National Authorities in relation to the responsibilities of the Independent Audit Body, section 6.2



2021 NA MANAGEMENT DECLARATION OF THE NATIONAL AGENCY

[NAME OF THE NATIONAL AGENCY]

in [COUNTRY]

CONCERNING THE SYSTEM AND THE ACCOUNTS RELATED TO THE IMPLEMENTATION OF THE ERASMUS+ [AND EUROPEAN SOLIDARITY CORPS] PROGRAMME(S)

I, the undersigned, [name, title], acting as the legally authorised representative of the National Agency²⁸ [NAME OF THE NATIONAL AGENCY], designated for the implementation of the **Erasmus+ Programme** in the field(s) of [Education, Training and Youth OR Education and Training OR Youth] [and the **European Solidarity Corps**], confirm hereby that:

A) With regard to the accounts reflected in the 2021 Yearly NA Report related to the funds for grant support under the Erasmus+ Programme (including TCA²⁹ and TEC³⁰ activities), and drawn up for the expenditure incurred in the execution of the entrusted tasks:

- 1) the information is properly presented, complete and accurate;
- 2) the expenditure was used for its intended purpose, as defined in the Delegation Agreement/Contribution Agreement, and in accordance with the principle of sound financial management;
- 3) the internal control system put in place complies with the contractual provisions, functions properly, is cost-effective and gives the necessary guarantees concerning (a) the legality and regularity of the underlying transactions, (b) safeguarding of assets and information and (c) prevention, detection, correction and investigation and follow-up of fraud and irregularities; the underlying transactions comply with the applicable EU rules and contractual provisions.

B) [if applicable]With regard to the accounts related to the network(s) [National VET Team, Eurodesk, SALTO, TCA resource centre, European Solidarity Corps resource centre] and drawn up for the expenditure incurred in the execution of the entrusted tasks:

²⁸ Art 28 Regulation (EU) No 1288/2013 of the European Parliament and of the Council of 11 December 2013 establishing 'Erasmus+': the Union programme for education, training, youth and sport and repealing Decisions No 1719/2006/EC, No 1720/2006/EC and No 1298/2008/EC; [if applicable] Article 20 of the Regulation (EU) 2018/1475 of the European Parliament and of the Council establishing the "European Solidarity Corps". <http://data.europa.eu/eli/reg/2018/1475/oj>

²⁹ Transnational Cooperation Activities between National Agencies

³⁰ Training and Evaluation Cycle for EVS volunteers (youth field)

- 1) the information is properly presented, complete and accurate,
- 2) the expenditure was used for its intended purpose, as defined in the Delegation Agreement/Contribution Agreement, and in accordance with the principle of sound financial management,
- 3) the internal control system put in place complies with the contractual provisions, functions properly, is cost-effective and gives the necessary guarantees concerning the legality and regularity of the underlying transactions; the underlying transactions comply with the applicable EU rules and contractual provisions.

C) [if applicable] With regard to the accounts reflected in the 2021 Yearly NA Report related to the funds for grant support under the **European Solidarity Corps** (including TEC³¹ activities), and drawn up for the expenditure incurred in the execution of the entrusted tasks:

- 1) the information is properly presented, complete and accurate;
- 2) the expenditure was used for its intended purpose, as defined in the Delegation Agreement/Contribution Agreement, and in accordance with the principle of sound financial management;
- 3) the internal control system put in place complies with the contractual provisions, functions properly, is cost-effective and gives the necessary guarantees concerning (a) the legality and regularity of the underlying transactions, (b) safeguarding of assets and information and (c) prevention, detection, correction and investigation and follow-up of fraud and irregularities; the underlying transactions comply with the applicable EU rules and contractual provisions.

I have reasonable assurance that the resources assigned to the activities described in this NA Management Declaration have been used for their intended purpose and in accordance with the principles of sound financial management, and that the internal control procedures put in place comply with the contractual provisions, function properly and give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgement and on the information at my disposal such as all management supervision activities and covers all elements of the management system. The supervisory activities were organised in such a way as to provide structured information to the National Agency management on a continuous basis.

I confirm that the EU contribution to management costs was used in compliance with the obligations laid down in the Delegation Agreement/Contribution Agreement and that

[NAME OF THE NATIONAL AGENCY]:

³¹ Training and Evaluation Cycle for European Solidarity Corps organisations and participants

- is subject to an independent external audit, performed in accordance with internationally accepted auditing standards by a functionally independent audit service;
- ensures the ex post publication of information on recipients in accordance with Article I.1.3 of the Delegation Agreement/Contribution Agreement;
- ensures protection of personal data in accordance with Article II.7 of the Delegation Agreement/Contribution Agreement.

I confirm that the EU financial contribution in support of Erasmus+ [and European Solidarity Corps] management tasks of the National Agency ("Contribution to management costs") for the calendar year 2021 has been used for its intended purpose.

I confirm that I am not aware of any significant problems that have not been reported in this NA Management Declaration and which could harm the interests of the EU.

The summary of final audit reports and of controls is included in Annex 2. These controls also include checks on beneficiaries (primary checks) executed on the funds for grant support.

The documents related to the process of establishing the present NA Management Declaration are available for scrutiny by the EU services, the National Authority, the European Court of Auditors and the Anti-Fraud Office (OLAF).

This Management Declaration [is not /is] subject to [the following] reservations:

[if applicable, describe the reservations:]

This Management Declaration is subject to the observations listed in Annex 1 for which I propose the remedial actions described in the attached action plan.

Date:

Name:

Signature:

LIST OF ANNEXES

ANNEX 1: Analysis of nature and extent of errors and weaknesses identified in systems, as well as corrective action taken or planned (including follow-up of existing observations included in the most recent "evaluation conclusions letter" of the Commission)

ANNEX 2: Summary of final audit reports and of controls carried out

Annex 1

LIST OF OBSERVATIONS AND ACTION PLAN

The National Agency should include in these tables below:

A) the follow-up made by the NA of all open formal observations addressed to the NA following the assessment of the 2020 Yearly NA report, any subsequent supervisory visit, any audit by the Court of Auditors and the most recent financial audit carried out on behalf of the Commission (in relation to non-financial audit findings).

Identification number of the observation	Title of the observation	Rating	Progress on implementation of related recommendation	Conclusion

B) new important/very important/critical observations resulting from its own controls in the preparation of the 2021 NA Management Declaration:

Description of the observations (weakness / items of non-compliance / error detected)	Rating	Remedial action planned	Proposed deadline for implementation

Annex 2

SUMMARY OF FINAL AUDIT REPORTS AND OF CONTROLS CARRIED OUT

The table below should include a summary of supervisory activities (audits and controls) **carried out by NA staff or on behalf of the NA**³² for the implementation of the requirements on management supervision as described in paragraph 2.5 ('Management supervision') of the Guide for NAs and serving as a solid basis for the preparation of the Yearly Management Declaration.

<u>Controls carried out by the NA, including internal and external audit activities</u>	<u>Analysis of nature and extent of errors and weaknesses identified in systems</u>	<u>Corrective action taken or planned</u>
1. [final audit report or control activity] <i>[examples: audit reports of the NA's internal auditor, specific controls carried out by NA staff in high risk areas, risk-based primary checks, audit of the annual accounts by the statutory auditor of the NA...]</i>		
2. [final audit report or control activity]		
3. ...		

³² Audits carried out by the Independent Audit Body in view of the Independent Audit Opinion are excluded.

Audit objective

The audit objective with regard to the funds for grant support under the Erasmus+ Programme (including TCA activities and TEC activities), networks (to be described) as well as the European Solidarity Corps (including NET and TEC activities) is specified as follows:

(1) The accounts of the NA as reflected in the Yearly NA Report and attached in the NA Management Declaration are the product of an accounting system which functions properly and are based on verifiable supporting documents. The Financial Reports are the product of a reliable accounting system and are based on verifiable supporting documents.

(2) The control systems put in place by the NA comply with the contractual provisions, are cost-effective and give the necessary guarantees for (a) the legality and regularity of the underlying transactions, (b) safeguarding of assets and information and (c) prevention, detection, correction and follow-up of fraud and irregularities.

(3) The underlying transactions are legal and regular. They comply with the applicable EU rules and contractual provisions. The expenditure declared is eligible for EU funding and in accordance with the principle of sound financial management.

The Audit opinion shall also state whether the audit work puts in doubt or not the assertions made in the Management Declaration.

Audit scope

The audit scope for the preparation of the audit opinion includes the following elements:

(1) NA's financial reports related to the funds for grant support for E+/ESC

Concretely, the scope for the IAB consists of:

- Yearly NA Financial Reports for funds of grant support under the Erasmus+ Programme
- Yearly NA Financial Reports for funds of grant support under the European Solidarity Corps

The auditors will use the Yearly NA Financial Reports as the basis for their work. These reports make it possible to get agglomerated figures for the transactions of the year as well as a situation at the beginning and at the end of the year.

The Yearly NA Financial Reports contain agglomerate data. NA's must have the detailed transactions that tie in with the agglomerate data.

The audit opinion shall establish whether

- the control systems put in place function properly and are cost-effective
- the underlying transactions are legal and regular

(2) NA's internal control system

The audit opinion establishes whether the internal control system put in place is cost-effective and gives the necessary guarantees concerning the legality and regularity of the underlying transactions.

The IAB verifies whether the NA's internal control system as described in the Guide for NAs implementing the Erasmus+ Programme and European Solidarity Corps (a) is compliant with the Commission's requirements and (b) functions properly (effectiveness).

The Guide for NAs describes the standards of internal control for NA operations (chapter 2 of the Guide for NAs) as well as systems and procedures related to the project lifecycle management (chapter 3 of the Guide for NAs) and the management of the Delegation Agreement/Contribution Agreement (chapter 4 of the Guide for NAs).

The standards of internal control of the Guide for NAs include also "management supervision" (section 2.5 of the Guide for NAs) in relation to the yearly NA work programme, risk management and the governance structure. The IAB's scope includes also (a) a compliance check of the relevant section II.4 (quality of the NA management system) of the NA work programme with NA practice and (b) reliability of the related reporting in the yearly NA Activity Report.

The Guide for NAs requires the NAs to apply the principle of sound financial management across its procedures related to the management of the funds for grant support. Consequently this requirement also falls within the scope of the audit for the IAB.

(3) Checks of grant beneficiaries

The NA performs checks of grant beneficiaries (so-called primary checks) to obtain assurance on reality and eligibility of the activities supported with EU funds as well as on the legality and regularity of the underlying operations. The minima for these primary checks are set by the Commission in absolute numbers and percentages. The general principles as well as related systems and procedures are described in detail in section 3.11 as well as Annex IV.11 (under development) of the Guide for NAs.

The IAB checks:

- (a) whether the NA reporting on primary checks in EPlusLink/PMM is correct and reliable
- (b) whether the NA performs primary checks in accordance with the requirements set in the Guide for NAs (selection, conduct, reporting)
- (c) the NA's assessment of the results of primary checks (error rates) (cause, remedial actions and if needed modification of the NA control strategy).

[if applicable] (4) Training and cooperation activities between NAs (TCA) and other networking activities under Erasmus+

Under the Erasmus+ Programme 2021-2027, the NA is allocated under Key Action 3 in the Contribution Agreement funds for grant support for training and cooperation activities (TCA) between NAs in the different fields of education, training and youth and across sectors. Training and Cooperation Activities (TCA) aim to bring added value and increased quality in the overall Erasmus+ Programme implementation and so contribute to increasing the impact of the Programme at systemic level.

It is important to note that grant support to TCA and other networking activities is based on real costs with specific eligibility rules, whereas the funding of decentralised Erasmus+ projects is mainly based on unit costs. The TCA and other networking activities have to be approved by DG EAC in the NA WP. The audit approach of the IAB shall be adapted to this, and proportional to the amounts involved. More details on the applicable requirement are set out in Section 5.1 of the 2021 Guide for NAs.

[if applicable] (5) Training and Evaluation Cycle for European Solidarity Corps participants (TEC)

Specific training for participants and organisations in solidarity-related activities (Training and Evaluation Cycle (TEC)) aims to improve the level of preparedness of young people participating in cross-border solidarity-related activities. TEC also addresses organisations with an objective to provide training to newly awarded Quality Label organisations on the core features of the programme.

It is important to note that grant support to TEC is based on real costs with specific eligibility rules, whereas the funding of decentralised Erasmus+ projects is mainly based on unit costs. The audit approach of the IAB shall be adapted to this. More details on the applicable requirement are set out in section 5.2 of the 2021 Guide for NAs..

[if applicable] (5 a) DiscoverEU Learning Cycle for DiscoverEU participants

DiscoverEU offers young people, who are 18 years old³³ a chance to have a short-term individual or group experience travelling across Europe by rail or other modes of transport where necessary. The DiscoverEU Learning Cycle consists of quality and support activities that aim to ensure the best possible learning experience for the participants' prior, during or after their mobility experience.

It is important to note that grant support to the DiscoverEU Learning Cycle is based on real costs with specific eligibility rules, whereas the funding of decentralised Erasmus+ projects is mainly based on unit costs. The audit approach of the IAB shall be adapted to this. More details on the applicable requirement are set out in sections 5.4 of the 2021 Guide for NAs.

[if applicable] (6) Networks [ECVET/National VET Team, Eurodesk, SALTO]

Apart from the Funds for grant support and the contribution to management costs, the Commission also contributes to networks. The contribution to networks is based on eligible costs with specific eligibility rules (only costs which are identifiable and controllable and recorded in the accounts or tax documents of the NA are eligible). The audit approach of the IAB shall be adapted to this specificity.

The IAB's audit shall ensure that (a) the related accounts and financial reports give a true and fair view and (b) there is no overlap/double funding of costs between the EU contribution to NA management costs and the EU support for the national ECVET/National VET Team, Eurodesk and SALTO activities, including tasks related to the European Solidarity Corps, where relevant.

[if applicable] (7) Networking Activities under the European Solidarity Corps

³³ Exceptions to the age rule are possible in order to take COVID-19 pandemic circumstances into consideration.

The NA may organise Transnational Networking Activities (TNA) between National Agencies and/or National Networking Activities and events (NNA) organised by the National Agency, The Funds allocated to each action of the European Solidarity Corps are specified in the Delegation Agreement/Contribution Agreement. Grant support to NET is based on real costs with specific eligibility rules. Networking Activities have to be approved by DG EAC in the NA WP. The audit approach of the IAB shall be adapted to this, and proportional to the amounts involved.

(8) EU contribution to management costs

Audit approach: analytical review. Only if necessary, detailed testing of individual transactions.

Preparatory work

The audit approach should include the following steps.

a) Analysis of the legal basis for the Erasmus+ Programme and the European Solidarity Corps , the Delegation Agreements/Contribution Agreements (Erasmus+ Programme and European Solidarity Corps) and the Guide for NAs.

b) Check whether the internal control system put in place by the NA complies with the contractual provisions, is cost effective and gives the necessary guarantees for (a) the legality and regularity of the underlying transactions, (b) safeguarding of assets and information and (c) prevention, detection, correction and follow-up of fraud and irregularities.

c) Check probity and accuracy of the financial information reported in the Yearly NA report by carrying out detailed testing on a sampled basis.

d) Testing process: examine the legality and regularity of each transaction selected for inclusion in the sample. The sample has to focus on 2021 NA transactions related to all open Delegation Agreements/Contribution Agreements (Erasmus+ and European Solidarity Corps) listed by the Commission in Annex 2 of the evaluation conclusions letter on the 2018 Management Declaration. If the auditors can rely on the results of the audit work relating to 2020 Yearly NA Report and before and if the 'closing' figures 2020 match with the 'opening' figures 2021, they can limit their examination at a sample exclusively drawn from 2021 NA transactions.

As regards the testing process, the following elements should be considered:

a) Sampling method: we recommend applying Monetary-Unit Sampling (MUS). This method, also known as probability-proportional-to-size sampling is widely accepted among auditors.

b) Sample size: the sample size shall be statistically representative for the population (see hereunder). In such a case it is recommended that the calculation of the sample size is based on the following parameters:

A generally accepted 95 % confidence level for drawing a conclusion on the whole population.

A tolerable error rate (TRE). The tolerable error rate is the maximum monetary misstatement that can exist in the selected transaction amount. The tolerable error rate is based on a risk assessment, for example the assessment of the internal control system of the NA. It is fixed at 2 %.

In any case the sample size should consist of at least 30 transactions for Erasmus+ and, if applicable, 10 transactions for the European Solidarity Corp.

- c) All individual errors detected need to be disclosed to allow for possible corrections.
- d) The total error related to the population needs to be compared with the materiality threshold in order to be able to give a modified or unmodified opinion.
- e) If the sample taken is statistically representative, the error rate found can be extrapolated to the population. The audit report has to mention the sample size, its coverage in value and number of transactions as well as the size of the population.

Fieldwork (in relation to financial reports)

The auditors will tie in the lists with amounts of grants awarded, payments and recoveries by action type and individual project with the financial tables; they will check the lists on clerical accuracy. They will report all anomalies detected.

The auditors will tie in the individual transactions (grants awarded³⁴, pre-financing payments to grant beneficiaries, balance payments to grant beneficiaries, payments by and refunds to the Commission, recovery orders issued, perceived or waived, interest perceived, ...) with the NAs accounting system. They will make a reconciliation between the NAs accounting system and the Management Information Systems used (can be systems proper to the NA or EC systems such as EPlusLink/PMM) or check the reconciliation made by the NA. The auditors will report all anomalies detected and give an overall conclusion on the matching of the transactions, assets and liabilities relating to the activities carried out and how they were entered into the accounting.

The auditors will vouch the underlying documents (grant applications, reports, bank statements, documents such as invoices, airline tickets, presence lists, etc.) relating to the individual transactions (the bank statements with the payments received from the Commission, the grant award decision, the payment order, the actual bank statement relating to the payment, the contractual reports, the calculation sheet for determining the final grant amount, the recovery orders, the bank statements relating to recoveries, the waiver of a recovery order, legal procedures for claiming back recoveries or dealing with alleged fraud, the deliverables such as brochures, minutes, reports, publications, etc.).

At award stage, the auditors will check that the minimum requirements for selecting the project and determine the grant amounts have been met. They will also check whether the grant agreements (contracts) in national language used by the NA correspond with the standard texts for the grant agreements provided by the Commission in the Annex to the Guide for NAs. Where required they will check that the data have been entered into EC databases such as EPlusLink/PMM.

On the basis of final reports received the auditors will check that the final grant amount is correctly determined taking into account the eligibility of costs claimed, the daily rates and unit costs used.

The auditors will analyse on what basis the NA has selected the projects for the desk reviews and for the on-the-spot checks; whether the staff carrying out these controls are competent to do so and are not involved in any conflict of interest. The auditors will examine if the selection criteria take into account recurring beneficiaries.

The auditors will perform at least the following checks:

³⁴ In a strict sense it is not expected that grants awarded are registered in the accounting system; therefore the auditors should check how the NA controls the grants awarded by comparison with the available budget and the grant amounts awarded.

- Check that the desk checks (primary checks) or on-the-spot checks (in situ audits) have been properly documented and have led to a correct conclusion. They will check the relevance of the checks performed during the on-the-spot checks.
- Check whether the grants have received other funding than that from the European Commission and determine if any grants result in a profit for the beneficiary.
- Check that the following items (reporting of exceptions) are properly included in Yearly NA Report:
 - financial corrections resulting from the mentioned controls
 - waiver of recovery orders
 - outstanding recovery orders
 - perceived refunds from recovery orders, in particular from earlier closed grant agreements with beneficiaries
 - outstanding fraud cases.
- Check the follow-up of the fraud cases resulting from earlier decentralised action grant agreements and trace the transactions with supporting documents.
- Check whether the NA has a proper system of registering and following up recoveries (refunds to be made as a result of checks made or if the pre-financing payments are higher than the final grant amount).
- Check whether outstanding recovery orders were properly disclosed to the Commission.
- Reconcile the report on recovery orders with internal reporting and follow-up tools of the NA.
- Trace the transactions with the underlying documents (refunds, waivers, issuing new recovery orders).
- Check that waived recovery orders over € 200 have been formally authorised by the Commission.
- Check the existence of all the bank accounts. Check that the nature of these bank accounts corresponds to what has been disclosed in the Yearly NA report. Check that they are denominated in Euro (only transit accounts may be denominated in national currency).
- Check that the bank accounts are owned by the NA.
- Check that all bank accounts are interest bearing and that there are no implicit risks of losing their subsistence.
- Check that all funds related to the decentralised actions grants are managed through the disclosed bank accounts.
- Check that no other funds than those related to the decentralised actions grants are managed through the disclosed bank accounts.
- Reconcile the opening and closing balances with the bank statements.
- Check clerical accuracy of the financial reports included in the Yearly NA Report.
- Reconcile transfers from and to other bank accounts held by the NA.

- Trace interest earned or accrued; check that tax withheld on the bank accounts is properly disclosed by the NA. Compare with declared interest in reporting on interest earned.
- Trace - on a sample basis - transactions (including payments received from and made to the Commission) on the bank accounts with the underlying documents and with the accounts. Check the opening and closing balances on the bank statements with the accounts.
- Check that bank fees and charges are funded from the operating budget of the NA.
- Check that the total amounts of transfers made from the disclosed bank accounts are equal to other disclosed bank accounts. Reconcile any differences.
- List all anomalies found, discuss them with the NA management and file the evidence supporting their conclusion. The auditors must not automatically extrapolate the results of the errors detected.

Adversary procedure: At the end of the fieldwork the auditors will organise a meeting with the NA management and give a list with all findings (description of the finding, basis for the finding, financial impact, recurring or one-time finding) they intend to include in their report. The NA will be invited to make its comments within a reasonable period of time (not more than one week after that meeting).

ANNEX 5 *Classification framework for observations*

Control Area	Legal basis (see footnotes below)
National Agency	
Legal set up	
Existence and legal personality	Reg. 2021/817 – Art. 27.1(a)
Financial guarantee	Reg. 2021/817 – Art. 27.1(d)
Duration	Reg. 2021/817 – Art. 27.7
Ethical and organisational values	GfNA ³⁵ - Section 2.1
NA Staff	
Number of staff and competences	Reg. 2021/817– Art. 27.2(b) GfNA - Section 2.2.1(1), (2), (3)
Delegation of budget implementation tasks	Reg. 2021/817 - Article 28.7 GfNA - Section 2.2.1(4), (5)
Recruitment	GfNA - Section 2.2.2
Tasks and responsibilities	GfNA - Section 2.2.3
Training	GfNA - Section 2.2.4
Operational structure	
Internal organisation	GfNA - Section 2.3.1 (1), (2), (3)
Irregularities and fraud prevention - four eyes principle	GfNA - Section 2.3.1(4)
Segregation of duties	GfNA - Section 2.3.2
Internal NA procedures	GfNA - Section 2.4.1
Coordinated Programme management at national level	GfNA - Section 2.4.2, 3.3.1(4), 3.6.6(3), 3.9.1(3), 3.10(5), 3.11.1(2), 4.7.2
Management supervision	
System	GfNA - Section 2.5.1
Planning and risk assessment	GfNA - Section 2.5.2
Governance	GfNA - Section 2.5.3
Authorisation, recording and correction of exceptions	GfNA - Section 2.5.4

³⁵ 2021 Guide for NAs, version of 07 May 2021.

Accounting and financial reporting	GfNA - Section 2.6
Internal audit	GfNA - Section 2.7
Document management	GfNA - Section 2.8
Business continuity	GfNA - Section 2.9
Infrastructure	
Premises	GfNA - Section 2.10(1)
IT and data security	GfNA - Section 2.10(2)
Call for proposals	GfNA - Section 3.2
Strategic framework for the implementation of Erasmus+	GfNA - Section 3.3
Communication, information, dissemination and exploitation of results	GfNA - Section 3.4
Counselling of potential applicants	GfNA - Section 3.5
Reception and registration of grant applications	GfNA - Section 3.6
Grant award procedures	
Transparency, impartiality	GfNA - Section 3.7.1(1), (3)
Information and training of experts	GfNA - Section 3.7.1(4)
Documentation	GfNA - Section 3.7.1(2)
Conflict of interest prevention	GfNA - Section 3.7.2
Eligibility check	GfNA - Section 3.7.4
Quality assessment procedure	GfNA - Section 3.7.7
Certification of organisations	GfNA - Section 3.7.8
Verification of double funding	GfNA - Section 3.7.5
Evaluation committee	GfNA - Section 3.7.9
Grant award decision	GfNA - Section 3.7.10
Notification of grant award results	GfNA - Section 3.7.11
Ex-post publication of grant award results	GfNA - Section 3.7.12
Grant agreements	
Forms of grants	GfNA - Section 3.8.1
Financial capacity check	GfNA - Section 3.7.6
Issuing of grant agreements	GfNA - Section 3.8.2
Amendments of grant agreements	GfNA - Section 3.8.3
Reserve lists	GfNA - Section 3.9

Grant payments	GfNA - Section 3.10
Checks of grant beneficiaries	GfNA - Section 3.11 (including instructions for NAs in Annex IV.11 (under development) of the Guide for NAs)
Recovery of EU funds from beneficiaries	GfNA - Section 3.12
Support and monitoring to beneficiaries	GfNA - Section 3.13
Dealing with irregularities and frauds	GfNA - Section 3.14
Information on means of redress	GfNA - Section 3.15
Processing of personal data by the NA	GfNA - Section 3.17
Use of EU funds	GfNA - Section 4.1
National co-funding to indirect management	GfNA - Section 4.2
Financial management	
Accounting	GfNA - Section 4.3.1
Bank accounts and treasury management	GfNA - Section 4.3.2
Procurement	GfNA - Section 4.4
IT systems	GfNA - Section 4.5
Request for amendments to the Delegation Agreement/Contribution Agreement	GfNA - Section 4.6
National Agency reporting	GfNA - Section 4.7
NA support to quality and impact	
Transnational Cooperation Activities between NAs	GfNA - Section 5.1
Networking Activities under the ESC (NET)	GfNA - Section 5.1
Training and Evaluation Cycle (TEC) for E+ volunteers and ESC participants	GfNA - Section 5.2
Training and Evaluation Cycle (TEC) for organisations	GfNA - Section 5.3
Discover EU Learning Cycle for Discover EU participants	GfNA - Section 5.4

ANNEX 6 *Completeness checklist for the IAB audit report*

Completeness checklist for the IAB audit report	Page and paragraph reference by IAB of where this element can be found and confirmed by the NAU
Audit objectives	
Audit scope	
Reference to the applied internationally accepted audit standards.	
Results of reconciliation of aggregate amounts between financial reports and accounting system (differences)	
List of all open Delegation Agreements/Contribution Agreements that have been subject to detailed checks of aspects of legality and regularity of financial transactions and primary checks.	
List of financial transactions per programme with project file numbers and grant amounts tested on aspects of legality and regularity. Sampling method should be described and results reported on an exception basis. Template provided in Annex 10 (List of financial transactions tested) is filled in and attached to the audit report.	
List of primary checks per programme with project file numbers tested (specified per type of primary check). Sampling method should be described and results reported on an exception basis. Template provided in Annex 11 (List of primary checks tested) is filled in and attached to the audit report.	
Audit approach and results for tests of expenditures concerning TCA and TEC under Erasmus+ and NET under the European Solidarity Corps (sample tested and compliance with requirements set in the Guide for NAs).	
List of Networks that have been subject of detailed checks on aspects of legality and regularity.	
Audit approach for tests of expenditures concerning Networks.	
Follow-up of previous observations. Latest version of open observations sent by the Commission used.	

Audit findings and recommendations including the importance level	
Audit approach and conclusions reached on fraud cases report and waiver report as included in the Yearly NA Report.	
Audit approach and conclusions reached on NA's internal control system	
Audit approach and conclusions reached on the situation of the bank accounts.	
Audit approach and conclusions reached on the review of EU contribution to management costs.	
Conclusions reached on the cost-effectiveness of the NA's control systems. Describe identified areas for improvement or simply mention "Nothing identified" in the audit report (see section 6.1).	
Conclusions reached on the review of the NA's monitoring system for treating COVID-19 exceptions (see section 4.9).	
Conclusion reached on procurement and subcontracting (see section 4.10)	
Conclusions reached on the complementary assessment of systems and procedures regarding exclusion from access to funding, publication of information on beneficiaries and protection of personal data (see chapter 5).	
Comments of the NA on audit findings and, in case of disagreement, final comments of the IAB.	

ANNEX 7 *Indicative audit programme (IAP) for systems review for Erasmus+ and the European Solidarity Corps*

AREAS COVERED	LEGAL FRAMEWORK (reference to appropriate section from Guide for NAs)	Ref. to Pillar Assessment requirements (components)
- Legal setup and operational structure of the National AGENCY	2.1; 2.2,2.3	Pillar 1 Control Environment / Control Activities
- Processes and procedures	2.4.1, 2.4.2	Pillar 1 Control Activities / Monitoring; partly Pillar 4 Grants; partly Pillar 5 Procurement
- Management supervision (Risk assessment, governance, exceptions)	2.5	Pillar 1 Risk Assessment / Control Activities / Information & Communication
- Internal audit service: meeting with the services/auditors in charge of internal audit.	2.7	Pillar 1 Monitoring
- Document management and filing system	2.8	Pillar 4 Documentation and filing of the grants process
- Business continuity	2.9	Pillar 1 Control Activities
- Infrastructure: IT security system, premises	2.10	Pillar 1 Control Activities
- Project lifecycle management from the call until payment after final report (check of project files – A RANDOM SAMPLE PROPORTIONAL TO THE SIZE OF THE NA, COVERING ALL KEY ACTIONS IMPLEMENTED) – see also Annex 8 Erasmus+ and ESC Project life-cycle management assessment - Checklist		
E. Call for proposal and grant applications	3.2; 3.6	Pillar 4 Grants
F. Grant Award Procedure	3.7	
G. Grant Agreement	3.8	
H. Grant Payments	3.10	
I. Complaints management		
- Management of recovery orders	3.12	
1. Publication of information on recipients (applicable for grants and public procurement)		
- Irregularities, fraud and problem cases	3.14	Pillar 1 Control Activities
- Protection of personal data	3.17	
- Accounting system and Commission's and (if applicable) local management information systems	4.3.1	Pillar 2 Accounting system and Policies / Budgeting
- Treasury management (NA bank accounts, monthly reconciliations...)	4.3.2	Pillar 1 Control activities
- Procurement and subcontracting	4.4	Pillar 5 Procurement
- Reporting procedure for the yearly management declaration (AUDIT TRAIL)	4.7	Pillar 1 Information & Communication
- Monitoring system for treating COVID-19 exceptions	4.9	
-		
1. MONITORING SYSTEM FOR TREATING COVID-19 EXCEPT		
1.	Describe the monitoring system for the case-by-case assessment set up by the NA to deal with the specific guidance provided by DG EAC for projects affected by the Corona circumstances.	
2.	Does the NA's assessment procedure include a formal authorisation by NA management to decide that force majeure is applicable for a project?	
3.	In case of prolongation of projects , is equal treatment of	

	beneficiaries facing the same situations guaranteed?					
4.	The NA can extend the Grant Agreement by letter signed by its legal representative or by formal amendment. Which approach was decided?					
5.	Select 3 to 5 closed projects (based on availability of final reports) which were subject to a COVID-19 exception and check					
6.						
7.	Select 3 to 5 closed projects (based on availability of final reports) which were subject to a COVID-19 exception.and perform the following checks: <ol style="list-style-type: none"> 1. Is the decision to apply force majeure properly authorised? 2. Is the judgement of the NA to decide that the beneficiary is in the incapacity to fulfil its obligations under the grant agreement properly documented? 3. <u>Canceled activities</u>: Identify accepted costs entailed by activities in affected areas that have not taken place due to force majeure. 4. <u>Canceled activities</u>: In case the NA decided to cancel a planned activity following the application of <i>force majeure</i>, the costs incurred can be considered eligible within the project at final report stage. Was this the case? 5. Eligibility of costs for canceled mobilities: Participants are entitled to receive the grant based on unit costs (travel and/or individual support) in case they had to bear costs linked to the arrangements for the mobility cancelled before it starts (flight ticket, accommodation arrangements,...) that could not be cancelled without costs. Participants should be able to provide evidence of the costs incurred and that their request for reimbursement was denied. 6. Were additional costs (on a real cost basis) that were caused by the exceptional circumstances duly justified (e.g. the cost could not be recovered under an insurance scheme, the generating event could not be rescheduled, etc.)? 7. Did the beneficiary provide a signed declaration stating that the additional costs could not be recovered by other means? 8. Check whether the total grant amount awarded was not increased. 					
2. MANAGEMENT OF THE PRIMARY CHECKS: MEETING WITH THE SERVICES/AUDITORS IN CHARGE OF PRIMARY CHECKS. SELECTION OF CHECKLISTS, SET UP (ORGANISATION AND PLANNING), MANAGEMENT OF RESULTS OF PRIMARY CHECKS, FEEDBACK TO BENEFICIARIES						
	1. General requirements		Annex 12 of the Guide for NAs			
	2. Files verification		Annex 12 of the Guide for NAs			

No	<u>Item to be checked</u>	<u>Task performed</u>	<u>Documents requested/obtained</u>	<u>Conclusion / comment / observation</u>	<u>Management finding to issue</u>
3. LEGAL SETUP AND OPERATIONAL STRUCTURE OF THE NATIONAL AGENCY					
3.	If not clarified during the preparatory phase, understand the legal setup of NA and accordance to the new Erasmus and, if applicable European Solidarity Corps programmes.	<input type="checkbox"/>			<input type="checkbox"/>
4.	Obtain operational chart, clarify the number of staff and functions of jobholders	<input type="checkbox"/>			<input type="checkbox"/>
5.	Understand if there are any tasks that are being implemented by external providers. Clarify if the budget implementation function is externalised as well (according to the GfNA, the NA is not allowed to externalise the key functions related to the programme implementation, e.g. selection process).	<input type="checkbox"/>			<input type="checkbox"/>
6.	Are there legal contracts signed between NA and staff members?	<input type="checkbox"/>			<input type="checkbox"/>
7.	Is the staff recruitment procedure transparent?	<input type="checkbox"/>			<input type="checkbox"/>
8.	Does the staff sign ethical policy rules, covering at least following: - prevention of conflicts of interest including a disclosure obligation; - use of official information and public resources; - working outside the NA; - receiving gifts or benefits; - dealing with and reporting on irregularities and fraud; - whistle blowing?	<input type="checkbox"/>			<input type="checkbox"/>
9.	Is the NA staff adequately informed of their responsibilities and main tasks (job descriptions)?	<input type="checkbox"/>			<input type="checkbox"/>
10.	Is the segregation of duties ensured (no overlap between duties mentioned in Guide for NAs section 2.3.2)?	<input type="checkbox"/>			<input type="checkbox"/>
4. PROCESSES AND PROCEDURES					
1.	Is the manual of procedures complete (main procedures) and updated? Does it clearly specify the different processes (for each process checked during the visit, please verify with the manual)? Please check for each process verified if the procedure exists and corresponds to the reality.	<input type="checkbox"/>	<i>The NA's manual of procedures to be requested in advance</i>		<input type="checkbox"/>

	The manual should also include: - issuing Call for proposals (when applicable) - evaluation of grant applications and taking grant award decision - issuing of contracts/agreements - tendering procedures - documents archiving system				
2.	Is the manual of procedure available for all staff?	<input type="checkbox"/>			<input type="checkbox"/>
5. MANAGEMENT SUPERVISION (RISK ASSESSMENT, GOVERNANCE, EXCEPTIONS)					
1.	Has the NA implemented a risk management procedure and control mechanisms to prevent the identified risks, irregularities and fraud?	<input type="checkbox"/>			<input type="checkbox"/>
2.	Are the supervisory activities clearly defined and documented?	<input type="checkbox"/>			<input type="checkbox"/>
3.	Other issues raised?				<input type="checkbox"/>
6. INTERNAL AUDIT SERVICE: MEETING WITH THE SERVICES/AUDITORS IN CHARGE OF INTERNAL AUDIT.					
1.	Is the audit function in place? Is the internal audit function internal to the NA (or its hosting organisation) or is it externalised?	<input type="checkbox"/>			<input type="checkbox"/>
2.	Is there a multiannual planning of the internal audit tasks based on risk assessment?	<input type="checkbox"/>			<input type="checkbox"/>
3.	Is the internal auditor independent from the audited activities?	<input type="checkbox"/>			<input type="checkbox"/>
4.	Is the internal auditor different from the IAB?	<input type="checkbox"/>			<input type="checkbox"/>
5.	Are there written reports available? Review some of them.	<input type="checkbox"/>			<input type="checkbox"/>
6.	Does the internal auditor report directly to the NA director?	<input type="checkbox"/>			<input type="checkbox"/>
7.	Is there an adequate follow-up of findings?	<input type="checkbox"/>			<input type="checkbox"/>
8.	Other issues raised?				<input type="checkbox"/>
7. DOCUMENT MANAGEMENT AND FILING SYSTEM					
<i>PLEASE SELECT FILES TAKING ALSO INTO ACCOUNT THE NETWORKS OR ACTIONS OTHER THAN ADEC (TCA, TEC, ...)</i>					
<i>When proceeding to the files checks of the files, please answer to the following questions.</i>					
1.	Has the NA developed and implemented an adequate document management procedure?	<input type="checkbox"/>			<input type="checkbox"/>
2.	Is there an adequate registration system for incoming and outgoing correspondence?	<input type="checkbox"/>			<input type="checkbox"/>
3.	Are the documents relating to Delegation Agreements/Contribution Agreements kept for 5 years?	<input type="checkbox"/>			<input type="checkbox"/>
4.	Other issues raised?				<input type="checkbox"/>

8. BUSINESS CONTINUITY					
1.	Does the NA ensure that the core activities of the Programme are maintained and/or resumed in case of a major disruption?	<input type="checkbox"/>			<input type="checkbox"/>
2.	Other issues raised?				<input type="checkbox"/>
9. INFRASTRUCTURE: IT SECURITY SYSTEM, PREMISES					
1.	Are the volume and quality of the NA premises sufficient to provide for safe and healthy working conditions for NA staff, with sufficient space for offices, equipment, filing and meeting facilities? The NA premises shall have easy access to NA staff and visitors, including persons with disabilities.	<input type="checkbox"/>			<input type="checkbox"/>
2.	Do measures exist to prevent unauthorised access to NA systems and files to prevent loss of data and to prevent that doubt would be cast on the accuracy and authenticity of the data? Are the back-up procedures adequate?	<input type="checkbox"/>			<input type="checkbox"/>
3.	Is the access to the accounting, banking programme and Management Information System sufficiently protected?	<input type="checkbox"/>			<input type="checkbox"/>
4.	Other issues raised?				<input type="checkbox"/>
10. PROJECT LIFECYCLE MANAGEMENT FROM THE CALL UNTIL PAYMENT AFTER FINAL REPORT (CHECK OF PROJECT FILES – A RANDOM SAMPLE PROPORTIONAL TO THE SIZE OF THE NA, COVERING ALL KEY ACTIONS IMPLEMENTED)					
A. CALL FOR PROPOSAL AND GRANT APPLICATIONS					
1.	Is the call of proposal adequate? - Publication - Complying with the programme Guide and GfNA - Specifying final date for submission, date of information, etc.)	<input type="checkbox"/>	<i>Verify the E+ Dashboard and the NA Compliance Dashboard</i>		<input type="checkbox"/>
2.	Is the treatment of applications adequate? Including: - Registration? - Acknowledgement of receipt sent? - Audit trail?	<input type="checkbox"/>			<input type="checkbox"/>
3.	Selection and training of experts - call - selection method - contracts	<input type="checkbox"/>			

	- debriefing provided by the NA				
4.	Other issues raised?				<input type="checkbox"/>
B. GRANT AWARD PROCEDURE					
1.	Is the treatment of the grant award decision adequate? Including: - Criteria - Use of checklists - Automatic assignment of experts to avoid conflict of interest - Independence of evaluators - Training of evaluators - Audit trail	<input type="checkbox"/>			<input type="checkbox"/>
2.	Does any actor involved in any stage of the grant award process sign a formal statement on the prevention of conflicts of interest?	<input type="checkbox"/>			<input type="checkbox"/>
3.	Adequacy of the segregation of tasks: - Persons who have a function in the supervision of the NA cannot take part in the grant award process - A person who has participated in the formal eligibility check or quality assessment of a grant application in the selection round concerned shall not have a decision-making role in the evaluation committee, but may be called upon to provide information to the evaluation committee. - The person taking the grant award decision may participate as an observer, but shall not have a voting right in the evaluation committee.	<input type="checkbox"/>			<input type="checkbox"/>
4.	Are the requirements relating to eligibility checks respected? - Exclusion criteria - Completeness - Prevention of double funding - Audit trail - Is there an eligibility checklist in E+Link/PMM?	<input type="checkbox"/>			<input type="checkbox"/>
5.	As part of the exclusion criteria check, does the NA apply appropriate rules and procedures for excluding third parties from access to funding?	<input type="checkbox"/>			<input type="checkbox"/>
6.	Does the NA have a clear legal and regulatory framework for	<input type="checkbox"/>			<input type="checkbox"/>

	exclusion from funding?				
7.	<p>Are the following exclusion criteria integrated in the procedures and rules for the award grants:</p> <p>A) Are third parties excluded from funding if they or a person having powers of representation, decision-making or control over them or a member of their administrative, management or supervisory body have been the subject of a final judgment or of a final administrative decision for one of the following reasons:</p> <p>a) bankruptcy, insolvency or winding-up procedures; b) breach of obligations relating to the payment of taxes or social security contributions; c) grave professional misconduct, including mis-representation d) fraud; e) corruption; f) conduct related to a criminal organisation; g) money laundering or terrorist financing; h) terrorist offences or offences linked to terrorist activities; i) child labour and other trafficking in human beings; j) irregularity; k) creating a shell company; l) being a shell company;</p> <p>B) Are there any derogations to the above based on justified grounds, such as overriding reasons of public interest such as public health or environmental protection?</p>	<input type="checkbox"/>			<input type="checkbox"/>
8.	Is proportionality taken into account when deciding on exclusion from funding?	<input type="checkbox"/>			<input type="checkbox"/>
9.	Is the right of defence taken into account when deciding on exclusion from funding?	<input type="checkbox"/>			<input type="checkbox"/>
10.	Is the assessment of remedial measures, put in place by the NA to demonstrate its reliability, taken into account when deciding on exclusion from funding?	<input type="checkbox"/>			<input type="checkbox"/>
11.	Does the NA effectively apply rules and procedures for exclusion in the provision of grants based on the requirements mentioned under questions 6, 7, 8 and 9?	<input type="checkbox"/>			<input type="checkbox"/>

12.	Are the requirements relating to the quality assessment respected? - Number of experts - Operational capacity - Ratio quality/price	<input type="checkbox"/>			<input type="checkbox"/>
13.	Are the requirements relating to the validation of organisations respected?	<input type="checkbox"/>			<input type="checkbox"/>
14.	Is the financial capacity check carried out when applicable?	<input type="checkbox"/>			<input type="checkbox"/>
15.	Are the verifications of double funding adequate including verifications with the other NAs of the country?	<input type="checkbox"/>			<input type="checkbox"/>
16.	Are the requirements relating to the evaluation committee respected? - Function of the members - Number of members - Written rules of the procedure formally communicated to the members - Adequate list of acceptance, rejection and reserve	<input type="checkbox"/>			<input type="checkbox"/>
17.	Are the requirements relating to the grant award decision respected? - Decision taken by the person who is legally authorised to sign grant agreements on behalf of the NA - Amount not exceeding the grant requested - Detailed list - Signatures - Justification of decision that differ of the committee's decision - Verification of the committee checks	<input type="checkbox"/>			<input type="checkbox"/>
18.	Are the requirements relating to the notifications of grant award results respected? - Successful applicants - Applicants with rejected proposals	<input type="checkbox"/>			<input type="checkbox"/>
19.	Does the NA make the results of the grant award decision available to the public within 60 days of the notification of grant award results to applicants?	<input type="checkbox"/>			<input type="checkbox"/>
20.	Is the reserve list set up and followed adequately? - ranking order according to the quality assessment points - in case of cancelled/terminated projects, the project with the highest number of points is selected	<input type="checkbox"/>			<input type="checkbox"/>

21.	Other issues raised?				<input type="checkbox"/>
C. GRANT AGREEMENT					
1.	Are the grant agreements in Euro?	<input type="checkbox"/>			<input type="checkbox"/>
2.	Are the requirements relating to ex-post publications of grant award results respected? - Is the grant agreement compliant with the EC model, dated and signed? Only the changes authorised by the GfNA or by written by the EC should be accepted. - Signature procedure - Use of language - Amendments	<input type="checkbox"/>			<input type="checkbox"/>
3.	Other issues raised?				<input type="checkbox"/>
D. GRANT PAYMENTS					
1.	Are the requirements relating to grant payments respected? - Percentage instalments - Timeframe - Correctness of amounts paid	<input type="checkbox"/>			<input type="checkbox"/>
2.	Is the final report accepted?				<input type="checkbox"/>
3.	Is there a feedback letter?				<input type="checkbox"/>
4.	Other issues raised?				<input type="checkbox"/>
J. COMPLAINTS MANAGEMENT					
1.	Has the NA received any complaints from beneficiaries and/or other stakeholders? Please provide a short description.	<input type="checkbox"/>			<input type="checkbox"/>
2.	Describe the NAs' complaints management process : - what are the actions to be taken when a complaint is received from the beneficiary? - are the received complaints registered and maintained? - who is responsible for complaints management? - has the NA considered and provided an answer to the stakeholder? In what term? - are there any improvements implemented (if necessary)?	<input type="checkbox"/>			<input type="checkbox"/>

3.	Other issue raised?				<input type="checkbox"/>
11. MANAGEMENT OF RECOVERY ORDERS					
1.	Are recovery orders issued and notified immediately after the final grant amount has been determined?	<input type="checkbox"/>			<input type="checkbox"/>
2.	Is the adversary procedure compliant?	<input type="checkbox"/>			<input type="checkbox"/>
3.	Is the segregation of duties respected (authorising of the recovery order and registration into the accounts)?	<input type="checkbox"/>			<input type="checkbox"/>
4.	How are recovery orders registered and followed-up?	<input type="checkbox"/>			<input type="checkbox"/>
5.	Assess the risk that recovery orders are not completely or not correctly disclosed in the Yearly NA Report?	<input type="checkbox"/>			<input type="checkbox"/>
6.	Does the NA send timely reminders? Is there a structured follow-up system leading to sending out regular reminders? Is legal action taken in time?	<input type="checkbox"/>			<input type="checkbox"/>
7.	In the case of countries with more than one NA, does the NA exchange information on problematic debtors with the other NA(s)? Does the NA receive this kind of information from other NAs?	<input type="checkbox"/>			<input type="checkbox"/>
8.	When applicable, does the NA recover by offsetting?	<input type="checkbox"/>			<input type="checkbox"/>
9.	Does the NA apply correctly the rules concerning the recovery of small amounts (200 Euro max)?	<input type="checkbox"/>			<input type="checkbox"/>
10.	Does the NA send proper and timely files to the Commission for getting authorization to waive recovery orders?	<input type="checkbox"/>			<input type="checkbox"/>
11.	Does the Commission react within reasonable delays to such requests?	<input type="checkbox"/>			<input type="checkbox"/>
12.	Other issues raised?	<input type="checkbox"/>			<input type="checkbox"/>
12. PUBLICATION OF INFORMATION ON RECIPIENTS (APPLICABLE FOR BOTH GRANTS AND PUBLIC PROCUREMENT)					
1.	Does the NA have a clear legal and regulatory framework for publication of recipients, covering: (i) adequate publication elements of beneficiaries; (ii) a reference to a common international standard ensuring protection of fundamental rights and commercial interests; and (iii) regular publication updates?	<input type="checkbox"/>			<input type="checkbox"/>
2.	Are the following requirements integrated in the procedures and rules for publication? A) As a general rule, does the NA publish information on the	<input type="checkbox"/>			<input type="checkbox"/>

	<p>recipients of funds containing at least the following elements: name, locality, nature and purpose and amount?</p> <p>Without prejudice to the rules and procedures on data protection addressed under the data protection pillar, are there any exemptions for justified grounds such as:</p> <ul style="list-style-type: none"> - the NA may waive publication for reasons of confidentiality and security, for example if publication would threaten the rights and freedom of individuals or harm the recipient's commercial interest; or - the NA may waive publication where the grant agreements are for low amounts? <p>B) Does the NA publish the information regularly (for example: at least once a year)?</p>				
3.	Does the NA effectively apply rules and procedures for publication based on the requirements mentioned under question 21?	<input type="checkbox"/>			<input type="checkbox"/>
13. IRREGULARITIES, FRAUD AND PROBLEM CASES					
1.	Check content of procedures relating to fraud prevention and get the list of alleged fraud cases and analyse the cases. Is the procedure compliant?	<input type="checkbox"/>			<input type="checkbox"/>
2.	Are adequate measures taken in case of fraud suspicion?	<input type="checkbox"/>			<input type="checkbox"/>
3.	Check with YMD (section II.4.1. Quality of the NA management system, point 6) if the follow up of suspected and confirmed fraud cases is well described and adequate.	<input type="checkbox"/>			
4.	Is the Commission fully informed with the "initial report on irregularities and suspicion of frauds"? Are all cases of suspicion of frauds or serious irregularity reported?	<input type="checkbox"/>			<input type="checkbox"/>
5.	Is there an adequate audit trail of all open and closed cases? (check with Yearly report)	<input type="checkbox"/>			<input type="checkbox"/>
6.	<p>Has the National Agency designated an Organisation User Administrator (OUA) who will be responsible to manage the EDES (Early-Detection and Exclusion System) access rights of the NA? Who is it? Is the request for access done to DG. BUDG?</p> <p><i>Note: EDES is the exclusion system established by the Commission to reinforce the protection of the Union's financial interests and to</i></p>	<input type="checkbox"/>			<input type="checkbox"/>

	<i>ensure sound financial management. This database contains the list of entities excluded from receiving EU funding.</i>				
7.	Does the NA consult EDES in the framework of eligibility check in the framework of the GAP?	<input type="checkbox"/>			<input type="checkbox"/>
8.	Other issues?				
14. PROTECTION OF PERSONAL DATA (SEE ALSO ANNEX 9.2)					
1.	Does the NA have a clear legal and regulatory framework for the protection of personal data?	<input type="checkbox"/>			<input type="checkbox"/>
2.	<p>Are the following requirements integrated in procedures and rules for the protection of personal data?</p> <p>A) As a general rule, are personal data:</p> <ul style="list-style-type: none"> - processed lawfully, fairly and transparently for the individual in question; - collected for specified, explicit and legitimate purposes and not further processed in a manner not compatible with those purposes; - adequate, relevant and limited to what is necessary for the purposes for which they are processed; - accurate and, where necessary, kept up to date; - kept in a form which permits identification of the individuals for no longer than is necessary for the purposes for which the personal data are processed; - processed in a manner that ensures appropriate security of the personal data? <p>B) Do procedures and rules encompass the following principles:</p> <ul style="list-style-type: none"> - right to information; - right to access and rectify or erase personal data; - right to data portability; - right to confidentiality of electronic communications? 	<input type="checkbox"/>			<input type="checkbox"/>
3.	Does the NA effectively apply rules and procedures for the protection of personal data based on the requirements mentioned under question 2?	<input type="checkbox"/>			<input type="checkbox"/>

15. ACCOUNTING SYSTEM AND COMMISSION'S AND (IF APPLICABLE) LOCAL MANAGEMENT INFORMATION SYSTEMS (MIS)				
1.	How is the accounting system organised? (<i>Is it computerised? Is an accounting manual developed?</i>)	<input type="checkbox"/>		<input type="checkbox"/>
2.	Is the audit trail sufficient? Are the accounts and E+link/PMM updated regularly? Cross-check with applicable procedures.	<input type="checkbox"/>		<input type="checkbox"/>
3.	Are the following transactions registered and identifiable in the NA accounts: - pre-financing of EU funds for grant support received from the Commission; - amounts of interest received and accrued on pre-financing of EU funds for grant support; - payments made to grant beneficiaries distinguishing between pre-financing and balance payments; - reimbursements received from grant beneficiaries, distinguishing between types of reimbursement (reimbursement of unspent grant support, interest on late payments, financial corrections or penalties); - interest received on EU pre-financing.	<input type="checkbox"/>		<input type="checkbox"/>
4.	Are the data of the former programme available and updated?	<input type="checkbox"/>		<input type="checkbox"/>
5.	Are the accounts and MIS (other than Epluslink/PMM) held in Euro?	<input type="checkbox"/>		<input type="checkbox"/>
6.	Is the conversion into euro in accordance with the rules for conversion set in the Delegation Agreement/Contribution Agreement?	<input type="checkbox"/>		<input type="checkbox"/>
7.	Does the NA accounting system allow to distinguish between EU funded activities (ADECs), EU network activities (Salto, Eurodesk, ECVET/National VET Team) and other activities?	<input type="checkbox"/>		<input type="checkbox"/>
8.	Does the NA reconcile all data related to EU Funds for grant support held in its accounting and the data registered in EPlusLink/PMM at least quarterly? Are these reconciliations reviewed and formally approved by the NA management? Does the NA keep a proper audit trail of these monthly reconciliations?	<input type="checkbox"/>		<input type="checkbox"/>
9.	Other issues raised?			<input type="checkbox"/>
16. TREASURY MANAGEMENT (NA BANK ACCOUNTS, MONTHLY RECONCILIATIONS...)				
1.	Check the following information for the bank accounts:	<input type="checkbox"/>		<input type="checkbox"/>

	- Amounts declared in the Yearly NA Report - Bank statements - Accounting				
2.	Does the NA receive payments of EU funds for grant support, the EU Contribution to management costs and the Contribution to networks to one bank account?	<input type="checkbox"/>			<input type="checkbox"/>
3.	If applicable, does the NA have a separate bank account for each of the former programmes?	<input type="checkbox"/>			<input type="checkbox"/>
4.	Is the NA or the hosting organisation the account holder? If this is not possible for legal reasons, has the NA obtained prior formal authorisation from the Commission?	<input type="checkbox"/>			<input type="checkbox"/>
5.	Is the single bank account on which the Commission transfers the EU Funds for grant support used only for the decentralised action grants purpose?	<input type="checkbox"/>			<input type="checkbox"/>
6.	Is the single bank account in Euro?	<input type="checkbox"/>			<input type="checkbox"/>
7.	Does the single bank account bear interest?	<input type="checkbox"/>			<input type="checkbox"/>
8.	Are payments of EU funds to beneficiaries of decentralised Programme actions made exclusively by bank transfer?	<input type="checkbox"/>			<input type="checkbox"/>
9.	Is there an adequate, effective and safe treasury management, based on the most advantageous market conditions?	<input type="checkbox"/>			<input type="checkbox"/>
10.	Does the NA reconcile the bank balances in the bank statements of the "NA bank accounts" with the bank balances in its accounting at least quarterly? Are these reconciliations reviewed and formally approved by the NA management? Is there an adequate audit trail?	<input type="checkbox"/>			<input type="checkbox"/>
11.	Check that no tax is withheld on interest.	<input type="checkbox"/>			<input type="checkbox"/>
12.	Does the NA record all required information on its treasury and interest on EU pre-financing payment of EU funds for grant support in EPlusLink/PMM?	<input type="checkbox"/>			<input type="checkbox"/>
13.	Check the security concerning the signatures and authorisations (including segregation of duties)?	<input type="checkbox"/>			<input type="checkbox"/>
14.	Does the NA incur negative interest on deposits? The NA needs to have submitted a strategy to the Commission which had to be accepted and attached to the Delegation Agreement/Contribution Agreement.				<input type="checkbox"/>
17. PROCUREMENT AND SUBCONTRACTING					

1.	Does the NA have a clear legal and regulatory framework for procurement? Does it apply to all procurement undertaken? What types of procurement (e.g. works, services and supplies) are regulated by this framework?	<input type="checkbox"/>			<input type="checkbox"/>
2.	Are the following principles integrated in the procedures, rules and criteria of the NA's procurement system: transparency, equal treatment, public access to procurement information, avoiding conflicts of interest and using competitive tendering procedures and best value for money?	<input type="checkbox"/>			<input type="checkbox"/>
3.	Invitation to tender. Are there appropriate rules and procedures for the invitation to tender and for each type of procurement (e.g. open, restricted and negotiated procedures)?	<input type="checkbox"/>			<input type="checkbox"/>
4.	Selection and evaluation procedures and award of contracts. Does the entity apply appropriate rules and procedures for evaluation and award? Are there rules which ensure that the evaluation process is performed properly and confidentially and is not biased? Does the entity apply appropriate criteria for evaluation? Are there clear criteria for selecting the tender that is the best value for money, e.g. lowest price, price/quality ratio or other?	<input type="checkbox"/>			<input type="checkbox"/>
5.	Does the procurement system provide for an independent, transparent, non-discriminatory, efficient and effective administrative procurement review process for handling procurement complaints by participants not only before but also after the award and prior to contract signature?				
6.	Does the NA apply appropriate rules and procedures for excluding third parties from access to funding?				
7.	Does the NA have a clear legal and regulatory framework for exclusion from funding?				
8.	Are the following exclusion criteria integrated in the procedures and rules for procurement: A) Are third parties excluded from funding if they or a person having powers of representation, decision-making or control over them or a member of their administrative, management or supervisory body have been the subject of a final judgment or of a final administrative decision for one of the following reasons: a) bankruptcy, insolvency or winding-up procedures;				

	<p>b) breach of obligations relating to the payment of taxes or social security contributions; c) grave professional misconduct, including mis-representation d) fraud; e) corruption; f) conduct related to a criminal organisation; g) money laundering or terrorist financing; h) terrorist offences or offences linked to terrorist activities; i) child labour and other trafficking in human beings; j) irregularity; k) creating a shell company; l) being a shell company;</p> <p>B) Are there any derogations to the above based on justified grounds, such as overriding reasons of public interest such as public health or environmental protection?</p>				
9.	Is proportionality taken into account when deciding on exclusion from funding?				
10.	Is the right of defence taken into account when deciding on exclusion from funding?				
11.	Is the assessment of remedial measures, put in place by the NA to demonstrate its reliability, taken into account when deciding on exclusion from funding?				
12.	Does the NA effectively apply rules and procedures for exclusion from funding based on the requirements mentioned under questions 7, 8, 9 and 10?				
13.	Is there a prior written agreement with Commission in place regarding all the subcontractors that are providing services included in the Delegation Agreement/Contribution Agreement (unless expressly provided for in the ex-ante Compliance Assessment issued by the National Authority and accepted by the Commission)?	<input type="checkbox"/>			<input type="checkbox"/>
18.	<u>REPORTING PROCEDURE FOR THE YEARLY MANAGEMENT DECLARATION (AUDIT TRAIL)</u>				
1.	Describe the process put in place by the NA management for the preparation of the Yearly Report/Management Declaration	<input type="checkbox"/>			<input type="checkbox"/>
2.	Is there a regular and adequate reporting to NA management on progress made for key activities (such as realisation of NA work programme, respect of deadlines of the project life cycle...)? Describe it.	<input type="checkbox"/>			<input type="checkbox"/>

3.	Are there written and approved procedures for drafting the Yearly NA Report/Management Declaration?	<input type="checkbox"/>			<input type="checkbox"/>
4.	Check who has been involved in the preparation of the Yearly NA Report	<input type="checkbox"/>			<input type="checkbox"/>
5.	Is there adequate supervision (double checks by second person, four-eye principle, final check by director or NA management) on the establishment of the Yearly NA Report? Do procedures include adequate segregation of duties?	<input type="checkbox"/>			<input type="checkbox"/>
6.	Has the NA's Internal Auditor checked YR/MD before signature? This is not obligatory but should be considered as good practice.	<input type="checkbox"/>			<input type="checkbox"/>
7.	Check on what information the latest YR/MD has been prepared. Test coherence with Epluslink/PMM and the accounting	<input type="checkbox"/>			<input type="checkbox"/>
8.	Is the reporting based on adequate supervisory activities which are properly documented and thus traceable?	<input type="checkbox"/>			<input type="checkbox"/>
9.	Other issues raised?				<input type="checkbox"/>

19. MONITORING SYSTEM FOR TREATING COVID-19 EXCEPTIONS

8.	Describe the monitoring system for the case-by-case assessment set-up by the NA to deal with the specific guidance provided by DG EAC for projects affected by the Corona circumstances.	<input type="checkbox"/>			<input type="checkbox"/>
9.	Does the NA's assessment procedure include a formal authorisation by NA management to decide that force majeure is applicable for a project?	<input type="checkbox"/>			<input type="checkbox"/>
10.	In case of prolongation of projects , is equal treatment of beneficiaries facing the same situations guaranteed?	<input type="checkbox"/>			<input type="checkbox"/>
11.	The NA can extend the Grant Agreement by letter signed by its legal representative or by formal amendment. Which approach was decided?	<input type="checkbox"/>			<input type="checkbox"/>
12.	Select 3 to 5 closed projects (based on availability of final reports) which were subject to a COVID-19 exception and check	<input type="checkbox"/>			<input type="checkbox"/>
13.					
14.	Select 3 to 5 closed projects (based on availability of final reports) which were subject to a COVID-19 exception and perform the following checks: 9. Is the decision to apply force majeure properly authorised?	<input type="checkbox"/>			<input type="checkbox"/>

	<p>10. Is the judgement of the NA to decide that the beneficiary is in the incapacity to fulfil its obligations under the grant agreement properly documented?</p> <p>11. <u>Canceled activities</u>: Identify accepted costs entailed by activities in affected areas that have not taken place due to force majeure.</p> <p>12. <u>Canceled activities</u>: In case the NA decided to cancel a planned activity following the application of <i>force majeure</i>, the costs incurred can be considered eligible within the project at final report stage. Was this the case?</p> <p>13. Eligibility of costs for canceled mobilities: Participants are entitled to receive the grant based on unit costs (travel and/or individual support) in case they had to bear costs linked to the arrangements for the mobility cancelled before it starts (flight ticket, accommodation arrangements,...) that could not be cancelled without costs. Participants should be able to provide evidence of the costs incurred and that their request for reimbursement was denied.</p> <p>14. Were additional costs (on a real cost basis) that were caused by the exceptional circumstances duly justified (e.g. the cost could not be recovered under an insurance scheme, the generating event could not be rescheduled, etc.)?</p> <p>15. Did the beneficiary provide a signed declaration stating that the additional costs could not be recovered by other means?</p> <p>16. Check whether the total grant amount awarded was not increased.</p>				
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20. MANAGEMENT OF THE PRIMARY CHECKS: MEETING WITH THE SERVICES/AUDITORS IN CHARGE OF PRIMARY CHECKS. SELECTION METHOD, CONTENT OF CHECKS (CHECKLISTS), SET UP (ORGANISATION AND PLANNING), MANAGEMENT OF RESULTS OF PRIMARY CHECKS, FEEDBACK TO BENEFICIARIES OF GRANTS. REVIEW OF REPORTS

A. GENERAL REQUIREMENTS

1.	Is the segregation of duties for staff involved in primary checks adequate?	<input type="checkbox"/>			<input type="checkbox"/>
2.	Did staff involved sign a declaration on the prevention of conflicts?	<input type="checkbox"/>			<input type="checkbox"/>
3.	Does staff involved have the necessary competences and/or qualifications? Is staff sufficiently trained for carrying out primary checks?	<input type="checkbox"/>			<input type="checkbox"/>
4.	How and when are checks planned and agreements selected? Has the	<input type="checkbox"/>			<input type="checkbox"/>

	NA an adequate risk management which ensures risk-based selected checks if needed? - desk checks - on the spot during the project implementation - on the spot after completion of the project - system checks				
5.	Are additional checks organised when there are suspected problem cases, high error rates for an action, etc.?	<input type="checkbox"/>			<input type="checkbox"/>
6.	Are results of all checks well encoded in EPluslink/PMM?	<input type="checkbox"/>			
7.	Are the checks coordinated with other NAs in the same country, if applicable?	<input type="checkbox"/>			<input type="checkbox"/>
B. FILES VERIFICATION ONLY WITH REGARD TO PRIMARY CHECKS					
1.	Select from EPlusLink/PMM (before the visit takes place) a random of primary checks (covering all Key Actions and fields) for detailed testing: - final reports checks of grant beneficiaries - desk checks - on-the-spot checks during project implementation - on-the-spot checks after completion of the project - system checks	<input type="checkbox"/>			<input type="checkbox"/>
2.	What method is selected for converting expenditure incurred in other currency than euro? Ensure that the method used is one of the possible methods described in the contract model.	<input type="checkbox"/>			<input type="checkbox"/>
3.	Are the checklists adequate (for the different types of action and the different kinds of checks)? Is the quality of the checks sufficient?	<input type="checkbox"/>			<input type="checkbox"/>
4.	Is the difference between a monitoring visit and an on-the-spot check during action clearly understood?	<input type="checkbox"/>			<input type="checkbox"/>
5.	Is the beneficiary formally informed when the NA plans a primary check (on-the-spot or desk checks)?	<input type="checkbox"/>			<input type="checkbox"/>
6.	Is there adequate and written feedback?	<input type="checkbox"/>			<input type="checkbox"/>
7.	Are the files complete?	<input type="checkbox"/>			<input type="checkbox"/>
8.	Are all financial corrections properly encoded in EPlusLink/PMM and documented?	<input type="checkbox"/>			<input type="checkbox"/>
9.	Is the finally determined grant amount correct?	<input type="checkbox"/>			<input type="checkbox"/>

10.	Does the NA take measures in order to reduce the importance of financial corrections?	<input type="checkbox"/>			<input type="checkbox"/>
11.	Other issues raised?				<input type="checkbox"/>

ANNEX 8.1 Checklist for ERASMUS+ (2014-2020) and European Solidarity Corps (2018-2020) Project life-cycle management assessment

Annex 8.1: ERASMUS+ (2014-2020) and European Solidarity Corps (2018-2020) Project life-cycle management assessment - Checklist						
		GENERAL INFORMATION	Deadlines	Rules	Source for checking	
Project number						
APPLICATION	1	Deadline for Submission	calendar for use of funds		First page of the PDF application in EPL 4. Annexes	
	2	Application submission date			EPL (2. Procedures 0.1 and 4. Annexes)	
	3	Amount requested			EPL (5. Budget 1)	
EVALUATION PROCESS	4	Multiple submission check (Y/N)	calendar for use of funds	GfNA 3.7.6	EPL (2. Procedures 4.1)	
	5	Eligibility check date	calendar for use of funds		EPL (2. Procedures 2.1)	
	6	Number of assessments required		GfNA 3.7.4.	GfNA 3.7.4.	
	7	Number of assessments made			EPL (2. Procedures 3.1)	
	8	OEET evaluation (check if standard form, if complete and well justified)			EPL (2. Procedures 3.1)	
	9	Results of consolidated assessment [if applicable, any discrepancies between different assessments?]			EPL (2. Procedures 3.1)	
	10	NA certification of organisations (Organisation ID) (Y/N)	Certification of applicant: Before issuing grant agreement. Certification of partners: Before grant award. Status "Waiting for confirmation" is ok (it means that there were some changes after validation). "Waiting for NA certification" is not ok (applicant has never been validated).		GfNA 3.7.5.	EPL (2. Procedures 4.3)
	11	Double funding check (Y/N)	calendar for use of funds	GfNA 3.7.6	EPL (2. Procedures 4.2)	
	12	Evaluation committee conform to GfNAs, date of	calendar for use of funds	GfNA 3.7.7.	Paper at NA	

**Annex 8.1: ERASMUS+ (2014-2020) and European Solidarity Corps (2018-2020)
Project life-cycle management assessment - Checklist**

		GENERAL INFORMATION	Deadlines	Rules	Source for checking
		meeting of committee (minutes?)			
	13	Declaration absence of conflict of interests and experts selected automatically or otherwise unbiased manner		GfNAs 3.7.2	Paper at NA
	14	Date grant award decision	calendar for use of funds	GfNAs 3.7.8./9.	EPL (2. Procedures 5.1) +Paper at NA
	15	Financial capacity checked (date, or not applicable if <60,000) (Y/N)	calendar for use of funds	GfNAs 3.8.2	EPL (2. Procedures 6.1)
	16	Bank guarantee requested (Y/N) or precautionary measures (e.g. split of payments; only balance payment) implemented		GfNAs 3.8.2	EPL (for bank guarantee 2. Procedures 6.2, for precautionary measures check number of payments 6. Payments)
GRANT AGREEMENT	17	Amount grant agreement			EPL (5. Budget Summary) + Paper
	18	Date signature beneficiary			Paper
	19	Date signature National Agency	at the latest within 9 months of the application deadline and a maximum of three months from the date of informing applicants they have been successful		EPL (2. Procedure 7.4) + Paper
	20	Project start date	calendar for use of funds: earliest start date/ latest start date		EPL (1. Application)
	21	Project end date	calendar for use of funds: latest possible end date:		EPL (1. Application)
FINANCE REPORTING	22	Pre-financing payment amount			EPL (6. Payments)
	23	Date pre-financing payment	within 30 days of NA signature grant agreement and before the start of the granted activity		EPL (6. Payments)+Paper
	24	Payment delay respected (Y/N)			
	25	Date of Interim report reception	At half-duration of the project or when 70% of first instalment has been used up: see calendar for use of funds	obligatory for KA2 projects longer than 2 years	Paper
	26	Date of Interim report assessment	within 60 calendar days of interim report receipt		Paper

**Annex 8.1: ERASMUS+ (2014-2020) and European Solidarity Corps (2018-2020)
Project life-cycle management assessment - Checklist**

		GENERAL INFORMATION	Deadlines	Rules	Source for checking
	27	Date of second pre-financing payment	within 60 calendar days of interim report receipt		EPL (6. Payments) + Paper
	28	Payment delay respected (Y/N)			
	29	Date of Final report received	within 60 calendar days of grant agreement end date		EPL
	30	Date of final report assessment	within 60 calendar days of final report receipt		EPL
	31	Assessment checklist (check if standard form, if well completed)			EPL
	32	Date of final payment / recovery	within 60 calendar days of receipt final report		EPL (6. Payments)
	33	Payment delay respected (Y/N)			
	34	Conformity of the final payment with the original amount granted (check if there are budget amendments) (Y/N)			EPL (6. Payments and 2. Procedures 8)
	35	Amendments (if any)	check if any amendment was done in line with the Grant Agreement (paper)		EPL (2. Procedures 8.7) + Paper
COMMENTS		General or additional comments -Global appreciation of the NA management			

ANNEX 8.2 Checklist for ERASMUS+ and European Solidarity Corps Project (2021-2027) life-cycle management assessment

Annex 8.2: ERASMUS+ and European Solidarity Corps (2021-2027) Project life-cycle management assessment – Checklist

		GENERAL INFORMATION	Deadlines	Rules	Source for checking
Project number					
APPLICATION	1	Deadline for Submission	calendar for use of funds		PMM (Project details – Application data – Project overview and on first page of PDF application in Project details – Annexes – Application – Application submission)
	2	Application submission date			PMM (Project details – Application data – Project overview and on first page of PDF application in Project details – Annexes – Application – Application submission)
	3	Amount requested			PMM (Project details – Budget – Budget/Grant requested)
EVALUATION PROCESS	4	Multiple submission check (Y/N)	calendar for use of funds	GfNA 3.7.5	PMM (Project details – History – Selection and Contracting)
	5	Eligibility check date	calendar for use of funds		PMM (Project details – History – Selection and Contracting)
	6	Number of assessments required		GfNA 3.7.7	GfNA 3.7.7
	7	Number of assessments made			PMM (Project details – Annexes – Application – Assessment of Applications)
	8	Results of consolidated assessment [if applicable, any discrepancies between different assessments?]			PMM (Project details – Annexes – Application – Assessment of Applications)
	9	NA certification of organisations (Organisation ID) (Y/N)	Certification of applicant: Before issuing grant agreement. Certification of partners: Before grant award. Status "Waiting for confirmation" is ok (it means that there were some changes		GfNA 3.7.8.

Annex 8.2: ERASMUS+ and European Solidarity Corps (2021-2027) Project life-cycle management assessment – Checklist

		GENERAL INFORMATION	Deadlines	Rules	Source for checking
			after validation). "Waiting for NA certification" is not ok (applicant has never been validated).		
	10	Double funding check (Y/N)	calendar for use of funds	GfNA 3.7.5	PMM (Project details – History – Selection and Contracting)
	11	Evaluation committee conform to GfNAs, date of meeting of committee (minutes?)	calendar for use of funds	GfNA 3.7.9.	Paper at NA
	12	Declaration absence of conflict of interests and experts selected automatically or otherwise unbiased manner		GfNAs 3.7.2	PMM (Project details – Annexes – Application – Assessment of Applications) + Paper at NA
	13	Date grant award decision	calendar for use of funds	GfNAs 3.7.10.	PMM (Project details – History – Selection and Contracting) + Paper at NA
	14	Financial capacity and Operational capacity checked (date, or not applicable if <60,000) (Y/N)	calendar for use of funds	GfNAs 3.7.6	PMM (Project details – History – Selection and Contracting)
	15	Bank guarantee requested (Y/N) or precautionary measures (e.g. split of payments; only balance payment) implemented		GfNAs 3.7.6.2 and Annex IV.5	PMM (Project details – History – Selection and Contracting)
GRANT AGREEMENT	16	Amount grant agreement			PMM (Project details – Budget – Budget approved/Grant awarded by NA) + Paper at NA
	17	Date signature beneficiary			PMM (Project details – History – Selection and Contracting) + Paper at NA
	18	Date signature National Agency	at the latest within 9 months of the application deadline and a maximum of three months from the date of informing applicants they have been successful		PMM (Project details – History – Selection and Contracting) + Paper at NA
	19	Project start date	calendar for use of funds: earliest start date/ latest		PMM (Project details – Annexes – Application)

Annex 8.2: ERASMUS+ and European Solidarity Corps (2021-2027) Project life-cycle management assessment – Checklist

		GENERAL INFORMATION	Deadlines	Rules	Source for checking
			start date		
	20	Project end date	calendar for use of funds: latest possible end date:		PMM (Project details – Annexes – Application)
FINANCE REPORTING	21	Pre-financing payment amount	see Grant Agreement		PMM (Project details – Payments)
	22	Date pre-financing payment	within 30 days of NA signature grant agreement and before the start of the granted activity		PMM (Project details – Payments)
	23	Payment delay respected (Y/N)			
	24	Date of Interim report reception	see Grant Agreement	Applicable only in case of more than one pre-financing payments	PMM [IT developments pending]
	25	Date of Interim report assessment	within 60 calendar days of interim report receipt		PMM [IT developments pending]
	26	Date of second pre-financing payment	within 60 calendar days of interim report receipt		PMM (Project details – Payments) + Paper at NA
	27	Payment delay respected (Y/N)			
	28	Date of Final report received	within 60 calendar days of grant agreement end date		PMM [IT developments pending]
	29	Date of final report assessment	within 60 calendar days of final report receipt		PMM [IT developments pending]
	30	Assessment checklist (check if standard form, if well completed)			PMM [IT developments pending]
	31	Date of final payment / recovery	within 60 calendar days of receipt final report		PMM (Project details – Payments)
	32	Payment delay respected (Y/N)			
	33	Conformity of the final payment with the original amount granted (check if there are budget amendments) (Y/N)			PMM (Project details – Payments and Project details – Amendments)
34	Amendments (if any)	check if any amendment was done in line with		PMM (Project details – Amendments) + Paper at NA	

Annex 8.2: ERASMUS+ and European Solidarity Corps (2021-2027) Project life-cycle management assessment – Checklist

		GENERAL INFORMATION	Deadlines	Rules	Source for checking
			the Grant Agreement		
COMMENTS		General or additional comments -Global appreciation of the NA management			

ANNEX 9.1 Indicative audit programme (IAP) for substantive testing

Conditions to be checked		Procedures	Instructions on findings
KA1 Annex III I.2.A of the grant agreement (GA)	TRAVEL SUPPORT COST CALCULATION: The costs claimed on the basis of unit costs must comply with the Grant Agreement. The units declared correspond to the actual number of underlying triggering events.	<p>Obtain the calculation of the total number of units claimed by the beneficiary. The unit contribution should be the one applicable to the distance band concerned according to the location of the participant.</p> <p>Obtain proof of attendance of the activity in the form of a declaration signed by the receiving organisation specifying the name of the participant, the purpose of the activity, as well as its starting and end date. Studies should be supported by a Transcript of Records and traineeships by a Traineeship Certificate or statement.</p>	Differences in the number of participants or incorrect use of distance bands, and unit costs not supported by evidence must be quantified and reported as errors
KA1 Annex III I.2.B of the GA	INDIVIDUAL SUPPORT CALCULATION: The costs claimed on the basis of unit costs must comply with the Grant Agreement. The units declared correspond to the actual number of underlying triggering events	<p>Obtain the calculation of the total number of units claimed by the beneficiary. The grant amount is calculated by multiplying the number of days/months per participant, including accompanying persons, by the unit contribution applicable per day/month for the receiving country concerned as specified in Annex IV of the Agreement. One travel day before the activity and one travel day following the activity can be included for the calculation of individual support if relevant.</p> <p>If the confirmed period of stay is longer than the one indicated in the grant agreement, the additional days are to be considered a period of "zero-grant". For HE students, confirmed period of stay shorter by 5 days or more than the one indicated in the grant agreement need to be adjusted in the Mobility Tool (MT). Interruptions, suspensions, and terminations need to be correctly deducted in line with the grant agreement.</p> <p>Obtain proof of attendance of the activity in the form of a declaration signed by the receiving organisation specifying the name of the participant, the purpose of the activity, as well as its starting and end date. Studies should be supported by a Transcript of Records and traineeships by a Traineeship Certificate or statement. For volunteers, proof of attendance should be accompanied with proof of payment as specified in the grant agreement.</p>	<p>Differences in the number of participants, time spent, or incorrect use of unit contributions, and unit costs not supported by evidence, must be quantified and reported as errors.</p> <p>Incorrectly documented changes in duration of the activity which would have given rise to a financial adjustment must be quantified and reported as errors. Other incorrectly documented changes should be recorded as an unquantified error.</p>

<p>KA1 Annex III I.2.C of the GA</p>	<p>ORGANISATIONAL SUPPORT CALCULATION: The costs claimed on the basis of unit costs must comply with the Grant Agreement. The units declared correspond to the actual number of underlying triggering events</p>	<p>Obtain the calculation of the total number of units claimed by the beneficiary. The grant amount is calculated by multiplying the total number of participations in mobility activities (i.e. regardless of whether the same participant will have undertaken one or more mobilities) by the unit contribution applicable as specified in Annex IV of the Agreement. The total number of participations considered for the calculation of organisational support includes the number of students and staff undertaking inbound and outbound mobility registered in Annex II. The coordinator may request additional organisational support to the NA for participants with a zero-grant from Erasmus+ EU funds. The total number of persons considered for organisational support excludes persons accompanying participants at their activity abroad and additional mobilities that may be organised by transferring funds between budget categories.</p> <p>Triggering event: the event that conditions the entitlement to the grant is that the participant has actually undertaken the activity abroad. Obtain proof of attendance of the activity in the form of a declaration signed by the participant and the receiving organisation specifying the place and start and end date of the activity, as well as the name of the participant.]</p>	<p>Differences in the number of participants, time spent, or incorrect use of unit contributions, and unit costs not supported by evidence, must be quantified and reported as errors.</p> <p>Incorrectly documented changes in duration of the activity which would have given rise to a financial adjustment must be quantified and reported as errors. Other incorrectly documented changes should be recorded as an unquantified error.</p> <p>There is a margin of tolerance of 10%, meaning that if the total number of student and staff mobilities is less than 10% lower than the number of mobilities specified in Annex II of the Agreement, the organisational support grant must not be reduced.. At final report stage, if the number of mobilities implemented is higher than the number specified in Annex II, the grant amount for organisational support will be limited to the maximum amount specified in Annex II</p>
<p>KA1 Annex III I.2.C1 of the GA</p>	<p>PROJECT MANAGEMENT COSTS (For Youth Participation Activities): The costs claimed on the basis of unit costs must comply with the Grant Agreement. The units declared correspond to the actual number of underlying triggering events</p>	<p>Obtain the calculation of the total number of units claimed by the beneficiary. The grant amount is calculated by multiplying the total number of months of the project duration by the unit contribution applicable to the beneficiary, as specified in Annex IV of the Agreement. The beneficiaries must agree on the distribution of the amount between them depending on their respective workload and contribution to the project activities and results.</p> <p>Triggering event: the event that conditions the entitlement to the grant is that the beneficiary implements the project activities and produces the project outputs to be covered from this budget category as applied for in the grant application and as approved by the National Agency.</p> <p>Obtain as applicable: proof of activities undertaken and outputs produced provided in the form of a description of these activities and outputs in the final report.</p>	<p>Differences in the number of participants, time spent, or incorrect use of unit contributions, and unit costs not supported by evidence, must be quantified and reported as errors.</p> <p>Incorrectly documented changes in duration of the activity which would have given rise to a financial adjustment must be quantified and reported as errors. Other incorrectly documented changes should be recorded as an unquantified error.</p>

<p>KA1 Annex III I.2.C2 of the GA</p>	<p>COACHING COSTS (For Youth Participation Activities): The costs claimed on the basis of unit costs must comply with the Grant Agreement. The units declared correspond to the actual number of underlying triggering events.</p>	<p>Obtain the total number of units claimed by the beneficiary. The grant amount is calculated by multiplying the working days of the coach by the unit contribution applicable for the country concerned as specified in Annex IV of the Agreement. A cap limiting the amount awarded for coaching costs will be set at maximum 12 days per project.</p> <p>Triggering event: the event that conditions the entitlement to the grant is that the coordinator is an informal group of young people AND that the informal group(s) of young people have used a coach/several coaches for the purposes described in Annex I of the Agreement.</p> <p>Obtain as applicable: proof of involvement of the coach in the project in the form of a description of the undertaken activities and proof of the time spent on the project by the coach in the form of a time sheet.</p>	<p>Differences in the working days of the coach or incorrect use of unit contributions, and unit costs not supported by evidence must be quantified and reported as errors.</p> <p>Incorrectly documented changes in duration of the activity which would have given rise to a financial adjustment must be quantified and reported as errors. Other incorrectly documented changes should be recorded as an unquantified error.</p>
<p>KA1 Annex III. I.2.C3 of the GA</p>	<p>ADDITIONAL FUNDING FOR PHYSICAL EVENTS IN YPA PROJECTS (For youth participation events support): The costs claimed on the basis of unit costs must comply with the Grant Agreement. The units declared correspond to the actual number of underlying triggering events.</p>	<p>Obtain the total number of units claimed by the beneficiary. The grant amount is calculated by multiplying the total number of physical participations in project events (i.e. regardless of whether the same participant will have physically participated in one or more project events) by the unit contribution applicable as specified in Annex IV of the Agreement. The total number of participations considered for the calculation of Youth Participation events support includes the number of participants physically present during the events, with the exception of staff of the participating organisation(s)/ members of the informal group(s) of young people and facilitators (but including decision makers, if relevant).</p> <p>Triggering event: the event that conditions the entitlement to the grant is that the participant has actually physically attended the activity at its venue.</p> <p>Obtain as applicable: proof of attendance of the activity in the form of a declaration signed by the participants and receiving organisation, specifying the name of the participant (and the name and address of the sending organisation of the participant, if relevant), the purpose of the activity, as well as its starting and end date. Detailed agenda of the event and any documents used or distributed during the event.</p>	<p>Differences in the total number of physical participations or incorrect use of unit contributions, and unit costs not supported by evidence must be quantified and reported as errors.</p> <p>Incorrectly documented changes in the total number of physical participations which would have given rise to a financial adjustment must be quantified and reported as errors. Other incorrectly documented changes should be recorded as an unquantified error.</p>
<p>KA1 Annex III I.2.D of the GA</p>	<p>INCLUSION SUPPORT FOR ORGANISATIONS: The costs claimed on the basis of unit costs must comply with the Grant Agreement. The units declared correspond to the actual number of underlying triggering events.</p>	<p>Obtain the total number of units claimed by the beneficiary. Calculation of the grant amount: the grant amount is calculated by multiplying the total number of participants with [HE: inclusion support] [All but HE: fewer opportunities] in mobility activities by the unit contribution applicable, as specified in Annex IV of the Agreement.</p> <p>Triggering event: the event that conditions the entitlement to the grant is that the participant has actually undertaken the activity [for HE: and received inclusion support for participants], [for YPA: the participating organisation has organised the mobility for the participant].</p> <p>Obtain as applicable: (For Youth) proof of attendance of the activity in the form of a declaration signed by the receiving organisation specifying the name of the participant, the purpose of the activity, as well as its starting and end date.</p> <p>(For HE) supporting documents proving the payment of the inclusion support for participants, as specified in section II.2.A of this Annex.</p> <p>(For SE/AE):</p> <ul style="list-style-type: none"> Individual activities: proof of attendance of the activity in the form of one or several 	<p>Differences in the total number of participations or incorrect use of unit contributions, and unit costs not supported by evidence must be quantified and reported as errors.</p> <p>Incorrectly documented changes in the total number of participations which would have given rise to a financial adjustment must be quantified and reported as errors. Other incorrectly documented changes should be recorded as an unquantified error.</p>

		<p>documents specifying the participant's name and learning outcomes, as well as the starting and end date of the activity. In case accompanying persons have supported the participants during the activity, their names and duration of stay shall also be included. The supporting documents must be signed by the hosting organisation and the participant.</p> <ul style="list-style-type: none"> Group activities: proof of attendance of the activity in the form of a participants list (including accompanying persons) and the implemented learning programme (including the schedule of the activities, the methods used, the achieved learning outcomes, as well as the starting and end date of the activity. The supporting documents must be signed by the sending and receiving organisation.) <p>(For VET): Proof of attendance of the activity in the form of one or several documents specifying the participant's name and learning outcomes, as well as the starting and end date of the activity. In case accompanying persons have supported the participants during the activity, their names and duration of stay shall also be included. The supporting documents must be signed by the hosting organisation and the participant.]</p> <p>(For ALL but HE): In addition: documentation specified by the relevant National Agency as relevant proof that the participant belongs to one of the categories of fewer opportunities listed in the Programme Guide.]</p>	
KA1 Annex III I.2.E of GA	ONLINE LINGUISTIC SUPPORT (OLS) (For HE / VET)	Obtain proof that the beneficiaries have reported on the number of used language assessment and language course licences in the (<i>if applicable</i> : interim and) final beneficiary report.	Incorrectly documented OLS should be recorded as an unquantified error.
KA1 Annex III I.2.F and G of the GA	LINGUISTIC SUPPORT AND COURSE FEES: The costs claimed on the basis of unit costs must comply with the Grant Agreement. The units declared correspond to the actual number of underlying triggering events	<p>Obtain the calculation of the total number of units claimed by the beneficiary. The grant amount is calculated by multiplying the total number of learners receiving linguistic support by the unit contribution as specified in Annex IV of the Agreement.</p> <p>Triggering event: the event that conditions the entitlement to the grant is that the participant has actually undertaken language preparation in the language of instruction of work abroad.</p> <p>Obtain, as applicable:</p> <ul style="list-style-type: none"> proof of attendance of courses in the form of a declaration signed by the course provider, specifying the name of the participant, the language taught, the format and duration of the linguistic support provided, or invoice for the purchase of learning materials, specifying the language concerned, the name and address of the body issuing the invoice, the amount and currency, and the date of the invoice, or in case the linguistic support is provided directly by the beneficiary: a declaration signed and dated by the participant, specifying the name of the participant, the language taught, the format and duration of the linguistic support received, or proof of enrolment in the course and of payment of a course fee in the form of an invoice or other declaration issued and signed by the course provider specifying the name of the participant, the name of the course taken as well as the start and end date of the participant's participation in the course. 	<p>Differences in the number of participants, time spent, or incorrect use of unit contributions, and unit costs not supported by evidence, must be quantified and reported as errors.</p> <p>Incorrectly documented changes in duration of the activity which would have given rise to a financial adjustment must be quantified and reported as errors. Other incorrectly documented changes should be recorded as an unquantified error.</p>

<p>KA1 Annex III I.2.H of the GA</p>	<p>PREPARATORY VISITS (For SE/VET/AE, Youth (with the exception of YPA))</p>	<p>Obtain the total number of units claimed by the beneficiary. The grant amount is calculated by multiplying the total number of persons participating in preparatory visits by the unit contribution applicable, as specified in Annex IV of the Agreement and with the limitations specified in the Programme Guide.</p> <p>Triggering event: the event that conditions the entitlement to the grant is that the person has actually undertaken the preparatory visit.</p> <p>Obtain, as applicable:</p> <ul style="list-style-type: none"> • proof of attendance of the preparatory visit in the form of an agenda • and a declaration signed by the participant and by the hosting organisation specifying the name of the person, the purpose of the activity.] 	<p>Differences in the total number of participations or incorrect use of unit contributions, and unit costs not supported by evidence must be quantified and reported as errors.</p> <p>Incorrectly documented changes in the total number of participations which would have given rise to a financial adjustment must be quantified and reported as errors. Other incorrectly documented changes should be recorded as an unquantified error.</p>
<p>KA1 Annex III II.1.A of the GA</p> <p>AND</p> <p>KA2 Annex III II.2.A of the GA</p>	<p>INCLUSION SUPPORT FOR PARTICIPANTS</p>	<p>The grant is a reimbursement of 100% of the eligible costs actually incurred.</p> <p>Obtain, as applicable:</p> <ul style="list-style-type: none"> • proof of payment of the related costs on the basis of invoices specifying the name and address of the body issuing the invoice, the amount and currency, and the date of the invoice. • For HE documentation justifying the need for inclusion support for the participant signed by the receiving or sending organisation specifying the name of the participant, the purpose of the activity, as well as its start and end date, documentation of the planned real costs and their approval by the NA 	<p>Differences in the eligible actual costs incurred compared to those claimed, and any costs not supported by evidence, must be quantified and reported as errors.</p>
<p>KA1 Annex III II.1.B of the GA</p> <p>AND</p> <p>KA2 Annex III II.2.B of the GA</p>	<p>EXCEPTIONAL COSTS</p>	<p>Obtain the calculation of actual costs claimed by the beneficiary. The grant is a reimbursement of 80% of the following eligible costs actually incurred. [For Youth and HE mobility with Partner Countries: ,with the exception of the cost related to visa, residence permits and vaccinations and medical certifications, which shall be reimbursed at 100%]</p> <p>Obtain, as applicable:</p> <ul style="list-style-type: none"> • proof of the cost of the financial guarantee issued by the body providing the guarantee to the beneficiary • for travel costs proof of payment of the related costs on the basis of invoices and For HE: documentation justifying the need for this grant for the participant signed by the receiving or sending organisation specifying the name of the participant, the purpose of the activity, as well as its start and end date, documentation of the planned real costs and their approval by the NA • for travel costs related to visa, residence permits and vaccinations and medical certifications (for Youth and HE) proof of payment of the related costs on the basis of invoices and documentation justifying the need for this grant for the participant signed by the receiving or sending organisation specifying the name of the participant, the purpose of the activity, as well as its start and end date, documentation of the planned real costs and their approval by the NA <p>Complementary activities costs (System Development and Outreach Activities) for Youth Workers</p>	<p>Differences in the eligible actual costs incurred compared to those claimed, and any costs not supported by evidence, must be quantified and reported as errors.</p> <p>Differences in funding percentages (e.g., 80%, 75%) which exceed the amounts specified must be quantified and reported as errors.</p>

		<p>Mobility the grant is a reimbursement of 80% of the eligible costs actually incurred for costs directly linked to the implementation of the Complementary Activities and including a flat-rate amount for indirect costs not exceeding 7% of the eligible direct costs of the complementary activities.</p> <p>Obtain, as applicable:</p> <ul style="list-style-type: none"> • For direct costs: proof of payment of the related costs on the basis of invoices of the actual costs incurred, • For indirect costs: no reporting required 	
KA2 Annex III I.2.A of the GA	<p>PROJECT MANAGEMENT AND IMPLEMENTATION</p> <p>The costs claimed on the basis of unit costs must comply with the Grant Agreement. The units declared correspond to the actual number of underlying triggering events</p>	<p>Obtain the calculation of the total number of units claimed by the beneficiary. The grant amount is calculated by multiplying the total number of months of the project duration by the unit contribution applicable to the beneficiary, as specified in Annex IV of the Agreement. The beneficiaries must agree on the distribution of the amount between them depending on their respective workload and contribution to the project activities and results.</p> <p>Triggering event: the event that conditions the entitlement to the grant is that the beneficiary implements the project activities and produces the project outputs to be covered from this budget category as applied for in the grant application and as approved by the National Agency.</p> <p>Obtain, as applicable proof of activities undertaken and outputs produced in the form of a description of these activities and outputs in the final report.</p>	<p>Differences in the number of months of the project duration, or incorrect use of unit contributions, and unit costs not supported by evidence, must be quantified and reported as errors.</p> <p>Incorrectly documented changes in duration of the activity which would have given rise to a financial adjustment must be quantified and reported as errors. Other incorrectly documented changes should be recorded as an unquantified error.</p>
KA2 Annex III I.2.B of the GA	<p>TRANSNATIONAL PROJECT MEETINGS:</p> <p>The costs claimed on the basis of unit costs must comply with the Grant Agreement. The units declared correspond to the actual number of underlying triggering events</p>	<p>Obtain the calculation of the total number of units claimed by the beneficiary. The grant amount is calculated by multiplying the total number of participations by the unit contribution applicable, as specified in Annex IV of the Agreement.</p> <p>Triggering event: the event that conditions the entitlement to the grant is that the participant has actually participated in the transnational project meeting.</p> <p>Obtain, as applicable:</p> <ul style="list-style-type: none"> • For travel taking place between the sending organisation and the receiving organisation: proof of attendance of the activity in the form of an attendance list or individual attendance certificates signed by the receiving organisation specifying the name of the participant, the purpose of the activity, as well as its starting and end date; • In case of travel from a place different than that where the sending organisation is located and/or travel to a place different than that where the receiving organisation is located which leads to a change of distance band, the actual travel itinerary must be supported with travel tickets or other invoices specifying the place of departure and the place of arrival. • Proof of attendance of the transnational project meeting in the form of a participants list signed by the participants and the receiving organisation specifying the name, date and 	<p>Differences in the number of participants, time spent, or incorrect use of unit contributions, and unit costs not supported by evidence, must be quantified and reported as errors.</p> <p>Incorrectly documented changes in duration of the activity which would have given rise to a financial adjustment must be quantified and reported as errors. Other incorrectly documented changes should be recorded as an unquantified error.</p> <p>By default, the place of origin is understood as the place where the sending organisation is located and the place of venue as the place where the receiving organisation is located. If a different place of origin or venue is reported, the beneficiary must provide the reason for this difference.</p>

		<p>place of the transnational project meeting, and for each participant: name and signature of the person, name and address of the sending organisation of the person;</p> <ul style="list-style-type: none"> Detailed agenda and any documents used or distributed at the transnational project meeting. 	
<p>KA2 Annex III I.2.C of the GA</p>	<p>INTELLECTUAL OUTPUTS/ PROJECT RESULTS: The costs claimed on the basis of unit costs must comply with the Grant Agreement. The units declared correspond to the actual number of underlying triggering events</p>	<p>Obtain the calculation of the total number of units claimed by the beneficiary. The grant amount is calculated by multiplying the number of days of work performed by the staff of the beneficiaries by the unit contribution applicable per day for the category of staff for the country in which the beneficiary concerned is established, as specified in Annex IV of the Agreement. The category applicable does not relate to the professional profile of the person, but to the function performed by the person in relation to the development of the intellectual output.</p> <p>Triggering event: the event that conditions the entitlement to the grant is that the intellectual output has been produced and that it is of an acceptable quality level, as determined by the evaluation of the NA.</p> <p>Obtain, as applicable:</p> <ul style="list-style-type: none"> proof of the intellectual output produced; proof of the staff time invested in the production of the intellectual output in the form of a time sheet per person, identifying the name of the person, the category of staff in terms of the 4 categories specified in Annex IV, the dates and the total number of days of work of the person for the production of the intellectual output. proof of the nature of the relationship between the person and the beneficiary concerned (such as type of employment contract, voluntary work, SME ownership, etc.), as registered in the official records of the beneficiary. In all cases, the beneficiaries must be able to demonstrate the formal link with the person concerned, whether he/she is involved in the Project on a professional or voluntary basis. Persons working for a beneficiary on the basis of service contract (e.g. translators, web designer etc.) are not considered as staff of the organisation concerned. Their working time can therefore not be claimed under "intellectual outputs" but may be eligible under "exceptional costs" under the conditions specified in the related section. 	<p>Differences in the number of units/staff, time spent, or incorrect use of unit contributions, and unit costs not supported by evidence, must be quantified and reported as errors.</p> <p>Incorrectly documented changes in duration of the activity which would have given rise to a financial adjustment must be quantified and reported as errors. Other incorrectly documented changes should be recorded as an unquantified error.</p> <p>If timesheets are not available alternative evidence of work performed should be examined, and any discrepancies reported.</p> <p>If the person is hired "intra-mures" on a service contract their costs are not normally eligible under intellectual outputs and a finding should be made.</p>

<p>KA2 Annex III.1.2.D of the GA</p>	<p>MULTIPLIER EVENTS: The costs claimed on the basis of unit costs must comply with the Grant Agreement. The units declared correspond to the actual number of underlying triggering events</p>	<p>Obtain the calculation of the total number of units claimed by the beneficiary. The grant amount is calculated by multiplying the number of participants from organisations other than the beneficiary, the associated partners hosting a multiplier event and other project partner organisations as specified in the Agreement by the unit contribution applicable per participant, as specified in Annex IV of the Agreement.</p> <p>Triggering event: the event that conditions the entitlement to the grant is that the multiplier event has taken place and that it is of an acceptable quality level, as determined by the evaluation of the NA.</p> <p>Obtain, as applicable:</p> <ul style="list-style-type: none"> • Proof of attendance of the multiplier event in the form of a participants list signed by the participants specifying the name, date and place of the multiplier event, and for each participant: name and signature of the person, name and address of the sending organisation of the person (if applicable); • Detailed agenda and any documents used or distributed at the multiplier event. 	<p>Differences in the number of participants, time spent, or incorrect use of unit contributions, and unit costs not supported by evidence, must be quantified and reported as errors.</p> <p>Incorrectly documented changes in duration of the activity which would have given rise to a financial adjustment must be quantified and reported as errors. Other incorrectly documented changes should be recorded as an unquantified error.</p> <p>On behalf of the Project as a whole, the coordinator must report on the description of the multiplier event, the intellectual outputs covered, the leading and participating organisations, the venue of the meeting and the numbers of local and international participants</p> <p>In the case that the beneficiaries do not develop the intellectual outputs applied for and approved by the NA, the related Multiplier events will not be considered eligible for grant support either. If the NA awarded support for the development of several intellectual outputs but only some of them are ultimately realised, the NA must determine to which extent each of the related Multiplier events is eligible for grant support.</p>
<p>KA2 Annex III 1.2.E of the GA</p>	<p>LEARNING, TEACHING AND TRAINING ACTIVITIES: The costs claimed on the basis of unit costs must comply with the Grant Agreement. The units declared correspond to the actual number of underlying triggering events</p>	<p>See sections on travel, individual support, and linguistic support, where the same indicative audit procedures apply.</p>	

ANNEX 9.2 *Indicative audit programme on protection of personal data*³⁶

GfNAs	Conditions to be checked	Procedures	Instructions on findings
3.17.1-2	The NA will act only on documented written instructions from the data controller in line with Articles 11.7 of the Contribution Agreement as further specified in the records published by the data controller concerning these personal data processing activities.	<p>Review the use made of information tools provided by the Commission and identify all potential transfers of personal data from those tools as well as any local systems specific to the NA which handle personal data.</p> <p>Identify if all security measures as well as information to data subjects is ensured at every stage and that this is well documented by the NA.</p>	<p>If exceptions or potential weaknesses are identified, the IAB should make a recommendation for remedial action.</p>
3.17.3	The NA may grant its personnel access only to data that is strictly necessary for implementing, managing and monitoring the Agreement. The beneficiary must ensure that the personnel authorised to process personal data has committed itself to confidentiality or is under appropriate statutory obligation of confidentiality.	<p>Review data access policies and procedures and, via a review, verify that only those personnel which have been authorised have accessed the data and that there is an appropriate audit trail.</p> <p>Review the instructions provided to beneficiaries and identify the approach developed by the NA to verify that beneficiaries have appropriate measures in place to ensure the instructions are followed.</p> <p>Review the NAs written procedure for regularly testing, assessing and evaluating the effectiveness of technical and organisational measures for ensuring all statutory obligations are complied with.</p> <p>Perform walk-through tests to ensure the system is being implemented as described in the written procedures.</p>	<p>If exceptions or potential weaknesses are identified, the IAB should make a recommendation for remedial action.</p> <p>In particular all procedures and tests carried out by the NA should be properly documented, so observations should be raised if this is not the case.</p>
3.17.4	the NA must adopt appropriate technical and organisational security measures having regard to the risks inherent in the processing and to the nature, scope, context and purposes of processing of the personal data concerned, in order to ensure, as appropriate: (a) the pseudonymisation and encryption of personal data; (b) the ability to ensure the ongoing confidentiality, integrity, availability and resilience of processing systems and services; (c) the ability to restore the availability and access to personal data in a timely manner in the event of a physical	<p>Review the documented measures, and verify via management representation the implementation of the measures documented.</p>	<p>If exceptions or potential weaknesses are identified, the IAB should make a recommendation for remedial action.</p> <p>In particular all measures taken and tests carried out by the NA should be properly documented, so observations should be raised if this is not the case.</p>

³⁶ Source for some elements and useful reference for IABs – H2020 EU co-funded project <https://gdpr.eu/checklist/>

	<p>or technical incident;</p> <p>(d) a process for regularly testing, assessing and evaluating the effectiveness of technical and organisational measures for ensuring the security of the processing;</p> <p>(e) measures to protect personal data from accidental or unlawful destruction, loss, alteration, unauthorised disclosure of or access to personal data transmitted, stored or otherwise processed;</p> <p>(f) prevent any unauthorised person from gaining access to computer systems processing personal data, and especially:</p> <ul style="list-style-type: none"> • unauthorised reading, copying, alteration or removal of storage media; • unauthorised data input as well as any unauthorised disclosure, alteration or erasure of stored personal data; • unauthorised persons from using data-processing systems by means of data transmission facilities; <p>(g) ensure that authorised users of a data-processing system can access only the personal data to which their access right refers;</p> <p>(h) record which personal data have been communicated, when and to whom;</p> <p>(i) request prior written authorisation from the Commission when it intends to engage another processor;</p> <p>(j) ensure that personal data being processed on behalf of third parties can be processed only in the manner prescribed by the Commission;</p> <p>(k) ensure that, during communication of personal data and transport of storage media, the data cannot be read, copied or erased without authorisation;</p> <p>(l) design its organisational structure in such a way that it meets data protection requirements.</p>		
3.1.1.7.5	The NA shall notify to the data controller	Review register of data breaches and correspondence with Commission on the notifications, evrifying	If exceptions or potential weaknesses are

	relevant personal data breaches to the data controller without undue delay and at the latest within 48 hours after the National Agency becomes aware of the breach	that breaches were notified in a timely and comprehensive manner and that remedial action was subsequently undertaken.	identified, the IAB should make a recommendation for remedial action.
3.1.7.7	The duration of processing of personal data by the NA will not exceed the period referred to in Article 1.2 of the Contribution Agreement. Upon expiry of this period, the NA will maintain the personal data processed as long as necessary and in compliance with the corresponding retention periods.	Review the documented retention periods of the NA and the NAs approach to destroying and deleting any personal it has store, as well as how retention periods and deletions are verified with respect to data held by beneficiaries or third parties	If exceptions or potential weaknesses are identified, the IAB should make a recommendation for remedial action.
3.1.7.8	The NA may act only on documented written instructions and under the supervision of the data controller...and the NA should inform the data controller when they consider they are insufficient or inappropriate for a compliant performance	Via a sample and management representation, review the implmentation of the NA to identify any actions not in line with written instructions or any insufficiency in the instructions	If exceptions or potential weaknesses are identified, the IAB should make a recommendation for remedial action. Insufficient or inappropriate instructions from the data controller identified by the IAB or other sources such as local experts should be notified to the Commission in the IAO
3.1.7.9	The NA shall maintain a record of all data processing operations carried out on behalf of the data controller and inventories of all international transfers of personal data, of data breaches, responses to requests for exercising rights of people whose personal data is processed and requests for access to personal data by third parties.	The IAB should review this register and identify the measures taken by the NA to ensure they are complete and up to date. A sample of records should be reviewed to ensure they are accurate and complete, and that appropiate follow-up has been carried out.	If exceptions or potential weaknesses are identified, the IAB should make a recommendation for remedial action.
3.1.7.10	The NA cannot delegate processing of personal data to third party without prior authorisation from the Commission.	Confirm that any cses of delegation of processing had prior authorisation from the Commission	If exceptions or potential weaknesses are identified, the IAB should make a recommendation for remedial action.
3.1.7.11	The NA should ensure that beneficiaries, when acting as processors for the NA, have put in place data protection measures that are compliant with Regulation (EU) 2018/1725.	Review the actions carried out by the NA to ensure beneficiaries are compliant. Verification of data protection should be integrated into the primary check process of the beneficiaries by the NA.	If exceptions or potential weaknesses are identified, the IAB should make a recommendation for remedial action.
3.1.7.12 -13	The NA shall report every year in the NA Yearly Report on the measures put in place for ensuring compliance of its data processing operations with the Regulation (EU) 2018/1725. The NA should report on the measures put in place for ensuring compliance of its	Review the reporting by the NA and ensure that it is accurate, sufficiency detailed, and covers all the aspects required in the appropriate depth.	If exceptions or potential weaknesses are identified, the IAB should make a recommendation for remedial action.

<p>data processing operations with the Regulation (EU) 2018/1725 on the topics:</p> <ul style="list-style-type: none"> ☐ Security of processing - the appropriate technical and organisational measures put in place by the NA in order to ensure that processing meets the requirements of this Regulation and the protection of the rights of the data subject; ☐ Confidentiality of processing – the authorisations given to NA staff to process the personal data i.e. staff have committed themselves to confidentiality or are under an appropriate statutory obligation of confidentiality; ☐ Assistance to the controller – the appropriate technical and organisational measures, insofar as this is possible, for the fulfilment of the DG EAC obligation, as controller, to respond to requests for exercising the data subject’s rights laid down in Chapter III IDPR; ☐ Data retention – measures put in place for deletion or return of all the personal data to the controller after the end of the provision of services relating to processing, and for deletion of existing copies unless Union or Member State law requires storage of the personal data; ☐ Contribution to audits, including inspections, conducted by DG EAC or another auditor mandated by the DG EAC; ☐ Supervision of beneficiaries in order to implement appropriate technical and organisational measures in such a manner that the processing will meet the requirements of IDPR. 		
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ANNEX 10 List of transactions tested for Erasmus+ and the European Solidarity Corps

Sampling method used:			
Project file No	Grant amount tested	Prefinancing payment or final payment	Result of the test ("no finding" or description of the finding)

ANNEX 11 List of primary checks tested for Erasmus+ and the European Solidarity Corps

Sampling method used:			
Project file No	Indicate type of primary check tested by the IAB (desk check, on-the-spot check during/after project implementation, system check)	Result of the test made by the IAB ("no finding" or description of the finding in case of findings)	NA's assessment of result of primary check (in case of findings): cause, remedial actions at file level and also at level of NA control strategy, if applicable

ANNEX 12 Cost-effectiveness of NA's control systems

Conclusions on cost-effectiveness of the controls are based on benefits of controls (effectiveness), level of efficiency of controls and costs of controls.

As audit approach, the IAB is proposed to base its conclusion on the following suggested list of questions for identifying areas for improvement of cost-effectiveness:

- (a) As regards benefits of controls: when assessing the NA's internal control system, check the presence of the following unquantified and quantified benefits:
- Appropriate risk management, reducing risks (including the existence of risk indicators for identifying projects at risk, reduced risk of fraud)
 - Proper segregation of duties/tasks (four eyes principle)
 - Avoidance of conflict of interest
 - Existence of procedures for follow-up of internal control weaknesses and exceptions
 - Respect of contracting and payment deadlines with regard to the management of the project lifecycle
 - Favourable auditor's opinion on reporting/accounting in recent years
 - Number and amounts of errors detected ex ante (assessment of beneficiaries' final report) and ex post (desk checks, on-the spot checks after project implementation, system checks) in 2021
- (b) As regards efficiency of controls: when assessing the NA's risk management, check whether:
- the NA's risk management leads to a higher level of controls in riskier areas and less control in low-risk areas (e.g. time spent on risk-based primary checks)
 - the NA applies in a timely manner corrective measures if needed (e.g. for detected financial errors above 2 % for primary checks)
- (c) As regards costs of controls: the IAB is requested to draw attention to any potential issues regarding 'economy' identified by the analytical review of the NA's management costs (see section 4.8). This would include material increases in administrative costs.



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR EDUCATION, YOUTH, SPORT AND CULTURE

R: Performance Management, Supervision and Resources
R1: Organisational Performance, Supervision and Legal Affairs

PARTICIPATING COUNTRY:

PROGRAMME:

NATIONAL AUTHORITY:

NATIONAL AGENCY:

INDEPENDENT AUDIT BODY

DATES:

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1. Assignment

1.1. Audit objectives

1.2. Audit scope

1.3. Reference to the applied internationally accepted audit standards

2. Approach

2.1. Planning

- List of all open Delegation Agreements/Contribution Agreements that have been subject to detailed checks of aspects of legality and regularity of financial transactions and primary checks.

- Results of reconciliation of aggregate amounts between financial reports and accounting system (differences)

- Review of primary checks: list of primary checks per programme with project file numbers tested (specified per type of primary check) to be provided in annex 11. Describe sampling method, and provide results in detail on an exception basis.

2.2. Transaction testing

- List of financial transactions per programme with project file numbers and grant amounts tested on aspects of legality and regularity to be provided in annex 10. Sampling method should be described, and results reported in detail on an exception basis

2.3. Audit of expenditures concerning TCA and TEC under Erasmus+ and NET under the European Solidarity Corps

- Sample tested and compliance with requirements set in the Guide for NAs

2.4 Audit of expenditures concerning Networks

- List of Networks that have been subject of detailed checks on aspects of legality and regularity. Audit approach and results for tests of expenditures concerning networks.

3. Follow-up of previous observation (Annex 1a)

- Findings and recommendations resulting from the follow-up of the remedial actions

4. New audit findings and recommendations, including the importance level (Annex 1b)

5. Audit approach and conclusions reached on

- NA's Internal control system

- Situation of bank accounts

- Review of EU contribution to management costs

- Conclusions reached on cost-effectiveness of the NAs control systems. Describe areas for improvement (or mention nothing identified)

- Review of the Project Lifecycle Management

- Internal Control System – Procurement and subcontracting

- Internal Control System – Irregularities and frauds – audit approach and conclusions reached on fraud cases report and waiver report as included in the Yearly NA report

- Internal Control System – Erasmus+ Programme (2021-2027)

- Internal Control System – Dealing with COVID 19 PANDEMIC

- Internal Control System – Personal data protection

Findings and recommendations regarding the financial information in the financial report

6. Conclusion

- Comments of the NA on audit findings and, in case of disagreement, final conclusions of the IAB.

- Annex:**
- 1) List of transactions tested for Erasmus+ and the ESC**
 - 2) List of Primary Checks tested for Erasmus+ and the ESC**