

Control and audit of projects carried out by international organisations

AMF Article 18a, ISF Article 15a and BMVI Article 16a

[new] Management verifications and audits when an international organisation is a beneficiary

1. This Article applies to international organisations or their agencies as referred to in Article 62 (1) (c) (ii) of Regulation (EU, Euratom) No 2018/1046 (the 'Financial Regulation') whose systems, rules and procedures have been assessed ex ante as appropriate by the Commission pursuant to Article 154 (4) and (7) of that Regulation for the purpose of indirectly implementing grants financed from the Union budget, hereinafter referred as 'international organisations'.

2. Without prejudice to Article 77 (a) [CPR] and to Article 129 of the Financial Regulation, where the international organisation is a beneficiary, the managing authority is not required to carry out the management verifications referred to in Article 68 (1)(a) [CPR] provided that the international organisation submits to the managing authority the documents required by Article 155 (1) (a), (b) and (c) of the Financial Regulation.

Without prejudice to Article 155 (1) (c) of the Financial Regulation, the management declaration shall confirm that the project complies with applicable law and the conditions for support of the project.

In addition, where costs are to be reimbursed pursuant to Article 48(1)(a) [CPR], the management declaration shall confirm that:

- a) the verification of invoices and proof of their payment by the beneficiary has been carried out;
- b) verification of the accounting records or accounting codes maintained by the beneficiary for transactions linked to the expenditure declared to the managing authority has been carried out.

Where the costs are to be reimbursed pursuant to points (b), (c) and (d) of Article 48(1) [CPR], the management declaration shall confirm that the conditions for reimbursement of expenditure have been met.

The documents referred to in Article 155 (1) (a) and (c) of the Financial Regulation shall be provided to the managing authority together with each payment claim submitted by the beneficiary.

The beneficiary shall submit to the managing authority annually and not later than 15 October the accounts accompanied by an opinion of an independent audit body, drawn up in accordance with internationally accepted audit standards. This opinion shall establish whether the control systems put in place function properly and are cost-effective, and whether the underlying transactions are legal and regular. The opinion shall also state whether the audit work puts in doubt the assertions made in the management declarations, including information on suspicion of fraud. It shall provide assurance on the expenditure included in the payment claims submitted by the international organisation to the managing authority.

Without prejudice to existing possibilities for carrying out further audits referred to in Article 127 of the Financial Regulation, the managing authority shall draw up the management declaration referred to in Article 68 (1)(f) [CPR] based on these documents, instead of relying on the management verifications referred to in Article 68 (1) [CPR].

The document setting out the conditions for support referred to in Article 67(4) [CPR] shall include the requirements set out in this Article.

3. Paragraph 2 shall not apply where:

- a) the managing authority identifies a specific risk of irregularity or an indication of fraud with respect to a project initiated or implemented by the international organisation;
- b) the international organisation fails to submit to the managing authority the documents listed in paragraph 2;

c) the documents listed in paragraph 2 and submitted by the international organisation are incomplete.

4. Where a project initiated or initiated and implemented by an international organisation is part of a sample referred to in Article 73 [CPR], the audit authority may perform its work based on a sub-sample of transactions within this project. Where errors are found in the sub-sample, the audit authority, if relevant, may request the auditor of the international organisation to assess the full scope and the total amount of errors.

Common Provisions Regulation Proposal

Article 68 Programme management by the managing authority

(4) By way of derogation from paragraph 2, the ETC Regulation may establish specific rules on management verifications applicable to Interreg programmes. **The AMF, the ISF and the BMVI Regulation may establish specific rules on management verifications applicable where an international organisation is a beneficiary.**

Article 73 Audits of operations

(3) (...) The ESF+ Regulation may set out specific provisions for programmes under Article [4(1)(c)(vii)] of the ESF+ Regulation. **The AMF, the ISF and the BMVI Regulation may establish specific provisions for audit of operations where an international organisation is a beneficiary.**