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**ENPI
CBCMED**
CROSS-BORDER COOPERATION
IN THE MEDITERRANEAN

Informative note on expenditure verification for Greek Beneficiaries/partners (article 7.4.3 “Special Conditions” of the Grant Contract)

MEDITERRANEAN SEA BASIN PROGRAMME 2007-2013

Cagliari, 23rd May 2012



Following the outcome of the official meeting held in Athens on the 3rd of May 2012, the **JMA**, the **Greek Managing Authority of European Territorial Cooperation Programmes** and the **Authority responsible for the National First Level Control in Greece (National Control System)**, hereinafter referred to as “Greek National Authorities”, have agreed on the following procedure that shall apply to all Beneficiaries and Partners located in Greece for projects financed by the ENPI CBC MED Programme.

According to section 3.3.2 of the ENPI CBC MED Joint Operational Programme, a National Control System may be established by EU Member States as “additional” to the expenditure verification procedure foreseen by the legal framework of the Programme.

To this end, **the JMA and Greek National Authorities confirm that all Beneficiaries and Partners located in Greece have to follow the provisions as set by the Grant Contract that applies to them, irrespectively of their legal status.**

In particular they will have to contract **an external auditor** according to the public procurement procedures following the requirements in Annex IV of the Grant Contract as modified by the Grant Contract Special Conditions.

To this end, the JMA would like to remind that the external auditor must fulfill at least one of the requirements set by Annex VII of the Grant Contract and in particular:

- The Auditor and/or the firm is a member of a national accounting or auditing body or institution which in turn is member of the International Federation of Accountants (IFAC).
 - The Auditor and/or the firm is a member of a national accounting or auditing body or institution. Although this organization is not member of the IFAC, the Auditor commits him/herself to undertake this engagement in accordance with the IFAC standards and ethics set out in ToR of Annex VII.
 - The Auditor and/or the firm is registered as a statutory auditor in the public register of a public oversight body in an EU member state in accordance with the principles of public oversight set out in Directive 2006/43/EC of the European Parliament and of the Council (this applies to auditors and audit firms based in an EU Member State).
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- The Auditor and/or the firm is registered as a statutory auditor in the public register of a public oversight body in a Mediterranean Partner Country and this register is subject to principles of public oversight as set out in the legislation of the country concerned (this applies to auditors and audit firms based in a Mediterranean Partner Countries)¹.

Nevertheless, once the auditor has been selected and contracted², **the following steps must be followed as far as project expenditure verification is concerned:**

Step 1: Each partner organization has to prepare the Financial Report concerning its expenditures and the related Narrative Report, by using **Annex VI to the Grant Contract**.

Step 2: The appointed external auditor will examine both Reports and it will issue an Expenditure Verification Report according to the ToRs and templates of **Annex VII to the Grant Contract**.

Step 3: The Greek Organization as partner **will have to send those documents (Annex VI and the Expenditure Verification Report as per Annex VII)** to its Beneficiary (Lead Partner) **and, through its own auditor, also to the Greek National Authorities at the following address:**

Ministry of Development, Competitiveness & Shipping
Single Paying Authority - First Level Control Unit
11, Navarchou Nikodimou, 10558, Athens, Greece

Mr. Christos Pouris - Head of the First Level Control Unit
Tel. 0030 21321500471 - Fax. 0030 2131500413
e-mail: pouris@m nec.gr

Step 4: The Beneficiary of the project will collect all the reports (**Annex VI and the Expenditure Verification Report as per Annex VII**) from each partner and it will make a “**consolidated Project Report**” that will be submitted to the Beneficiary’s external auditor for expenditure verification, including the one referring to its own expenditures. The Beneficiary’s Auditor will issue a “**Consolidated Expenditure Verification Report**” by including all factual findings mentioned by each partner external auditor, the factual findings concerning the Beneficiary’s expenditures, as well as any additional finding derived from the revision of the correctness of the compilation of the financial data and the respect of thresholds as set in the project global budget in force at the time of the auditing.



In case of Beneficiaries, located in Greece, please note that the documents to be addressed by the auditor to the Greek National Authorities as described in previous Step 3 (Annex VI and the Expenditure Verification Report as per Annex VII) are those dealing with its own expenses only³.

Step 5: The Beneficiary will then **send both documents (consolidated Annex VI and the consolidated Expenditure Verification Report as per Annex VII)** to the JMA.

In this respect, be aware that the National First Level Control Unit in Greece or its delegates could carry out verification missions and on the spot checks at any time during the project implementation and at project closure.

In any case those missions will be performed without any additional cost for the Greek organization. The National First Level Control Unit in Greece will then inform the Managing Authority of European Territorial Cooperation Programme in Greece and the JMA as well on the results, in order to support in detecting any irregularities as the case may be.

Moreover, in the spirit of mutual cooperation, the Greek National Authorities may send comments on the documents received as well as being consulted by the JMA at any time, for whatever sort of doubts on Greek organizations and/or the reliability of their Auditors.

For further information on the Greek First Level Control System characteristics, Beneficiaries and Partners located in Greece may contact the First Level Control Unit, while for details on procedures to be followed for accessing the Greek National Co-financing funds, they may contact the ENPI CBC MED Greek National Contact Point whose references are available at <http://www.enpicbmed.eu/en/contacts/>.

1 For further details, please refer to the official NOTE ON EXPENDITURE VERIFICATION already sent to all Beneficiaries and available upon request.

2 In order to fulfill the requirements towards the Greek National Authorities, a dedicate clause establishing the obligation to send the Financial and Expenditure Verification Reports also to the Greek Single Paying Authority - First Level Control Unit - shall be inserted in the contract with the auditor. For projects which have already appointed their Auditor at the time of this Note, an addendum with this obligation shall be issued and copy of the document must be attached to the first request of payment addressed by the project Beneficiary to the JMA, with the exception of the first pre-financing .

3 In the event the partnership (which includes Greek organization) has decided to have one single external auditor for the Beneficiary (Greek or not) and all the partners, this unique Auditor will have to send both the “consolidated” documents to the JMA and to Greek National Authorities as mentioned. See also footnote n. 2.