

Follow-up question: Conference on EU Financial Instruments - 15 November 2016

Question:

“There seem to be two primary functions in the mission for the European Court of Auditors. The second role is to act as the EU’s independent external auditor, which is clear.

For the first function, legislation relating to financial instruments in the 2014-2020 programming period has much greater effect on the role ‘to contribute to improving EU financial management, promote accountability and transparency, and act as the independent guardian of the financial interests of the citizens of the Union’.

Common Provision Regulation 1303/2013, Article 40, Management and control of financial instruments has fundamentally changed the time when auditors need to be involved in the process. They should be involved when establishing a financial instrument, ensuring well designed management and control systems capable of delivering regular control reports, since audits of final recipients may only happen if documentation is missing.

The intention of this article seems to be to help auditors fulfil their role of guarding the interests of citizens by reducing administrative burden on all stakeholders in the financial instrument chain.

Given the increased importance of auditors in the design and set-up of financial instruments they would presumably benefit from specific guidance or training.

What plans do the Court of Auditors have to provide this?”

Answer:

In line with Common Provision Regulation 1303/2013, the question refers to the activities of the Commission. Please find their answer below:

“Auditors, as well as all the other stakeholders involved in the management of ESIF financial instruments, have already benefited from extensive guidance over the past 2 years.

In response to the demand from Member States for guidance and interpretation of the 2014-2020 legislative framework on issues relating to financial instruments, the Commission has prepared a series of guidance notes which can also benefit auditors (see <https://www.fi-compass.eu/resources/ec>).

In addition, for 2014-2020, following the extended scope for the use of financial instruments, a technical assistance platform called fi-compass was officially launched in January 2015.

Through fi-compass, the Commission has delivered in 2015 and 2016 seminars in almost all Member States in order to explain in detail the existing rules applicable to financial instruments under 2014-2020 legislation, supported by examples. The seminars were open to all involved stakeholders; auditors from the Audit Authorities participated in most of the seminars. All the materials are available on the fi-compass website <https://www.fi-compass.eu/events/past>

The seminars will continue in 2017 with more targeted examples of financial instruments operating in specific fields like energy efficiency or SMEs depending on the specific needs of some Member States.

The Commission also provides replies to questions from Member States on a regular basis, including specific questions on audit issues in relation to financial instruments.

In addition, the Commission Audit Services deliver capacity building actions mainly at the level of the audit authorities in order to prevent and correct errors and therefore contribute to the assurance process. Annually there are at least two technical meetings in Brussels as well as the Homologues Group Meeting with the participation of all national ESIF audit authorities. In particular, in 2015 the meeting held in Riga had as a main point in its agenda a workshop on the audit of financial instruments in view of the closure of the programming period 2007-2013. In addition, specific dedicated actions for financial instruments were organised in 2015 in Bulgaria, Croatia and Romania.”