EUROPEAN COMMISSION

European Structural and Investment Funds

Guidance for Member States on Designation Procedure

DISCLAIMER

"*This is a working document prepared by the Commission services. On the basis of applicable EU law, it provides technical guidance for colleagues and bodies involved in the monitoring, control or implementation of the European Structural and Investment Funds on how to interpret and apply the EU rules in this area. The aim of this document is to provide Commission services' explanations and interpretations of the said rules in order to facilitate the programme implementation and to encourage good practice(s). This guidance is without prejudice to the interpretation of the Court of Justice and the General Court or decisions of the Commission.***"**

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LIST OF ACRONYMS AND ABBREVIATIONS

AA	Audit Authority
CA	Certifying Authority
CCI	Code Commun d'Identification (reference number of each programme, attributed by the Commission)
ACR	Annual Control Report
CDR	Commission Delegated Regulation (EU) No 480/2014 of 3.3.2014 supplementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council[1]
CPR	Common Provisions Regulation (Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17.12.2013) [2]
EGTC	European Grouping of Territorial Cooperation (as per Regulation (EU) No 1302/2013 of the European Parliament and of the Council of 17.12.2013)
EMFF	European Maritime and Fisheries Fund
ESIF	ESIF corresponds to all European Structural and Investment Funds. This guidance applies to all except for the European Agricultural Fund for Rural Development (EAFRD)
ETC	European Territorial Cooperation Regulation (Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17.12.2013)
Financial Regulation	Financial Regulation (Regulation (EU, EURATOM) No 966/2012[3]
Funds	Structural Funds and Cohesion Fund
IAB	Independent Audit Body
IB	Intermediate Body
JS	Joint Secretariat (for programmes under ETC)
KR	Key Requirement
MA	Managing Authority
MCS	Management and Control System

[1] http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.138.01.0005.01.ENG

[2] http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1303

[3] http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1416480945454&uri=CELEX:32012R0966

1. BACKGROUND

1.1. Regulatory references

Regulation	Articles
Reg. (EU) N° 1303/2013 Common Provisions Regulation *(hereafter CPR)*	Article 123 - Designation of authorities Article 124 - Procedure for the designation of the MA and the CA
Reg. (EU) N° 1299/2013 European Territorial Cooperation (*hereafter ETC*)	Article 21 - Designation of authorities

1.2. Purpose of the guidance

The purpose of this note is to give practical guidance to the Member States (i.e. the IABs, MA and CAs) on their responsibilities with regard to the designation procedure and the preparation of the report and opinion required under Article 124 CPR and Article 21 ETC, applicable to the ESIF (except for the EAFRD). The guidance also addresses some specificities applicable for programmes under ETC. The guidance note is accompanied by a checklist, which is recommended to be used as a tool by the MA and CA during the preparation of the MCS description and by the IAB to facilitate and record its work. The checklist can be adapted to take account of any specific features of the Member State's MCS.

The models for the report and opinion on the compliance of the designated bodies' systems with the designation criteria (see Annex XIII CPR) are set out in Annex IV and Annex V of Implementing Regulation (EU) No 1011/2014 of 22 September 2014 adopted by the Commission according to Article 127(7) CPR.

All official correspondence between the Member State and the Commission related to the designation procedure will be carried out via SFC 2014.

1.3. Key differences with the 2007-2013 period

The designation procedure for the 2014-2020 period under Articles 123 and 124 CPR and Article 21 ETC is a Member State responsibility and represents an evolution from the arrangements applicable for the 2007-2013 period in obtaining the necessary assurance regarding the setup of the systems for management and control of the Funds. It has many similarities to the compliance assessment procedure used at the start of the 2007-2013 period.

The aim of the designation procedure is to ensure that the MA and CA have the necessary and appropriate MCS' set up from the start of the period to ensure that they can fulfil the responsibilities assigned to them under Articles 125 and 126 CPR respectively and Articles 23 and 24 ETC.

2. GUIDANCE

2.1. Notification of the designation decision and the Commission's role

Under Article 124(1) CPR, the Member State has to notify the Commission of the date and legal form of the designations, carried out at an appropriate level, of the MA and, where appropriate, of the CA prior to the submission of the first application for interim payment to the Commission. The legal form of the designation may correspond to a legislative act adopted at national level (e.g. law, decree, ministerial decision) or to any other form that the Member State considers appropriate. In any case, the document by which the Member State designates the MA and the CA should be final and adopted by the relevant national authorities by the date of the notification of the designation decision to the Commission; the reference to this document should be inserted in SFC2014 at the time of this notification.

In order to ensure full impartiality and independence in the designation process (Article 123 CPR), it is recommended that the body or person that has been attributed the power to designate bodies and/or monitor the designation, should not be the AA, the MA, the CA or an intermediate body.

When notifying the designation decision to the Commission in SFC2014, the Member State is invited to indicate if there is an unqualified audit opinion given by the IAB underpinning the designation. It is recommended that the body or person that has been attributed the power to designate bodies and/or monitor the designation is also responsible for notifying the designation decision to the Commission in SFC2014.

The procedure for notification of the designation and the Commission's role are summarised in a diagram at Annex 1 to this guidance.

2.2. The Description of the functions of the designated bodies

The description of the functions and procedures in place for the MA and the CA being designated forms the basis for the audit work to be carried out by the IAB as regards assessing the compliance of the MCS in these bodies with the designation criteria set out at Annex XIII CPR. The description should follow the model laid down in Annex III of Implementing Regulation (EU) No 1011/2014 and should contain information on the general principles of the MCS as referred to in Articles 72 to 74 and 122 to 126 CPR and Articles 21 to 24 ETC.

Depending upon the setup of the MCS, different authorities or bodies may be responsible for the preparation of different parts of the description. It is recommended that the MA and CA use the checklist in Annex 3 to this guidance (addressed primarily to AAs) as a self-assessment tool for the drawing-up of their systems descriptions. The MA should take responsibility for the description of the functions delegated to intermediate bodies under its supervision. The CA should take responsibility for the description of tasks of intermediate bodies under its supervision.

For programmes under ETC, the system description should clearly address the specificities of the MCS, including references to the different actors foreseen in the above-mentioned articles (EGTC, joint secretariat, controllers[4] and group of auditors[5] if any) and to the national authorities, where applicable.

The submission of a definitive description to the IAB is the key date for the initiation of the assessment of compliance with the designation criteria exercise. The Commission

[4] As per Article 23(4) of Regulation (EU) No 1299/2013.
[5] As per Article 25(2) of Regulation (EU) No 1299/2013.

recommends that the Member State appoints a specific body, which could be the MA or the co-ordinating body (Article 123(8) CPR), to take responsibility for formally submitting the definitive complete description, including all authorities/bodies and all aspects of the systems. The system description should only be submitted to the IAB when the organisational and procedural rules have been issued and approved in order to allow the IAB to complete its work efficiently. The IAB will then verify the completeness of the description before starting its work.

Under Article 21(3) ETC, the same principles apply. The Member State in which the MA is located has to carry out the procedure for designation. It is however recommended that the group of auditors, using the methodology developed by the IAB, should assist the IAB responsible for assessing the set up of a programme under ETC.

Where a common system applies for more than one programme, a single description can be used. A common system can be considered to exist where the same MCS supports the activities of several programmes. The criterion to take into account is the presence of the same main control elements. The criterion to take into account is the presence of the same key control elements, i.e. when the following elements are essentially the same for a set of programmes: (i) description of the functions of each body involved in management and control, and the allocation of functions within each body; (ii) procedures for ensuring the correctness and regularity of expenditure declared, including an adequate audit trail and supervision of IBs, where applicable. The existence of common risk levels (for example, similar IBs across several programmes with a common risk linked to the type of IB) may also be a factor to consider when determining the existence of a common system. Due to their specificities, namely the involvement of at least two Member States, the programmes under ETC should not be considered as pertaining to a common MCS together with mainstream programmes.

In the system description the responsibilities assumed by the common authorities, the common control elements, the separation of functions, the aspects of the systems that apply horizontally and those that are separate for each programme should be clearly defined.

2.3. Designation criteria

The designation is granted on the basis of designation criteria laid down in the CPR (see Annex 2) which concern the internal control environment, risk management, management and control activities, and monitoring activities of the designated bodies. The designation is made at an appropriate level decided by the Member State (the level or body is not specified in the CPR). It is recommended that the Member State determine at an appropriate level which body will be responsible for the designation and/or its ongoing monitoring (see section 13 below).

The setup of the systems in the MA should ensure that it is in a position to fulfil its responsibilities under Articles 72 and 125 CPR and Article 23 ETC including, inter alia, those related to separation of functions and programme management, selection of operations, financial management and control of the programme, including management verifications (administrative and on-the-spot), the presence of an adequate audit trail, effective and proportionate anti-fraud measures, drawing up the management declarations and annual summary and the necessary monitoring systems including those required for indicators.

The setup of the systems in the CA should ensure that it is in a position to fulfil its responsibilities under Article 126 CPR and Article 24 ETC including, inter alia, certifying expenditure to the Commission, drawing up complete and accurate accounts (Article 59(5) of the Financial Regulation), ensuring that accounting records are being maintained in computerised form, ensuring that it receives adequate information from the MA on the verifications carried out in relation to expenditure declared and taking account of the results of audits.

Under Article 123(7) CPR, the relevant arrangements between the MA/CA and the intermediate bodies are to be formally recorded in writing. These written agreements with the intermediate bodies, which should be in place from the start of the programmes, form an essential element of the MCS and should set out clearly the respective functions of each body. The same applies for programmes under ETC (EGTC, joint secretariats, controllers and national authorities, where relevant). As required under Annex XIII (point 1(ii)) CPR, where certain functions are delegated to intermediate bodies, the MA or CA must have procedures to ensure that information relevant to the execution of these tasks is made available to these bodies and that it has adequate procedures to review and supervise their work. This principle is also applicable for programmes under ETC.

The designation criteria focus primarily on the setup of the systems relating to the MA's and CA's functions and are very similar to the criteria used for the compliance assessment procedure for the 2007-2013 period, since the responsibilities of the Mas and CAs are essentially the same.

The Commission therefore encourages Member States to retain the existing elements of current systems where these are working well (e.g. low error rates reported, systems assessed in categories 1 and 2, implementation of Article 73 of Regulation 1083/2006 in the 2007-2013 period, implementation of Article 73 of Regulation 1198/2006 in the 2007-2013 period (EFF)). On the contrary, high error rates reported or systems assessed in categories 3 or 4 indicate a need for strengthening the MCS.

The idea is to build upon the assurance already obtained during the 2007-2013 period. In many cases, the MAs will be the same as those for the 2007-2013 period and assurance on these bodies will already have been built up from both the compliance assessment and from the audits that have been carried out on the functioning of the systems in these bodies. In this regard, Article 124(2) states that where the IAB concludes that part of the MCS for these bodies is essentially the same as for the 2007-2013 period and that there is audit evidence of its effective functioning during that period, it may conclude that the relevant criteria are fulfilled without carrying out additional audit work. This should increase the efficiency of the audit work needed for the designation process. The extent of reliance should be disclosed in the audit report/opinion. However, for the new criteria (the procedures for risk management and the anti-fraud measures, procedures for drawing up management declaration/annual summary/accounts and procedures to ensure reliability of data on indicators/milestones/progress of the programme in achieving its objectives), audit work will have to be performed in order to assess the compliance in these areas.

2.4. Planning and timing of the Independent Audit Body's (IAB) work

The IAB should have adequate time to complete the entire process of assessing compliance with the designation criteria which includes the following phases:

- The receipt of the description of the functions and procedures in place for the MA and the CA and gathering other relevant documents.
- Analysis of data gathered, examination of the documents and performance of the audit work required, including where considered appropriate interviews with staff.
- Preparation of the report and opinion and the contradictory procedure, including validation of the findings and conclusions. Adequate time should be allocated to this procedure to allow the authorities assessed to respond to observations and provide additional information.
- Translation of documents into the agreed working language for programmes under ETC.

It is recommended that a schedule be agreed between the authorities involved in the process.

If submission of the designation documents is required, either at the request of the Commission or at the Member State's initiative, then only the final version of the designation documents should be provided.

The IAB should make a first review to identify and prioritise the work to be performed, taking into account the existence of common systems for different programmes, the time and resources available for carrying out the assessment and any risks identified for particular programmes, authorities or other bodies, which should include the following elements:

- An examination of the systems description which should be in final form when the designation related audit work starts. As setting up the systems and preparing the system description can sometimes be complex and lengthy, the IAB may decide to start its work on available parts of the description before finalisation of the entire document.
- The examination of relevant documents concerning the systems. These documents can include laws, circulars, ministerial decrees, acts establishing intermediate bodies' responsibilities. In case of programmes under ETC, this list may also include the formal agreements between participating Member States and/ or regions designed to ensure the sound financial management of the programme. Therefore, the implementing and regulatory framework of the programmes should already be in place when the assessment takes place.
- Use of results of system audits carried out for the 2007-2013 period under Regulation (EC) No 1083/2006 and under Regulation (EC) 1198/2006 for the EFF, where the MCS concerned are essentially the same. The IAB should indicate in the report the extent to which it has taken account of this audit work, describing which body performed the audit work (including EU audits), when the audits were carried out (more reliance should be put on recent audits), the methodology applied for the audits, the scope of the work carried out.
- The examination of the procedures put in place related to the new areas/criteria included in the regulations; (e.g. risk assessment, the anti-fraud measures, annual accounts, management declaration, performance indicators and annual summary). The examination of the systems for keeping accounting records and data on implementation of operations, which means that these systems should be in place as well in line with the requirements included in Article 32 CDR.
- Interviews with the staff in the main bodies considered important. Where the programme is multi-regional, multi-fund or where the description concerns more than one programme, the interviews should be extended where necessary to include all relevant bodies. The IAB should indicate in the report the extent to which they performed interviews and specify the criteria for the selection of the interviewees.
- Verification of the consistency between the systems description and the explanations obtained in the course of the work carried out.

2.5. Work to be performed by the IAB drawing up the report and opinion on the designation

The IAB should plan and execute the work necessary in order to be in a position to provide an opinion on the compliance of the designated bodies with the designation criteria set out at Annex XIII CPR.

Under Article 124(2) CPR, this work must be carried out taking account of internationally accepted audit standards (INTOSAI, IFAC or IIA).

It should be noted that the assessment of the compliance with the designation criteria refers to the adequacy of the design of the MCS, which means that the Commission expects an opinion on the set up of the systems and not on their practical effectiveness at this stage. It is therefore not expected that the IAB performs tests on the functioning of the systems, even if implementation has started. However, when systems have been adapted compared to the 2007-2013 period, a critical assessment should be made of the adequacy of the related procedures and not just that procedures exist. The IAB has to base its report and opinion on the work referred to in Article 124(2) CPR, namely an assessment of the compliance of the designated authorities with the criteria relating to the internal control environment, risk management, management and control activities and monitoring.

The Commission, based on the provisions of the relevant articles CPR, including Annex XIII, has developed a checklist (Annex 3), which is recommended to be used as a tool by the IAB in order to carry out the assessment of compliance with the designation criteria. The checklist covers all authorities and bodies and the related designation criteria set out at Annex XIII CPR. It represents the recommended level of analysis of the compliance of the designated bodies with the designation criteria. The independent audit bodies are invited to expand and enrich the checklist according to their specific needs.

The IAB should maintain a full audit trail of the work performed including the audit planning, the documents obtained, the working papers, checklists used and details of the contradictory procedures.

On the basis of the detailed questions included in the checklist, the IAB should reach overall conclusions for the MA and the CA. These conclusions should then be transferred to the relevant part of the report in order to establish an overall conclusion. This overall conclusion will serve as the basis on which the IAB will sign its report and opinion on compliance of these bodies with the designation criteria.

In cases where the functions of the MA and the CA have been merged under Article 123(3) CPR or where the AA is part of the same public authority or body as the MA under Article 123(5) CPR, the IAB should assess how the principle of separation of functions is ensured.

Although notification of the designation only applies to the MAs and CAs, in cases where these bodies have delegated functions to intermediate bodies, they will need to ensure that they have adequate procedures in place to supervise the effectiveness of these delegated functions. In such cases, the relevant arrangements between the MA or CA and the intermediate bodies need to be formally recorded in writing. The IAB will need to obtain assurance on the adequacy of the setup of the systems related to such delegated functions at intermediate body level[6]. The IAB should be able to do this by auditing the MA's and/or the CA's own assessment of the intermediate body combined with some additional testing at intermediate body level, possibly on a sample basis.

For programmes under ETC, Member States participating in a cooperation programme may make use of a European Grouping of Territorial Cooperation notably by conferring on it the responsibilities of a MA. The IAB's work should cover the functions delegated to such bodies and to other actors (controllers, joint secretariat, national authorities where relevant) involved in the MCS.

[6] Including the "urban authorities" mentioned in Article 7 (§4 and §5) Regulation (EU) No 1301/2013.

In cases where the Member State or the MA has entrusted the management of part of a programme to an intermediate body by way of an agreement in writing between the intermediate body and the Member State or MA (a 'global grant') under Article 123 (7), the IAB will also need to examine whether the Member State or the MA has obtained from the intermediate body the guarantees of its solvency and competence in the domain concerned, as well as of its administrative and financial management.

The IAB should describe in the report the extent and scope of the work performed and the methodology applied in order to reach its conclusions for the functions delegated to the intermediate bodies as a whole.

2.6. Anti-fraud measures

Under point 3.A.(vi) of Annex XIII CPR, for the purpose of designation, the MA is required to have procedures for putting in place effective and proportionate anti-fraud measures.

These procedures should set out how the provisions of Article 125(4)(c) CPR, which require the MA to put in place effective and proportionate anti-fraud measures taking into account the risks identified, will be implemented. In this respect, the Commission has issued guidance[7] to assist Member States.

Although there is no requirement for the fraud risk assessment to be carried out prior to the designation of the MA, it is recommended that the procedures should set out the timing for carrying out both the initial risk assessment, which should be at a very early stage in programme implementation, and in any event before payments to beneficiaries are processed in the system, and the expected frequency for updating the risk assessment. The procedures for putting in place effective and proportionate anti-fraud measures should include details of:

- the timing of the fraud risk assessment,
- who will be responsible for carrying out the risk assessment and
- who will be responsible for subsequently developing the necessary anti-fraud measures

As regards the fraud risk assessment, the guidance above-mentioned provides a tool to identify specific fraud risks in relation to three processes namely (i) selection of applicants, (ii) implementation and verification of the operations and (iii) certification and payments. The output of the fraud risk assessment should identify those specific risks where the assessment concludes that not enough has been done to reduce the combined likelihood and impact of potentially fraudulent activity to an acceptable level and the corresponding mitigating controls deemed necessary (anti-fraud measures). This risk assessment should be repeated during the period, its frequency depending on risk levels and the actual instances of detected fraud.

The anti-fraud measures should be embedded in the MCS. The fraud risk assessment will form the basis for responding to any deficiencies which will involve choosing effective and proportionate anti-fraud measures. These are annexed to the abovementioned guidance note. In some cases, the conclusion could be that most residual risks have been addressed and that therefore very few, if any, additional anti-fraud measures are required. The proposed risk assessment tool is therefore helpful to document the assessment process and conclusions for future reviews and updates.

[7] Guidance on Fraud risk assessment and effective and proportionate anti-fraud measures (EGESIF_14-0021-00 of 16/06/2014)

2.7. The Report and opinion on the compliance of the designated authorities with the designation criteria

Under Article 124(2) CPR, the report and opinion on the compliance of the designated authorities with the designation criteria should be drawn up by the IAB.

Models for the IAB's report and audit opinion are set out in Annexes IV and V of Implementing Regulation (EU) No 1011/2014 of 22 September. The model report has three sections namely (i) an introduction, (ii) a section describing the methodology and scope of the work performed and (iii) the results of assessment for each authority/body/system.

The IAB should base the report on the relevant conclusions of each part of the designation assessment checklist. The overall conclusion will serve as the basis for the opinion.

The MA and the CA should seek to resolve all outstanding issues to enable the IAB to provide an unqualified opinion. The IAB will need to exercise professional judgement in order to assess the results and the seriousness of any shortcomings identified in order to provide an appropriate audit opinion. The following guidance may be taken into account:

- Non-compliance with one or more designation criteria relating to key requirements of the system should lead to either a qualified or an adverse opinion. The designation criteria are set out at Annex 2 and are linked to the related key requirements[8] in Annex 4.
- In case of partial compliance with one or more designation criteria relating to key requirements of the system, the seriousness and extent of these shortcomings should be assessed by the IAB, which will decide whether a qualified opinion or an adverse opinion has to be formulated.

  An adverse opinion should be issued where the IAB considers that the number and seriousness of shortcomings with regard to the key requirements of the MCSs and non-key requirements result in wide-ranging non-compliance with the requirements CPR and in particular Articles 72, 125 and 126.

In accordance with internationally accepted auditing standards, the IAB may include an emphasis of matter paragraph in its audit opinion, without qualifying its opinion in respect of this matter.

According to its Article 32, the CDR, as regards information on data recorded and stored referred to in Annex III CDR applies either from 1 December 2014 or from 1 July 2015. Therefore, the opinion of the IAB, if issued before 1 December 2014, may be unqualified even if the computerised accounting and information system is not fully setup at the time the audit opinion on designation is being issued. However, in this case, an emphasis of matter paragraph should be included in the IAB's opinion. The setup of the IT system should be followed up by the body responsible for monitoring the designation.

2.8. Designation decision

Under Article 124(1) CPR, the Member State has to notify the Commission of the date and form of the designations, carried out at an appropriate level, of the MA and, where appropriate, of the CA. The designation is based on the report and opinion of the IAB.

Where the IAB's opinion on the MA and/or CA is:

- Adverse or qualified, the Member State should not designate that body.
- Unqualified, the Member State should designate the body/ies.

[8] Guidance on a common methodology for the assessment of MCS in the Member States (EGESIF_14-0010).

2.9. Treatment of interim payments

For the 2007-2013 period, the payment of the first interim claim for a programme by the Commission was conditional on the Commission's review and acceptance of the compliance assessment.

The designation procedure for the 2014-2020 period is more straightforward as no specific Commission approval of the designation process is required and interim payments can begin as soon as the MAs and CAs have been designated, and the Member State has notified the formal designation decision to the Commission following adoption of the programme (Article 124(1) CPR).

2.10. Monitoring of the designation

Article 124 CPR includes the obligation for the Member State to monitor the designated bodies (i.e. MA and CA) throughout the period.

The Member State needs to establish which body will be responsible for the monitoring. For programmes under ETC, this element needs particular attention given the usually complex systems in place and the variety of actors. Arrangements will need to be in place to ensure that the body responsible for the monitoring the designation has adequate access to and is provided with all relevant reports, including audit reports and reports on management verifications, to enable it to properly fulfil its monitoring role.

Under Article 124(5) CPR, during programme implementation, where audit and control results show that a designated authority no longer complies with the designation criteria, the Member State must, at an appropriate level, fix, according to the severity of the problem, a period of probation, during which the necessary remedial action is to be taken. This includes cases where the designation criteria in respect of functions delegated by the MA or the CA to IBs are no longer being complied with.

Where the designated authority fails to implement the required remedial action within the period of probation, the Member State must end its designation.

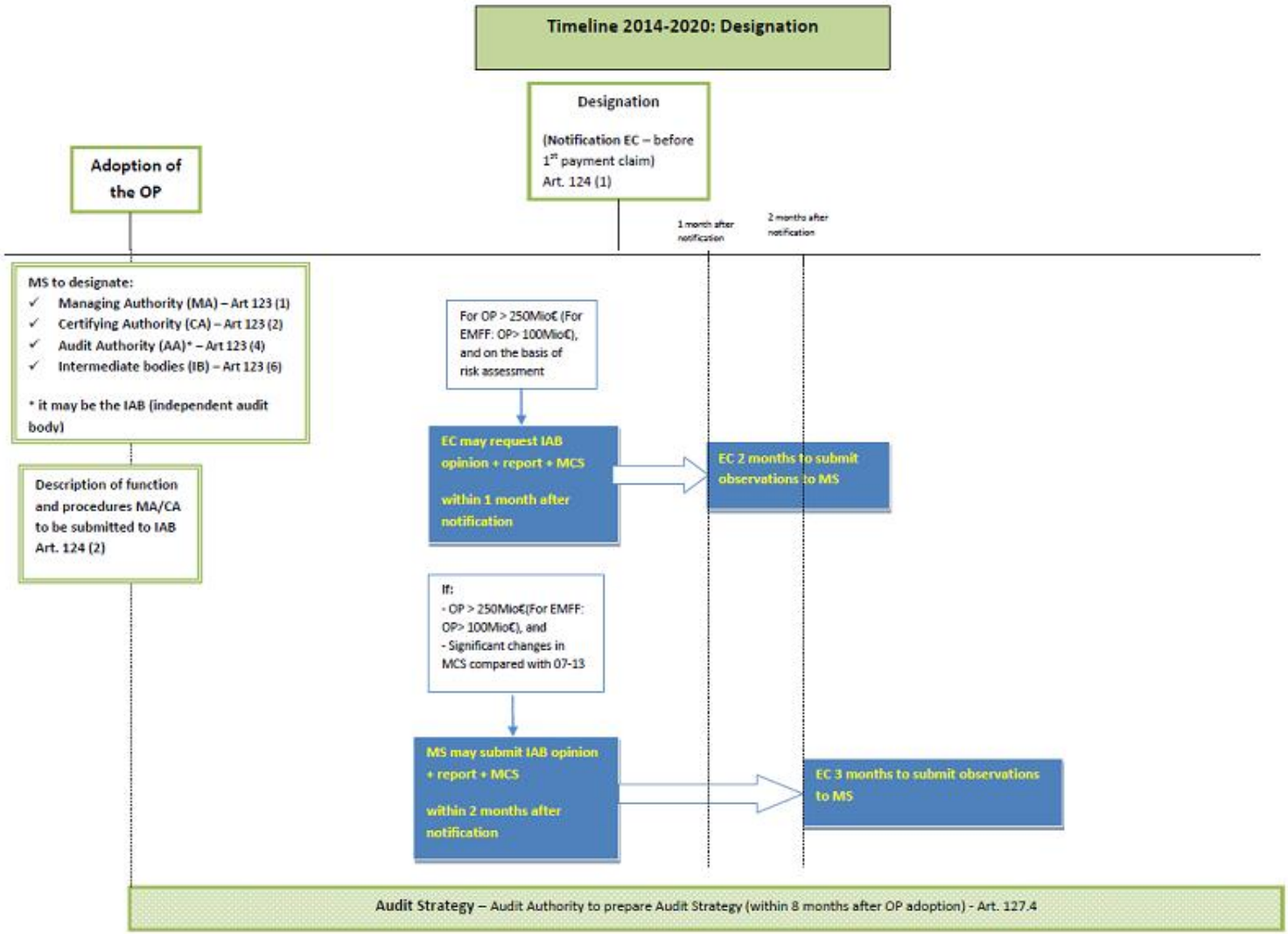
The Member State must notify the Commission without delay when a designated authority is put under probation, providing information on the respective probation period, the designation criteria not being complied with, when, following implementation of remedial actions, the probation is ended, as well as when the designation of an authority is ended. The notification that a designated authority has been put under probation by the Member State, without prejudice to the application of Article 83 CPR, will not be a reason for the Commission to interrupt the treatment of applications for interim payments.

Under Article 124(6) CPR where the designation of a MA or a CA is ended, the Member State must designate a new body which will, following its designation, take over the functions of that authority. The designation of the new authority is carried out in the same way as that of the original MA or CA with the preparation of a new system description and an assessment by the IAB as described above.

During implementation of a programme, if the MA or CA delegates functions to a new intermediate body there is no requirement to re-notify the designation of the MA or CA. However, the body responsible for monitoring the designation will need to monitor that these bodies continue to comply with the designation criteria following such a change. As mentioned in section 8, the relevant arrangements between the MA or CA and any new intermediate body will need to be formally recorded in writing. The body responsible for monitoring the designation will need to satisfy itself on the adequacy of the setup of the systems related to the functions delegated to the new intermediate body and this should be verified by the AA in the course of its system audit work. The MA or CA should immediately

notify the AA of the designation of any new IBs. The AA should then assess the risks related to the new IB and revise its audit strategy accordingly with a view to providing assurance on the continued compliance of the MA or CA with the designation criteria as regards functions delegated to the new IB.

ANNEX 1: TIMELINE FOR DESIGNATION



ANNEX 2: DESIGNATION CRITERIA FOR THE MA AND THE CA

1. Internal control environment

(i) Existence of an organisational structure covering the functions of MAs and CAs and the allocation of functions within each of them, ensuring that the principle of separation of functions, where appropriate, is respected.

(ii) Framework for ensuring, in case of delegation of tasks to intermediate bodies, the definition of their respective responsibilities and obligations, verification of their capacities to carry out delegated tasks and the existence of reporting procedures.

(iii) Reporting and monitoring procedures for irregularities and for the recovery of amounts unduly paid.

(iv) Plan for allocation of appropriate human resources with necessary technical skills, at different levels and for different functions in the organisation.

2. Risk management

Taken into account the principle of proportionality, a framework for ensuring that an appropriate risk management exercise is conducted when necessary, and in particular, in the event of major modifications to the activities (i.e. MCS).

3. Management and Control activities

A. Managing Authority

(i) Procedures regarding grant applications, appraisal of applications, selection for funding, including instructions and guidance ensuring the contribution of operations to achieving the specific objectives and results of the relevant priority axes in accordance with the provisions of Article 125(3)(a)(i) CPR.

(ii) Procedures for management verifications including administrative verifications in respect of each application for reimbursement by beneficiaries and the on-the-spot verifications of operations.

(iii) Procedures for treatment of applications for reimbursement by beneficiaries and authorisation of payments.

(iv) Procedures for a system to collect record and store in computerised form data on each operation, including, where appropriate, data on individual participants and a breakdown of data on indicators by gender when required, and to ensure that systems security is in line with internationally accepted standards.

(v) Procedures established by the MA to ensure that beneficiaries maintain either a separate accounting system or an adequate accounting code for all transactions relating to an operation.

(vi) Procedures for putting in place effective and proportionate anti-fraud measures.

(vii) Procedures to ensure an adequate audit trail and archiving system.

(viii) Procedures to draw up the management declaration of assurance, report on the controls carried out and weaknesses identified, and the annual summary of final audits and controls.

(ix) Procedures to ensure the provision to the beneficiary of a document setting out the conditions for support for each operation.

B. Certifying Authority

(i) Procedures for certifying interim payment applications to the Commission.

(ii) Procedures for drawing up the accounts and certifying that they are true, complete and accurate and that the expenditure complies with applicable Union and national rules taking into account the results of all audits.

(iii) Procedures for ensuring an adequate audit trail by maintaining accounting records including amounts recoverable, recovered and withdrawn for each operation in computerised form.

(iv) Procedures, where appropriate, to ensure that it receives adequate information from the MA on the verifications carried out, and the results of the audits carried out by or under the responsibility of the AA.

4. Monitoring

A. Managing Authority

(i) Procedures to support the work of the monitoring committee.

(ii) Procedures to draw up and submit to the Commission annual and final implementation reports.

B. Certifying Authority

(i) Procedures on the fulfilment of its responsibilities for monitoring the results of the management verifications and the results of the audits carried out by or under the responsibility of the AA before submitting payment applications to the Commission.

ANNEX 3: CHECKLIST FOR ASSESSING THE COMPLIANCE OF THE SET UP OF THE DESIGNATED BODIES WITH THE DESIGNATION CRITERIA AS SET IN ANNEX XIII OF THE REGULATION (EU) NO 1303/2013

[dd/mm/yy]

SCOPE

Member State/Region:

CCI:

Operational Programme:

Date of official submission of designation package by the Member State to the Independent Audit Body (hereinafter IAB):

Prepared by:
(signature, date)

Reviewed by:
(signature, date)

Introduction – Aim of using the checklist

The designations referred to in Articles 123 and 124 CPR and Article 21 ETC has to be based on a report and an opinion of an IAB that assesses the compliance of the authorities with the criteria relating to the internal control environment, risk management, control activities, and monitoring set out in Annex XIII.

It is recommended that this checklist be used by the IAB [IAB] to support and guide its audit work concerning its assessment of the compliance of the designated authorities with the designation criteria. During the course of its assessment, the IAB has to carry out its work taking account of internationally accepted audit standards. The checklist can be adapted to specific circumstances for the programme covered, as appropriate.

This checklist can also be used during the preparation of the MCS description as a self-assessment tool.

Assessment of MCSs essentially similar to the previous period

Where the IAB concludes that the part of the MCS, concerning the MA or the CA, is essentially the same as for the previous period, and that there is evidence, on the basis of audit work done in accordance with the relevant provisions of Regulation (EC) No 1083/2006, of their effective functioning during that period, it may conclude that the relevant criteria are fulfilled without carrying out additional audit work.

The IAB should duly document its conclusion in this regard.

Ending the designation of a body

Under Article 124(6) CPR concerning ending the designation of a MA or a CA, the IAB will need to carry out the same type of assessment of the compliance of the newly designated body with the designation criteria.

Key requirements of the system –non-compliance may lead to an adverse opinion

Non-compliance with one or more designation criteria relating to key requirements of the system should lead to either a qualified or an adverse opinion.

In case of partial compliance with one or more designation criteria relating to key requirements of the system, the seriousness and extent of these shortcomings should be assessed by the IAB, which will decide whether a qualified opinion or an adverse opinion has to be formulated.

Key requirements and assessment criteria linked to the designation criteria

Annex 4 sets out the key requirements and assessment criteria linked to the designation criteria. The numbering of the assessment used in Annex 5 is also used in column 2 of this checklist where relevant under each question.

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts

0. General Overview – Verification of the completeness of the documents submitted to the IAB

0.1.	Has the Member State submitted to the IAB **the description of the functions and procedures** in place for the managing authority and, where appropriate, the certifying authority? Are all elements of Annex III of the Commission Implementing Regulation indicated? Verify whether the documentation submitted is complete.		
0.2.	Is the following information explicitly mentioned in the documents submitted? - Title of the programme and CCI no; - Main contact person (including e-mail – body responsible for the description); - Date of the systems description (dd/mm/yy); - Description of the system structure; - Name, address and contact points of the Managing Authority; - Name, address and contact points of the Certifying Authority - Names, addresses and contact points of **all** Intermediate Bodies; - The legal status of the MA and the body of which it is part - The legal status of the CA and the body of which it is part - Is the MA also designated as CA (Art. 123 (3) of the CPR)?. If yes, confirm the MA is a public authority - For ETC programmes, are the name, address and contact points of the Joint Secretariat indicated? - For ETC programmes, are the names, addresses and contact points of the controllers (Art. 23 of Reg. 1299/2013) in each Member State indicated? -For ETC programmes, are the names, address and contact of the national authorities in each Member stated indicated (if relevant) ? - Has it been indicated how the principle of separation of functions between the AA and MA/CA is ensured when Art. 123(5) of Regulation (EU) No1303/2013 applies ?		
0.3.	For ETC programmes, does the description identify whether a body in one of the participating Member states has overall co-ordination responsibility for management and control issues?		
	Conclusion	Adequate / not adequate	

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts

1. Internal Control Environment – Annex XIII. of the CPR Regulation, point 1

This part of the checklist applies to all managing authorities [MA], certifying authorities [CA] and for functions delegated to intermediate bodies [IB.]

1.0.	Are any parts of the management and control systems that are linked to the internal control environment essentially the same as those of the previous programming period? If yes, detail which parts and justify how this conclusion is reached *(i.e. the conclusion that part of the management and control system, concerning the managing authority or the certifying authority, is essentially the same as for the previous programming period, and that there is evidence, on the basis of audit work done in accordance with the relevant provisions of Council Regulation (EC) No 1083/2006, of their effective functioning during that period) allowing the IAB to conclude that the relevant criteria are fulfilled without carrying out additional audit work*		
	1. (i) Existence of an organisational structure covering the functions of the managing and certifying authorities and the allocation of functions within them, ensuring that the principle of separation of functions, where appropriate, is respected.	***Key Requirements 1 and 9***	
1.1.	(1.1., 1.3., 9.1., 9.3.) Has a complete organisation chart been provided, covering: - all functions of the managing and the certifying authorities and the intermediate bodies (for delegated functions) and - the allocation of functions within each authority/body, ensuring that the principle of separation of functions, where appropriate, is respected? - the AA? Are all MA and CA functions covered?		
1.2.	(1.1., 1.3., 1.4., 9.1., 9.3.. 9.4.) Is general information and a flow chart showing the organisational relationships between the MA, CA, the IBs and the AA provided including the reporting lines to the Commission? Has it been described how the separation of functions is ensured in the case the MA also carries		

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
	out the functions of the CA ? For European Territorial Cooperation (ETC) programmes, does this information cover also the Joint Secretariat (JS), the controllers responsible for verifying the legality and regularity of the expenditure, the group of auditors and the national authorities where relevant ?		
1.3.	(1.1., 9.1.) In the case of ETC programmes, is it indicated how the controllers designated under the provisions of Art. 23 of Reg. 1299/2013 will report to the MA, for it to fulfil its obligations in accordance with Art. 125 of Reg 1303/2013.		
1.4.	(1.1., 9.1.) In the case of ETC programmes, is there a standard template implementing agreement between MA and lead beneficiary and lead beneficiary and project partners		
1.5.	(1.1., 1.3., 9.1., 9.3.) Where the managing authority is also a beneficiary under the operational programme, do arrangements for management verifications ensure adequate separation of functions?		
1.6.	(1.1., 1.3., 9.1., 9.3.) Are there procedures to ensure that staff in 'sensitive posts' (i.e. any post whose occupant could cause adverse effect to the integrity and functioning of the institution by virtue of the nature of his/her responsibility) are identified and that appropriate controls (including, where appropriate, rotation and segregation of functions policies) are applied to such posts?		
1.7.	(1.1., 1.3., 9.1., 9.3.) Are there procedures in place to identify and avoid conflicts of interest through an adequate policy of separation of functions?		
1.8.	(1.1., 9.1.) Ethics and integrity policies: Obtain a copy of the relevant laws, rules, codes and procedures to be applied by the auditee for ethics and integrity policies and verify whether they cover standards of behaviour for staff concerning, for example: - conflicts of interest (disclosure obligation); - use of official information & public resources; - receiving gifts or benefits - loyalty and confidentiality etc. Are these rules binding for staff working in the MA, CA or IBs ?		

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
	Is there a procedure to disseminate the rules and systematically inform staff about modifications of these rules / inform new staff about the rules?		
	1. (ii) Framework for ensuring, in case of delegation of tasks to intermediate bodies[9], the definition of their respective responsibilities and obligations, the verification of their capacities to carry out delegated tasks and the existence of reporting procedures.	***Key Requirements 1, 3, 9 and 10***	
1.9	*(10.1.) The independent audit body will need to obtain assurance on the adequacy of the setup of the systems related to such delegated functions at intermediate body level. The independent audit body should be able to do this by auditing the managing authority's and/or the certifying authority's own assessment of the intermediate body combined with some additional testing at intermediate body level, possibly on a sample basis.*	n.a.	n.a.
1.10.	(3.1., 3.2., 3.3., 1.4., 9.4., 10.1. and 10.2) Are there procedures for making available to IBs and beneficiaries including information relevant to the execution of their tasks and the implementation of operations?		
1.11.	(1.1., 1.5., 9.1., 9.5. and 10.2.) Is a part of the management and control systems linked to intermediate bodies essentially similar to the previous programming period? If yes, mention which part and justify how this conclusion is reached. (See point 1.0 above)		
1.12.	(1.1., 1.4., 9.4. and 10.2.) Have all intermediate bodies been formally designated (date and form of designation) or are in the process of being formally designated in accordance with Article 123(6) of Reg.1303/2013? For all IBs already known, confirm that relevant arrangements (formally recorded in writing) exist, describing the functions and tasks of the managing or certifying authorities that have been delegated to IB's. Are respective responsibilities and obligations of the MA/CA and IB clearly stated in writing?		

[9] Including the urban authorities under Article 7 of Regulation of Regulation (EU) No 1301/2013.

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
	Is there a reference to the relevant documents in the description (legal acts with empowerments, agreements)?		
1.13.	(1.1., 1.5., 9.5. and 10.2.) Are there procedures in the MA/CA to supervise the implementation of the delegated functions appropriate? Are there adequate procedures for reporting and monitoring between the MA/CA and the body to which tasks are delegated on the basis of adequate reporting mechanisms (review of IB's methodology, regular review of results reported by the IB, re-performance on sample basis of work carried out by IB)?		
1.14.	(1.1., 9.1. and 10.2.) Did the MA/CA obtain an organisation chart describing the allocation of tasks between and within IBs together with the indicative number of posts allocated? Detail any problems arising from the analysis of the organisation chart?		
1.15.	(1.1., 1.5., 9.1., 9.5. and 10.2.) Did the MA/CA verify the capacity (clearly defined responsibilities, clear organisation chart, etc.) of the IB to carry out the delegated tasks in relation i.e. to the selection of operations, management verifications or any other delegated tasks? The verification should be documented. The MA/CA should create and maintain evidence from the verifications carried out.		
1.16.	(1.4., 1.5., 1.6, 9.4., 9.5., 9.6. and 10.2.) Did the MA/CA assess whether there are manual(s) of procedures prepared for use by staff of the IB? Is there a formal procedure which controls the change, introduction or abandonment of these procedures? Are the procedures manuals based on the instructions from the MA/CA? Did the MA/CA assess whether these manuals are adequate? Has it been indicated how the results of this assessment will be communicated to them and followed up? The assessment should be documented. The MA/CA should create and maintain evidence from the assessment carried out.		

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
1.17.	(10.1.) In cases where the Member State or the managing authority has entrusted the management of part of an operational programme to an intermediate body by way of an agreement in writing between the intermediate body and the Member State or managing authority (a 'global grant') under article 123(7), did the Member State or the managing authority obtain from the intermediate body the guarantees of its solvency and competence in the domain concerned, as well as of its administrative and financial management?		
	1. (iii) Reporting and monitoring procedures for irregularities and for the recovery of amounts unduly paid.	***Key Requirements 1, 4, 6, 7, 9 and 12***	
1.18.	(1.4., 4.2., 6.2, 7.5., 9.4. and 12.2.) Are there detailed written procedures in place for dealing with irregularities including fraud cases? If yes, do these procedures cover the following: - Definitions of irregularity, suspected fraud and fraud; - Detection and registration of irregularities, including fraud cases; - Reporting of irregularities (including standard formats), suspected fraud and established fraud to the Commission via OLAF's reporting system (IMS – Irregularities Management System), as foreseen under Article 3.4 of Council Regulation 883/2013; - Correction of irregularities, including suspected fraud and established fraud; - Follow-up of the progress in administrative and legal proceedings related to irregularities? Are there specific procedures to ensure coordination with the national Anti-Fraud Coordination Service (AFCOS) foreseen under Article 3.4. of Regulation EC No 883/2013? Confirm that the country has procedures (including a flowchart setting out the reporting lines) for regular reporting of (suspected) fraud and irregularities to the Commission, in line with the requirement of art. 122(2) of the CPR.		
1.19.	In case of systemic irregularities, does the procedure in place set out the necessary steps to correct and mitigate the risk of any future recurrence?		
1.20.	Is the obligation for staff to report irregularities		

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
	including fraud cases clearly set out in the procedures manuals?		
1.21.	Is there a procedure in place for whistle-blowing (i.e. concerning the right to inform an external independent contact point of irregularities or wrongdoing)? Are rules adequate in order to protect staff from internal sanctions in case of reporting?		
1.22.	(12.1., 12.2.) Are there procedures to ensure that the CA keeps accounting records of amounts recoverable from payments of Union funds (pending recoveries) and ensures that the decision of recoveries is made without undue delay/recoveries and is properly recorded?		
1.23.	Is there a procedure for recording interest related to recoveries?		
	1. (iv) Plan for allocation of appropriate human resources with the necessary technical skills, at different levels and for different functions in the organisation.	***Key Requirements 1 and 9***	
1.24.	(1.2. and 9.2.) Are procedures in place to ensure that staffing at all levels is adequate in terms of both numbers and expertise?		
1.25.	(1.1., 1.2. 9.1. and 9.2.) Do job descriptions detail the objectives and scope of the work, the tasks and responsibilities of each staff and the reporting framework?		
1.26.	(1.2. and 9.2.) Does the entity have an adequate staff selection procedure? Are selection criteria clearly defined?		
1.27.	(1.2. and 9.2.) Are there adequate procedures for - managing changes of staff (e.g. preparation of handover briefings)? - filling vacant posts		
1.28.	(1.2. and 9.2.) Is there a replacement policy in place in case of long term absences of staff? If yes, does it ensure for a proper segregation of functions?		
1.29.	(1.2. and 9.2.) Are there adequate procedures for managing that the offices and equipment are adequate for carrying out the authority's functions		

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
	and that there is the necessary technical equipment available?		
1.30.	(1.2. and 9.2.) Are there procedures to ensure that: - each staff member regularly receives the training required for his or her duties? - basic training is provided immediately to all new staff?		
1.31.	(1.2. and 9.2.) Are there procedures for regular staff assessment reporting (including self-assessment, if applicable)?		
	Conclusion:	Adequate / not adequate	

2. Risk management – Annex XIII. CPR, point 2

This part of the checklist applies to all managing authorities [MA], certifying authorities [CA] and for functions delegated to intermediate bodies [IB.]

2.0.	(1.1., 1.6., 9.1., 9.6.) Is a part of the management and control systems linked to the risk management essentially similar to the previous programming period? If yes, mention which part and justify how this conclusion is reached. (See point 1.0)		
	2. Taking into account the principle of proportionality, a framework for ensuring that an appropriate risk management exercise is conducted when necessary, and in particular, in the event of major modifications to the activities (to the management and control system).	***Key Requirements 1, 7 and 9***	
2.1.	(1.6., 9.6.) Are procedures in place to ensure that the audited entity performs a risk assessment exercise? If yes, obtain a copy of the procedure and a copy of the most recent risk assessment (if available) and check the following: - Who performs it? - At what levels is it performed (organisational level, specific-activities level)? - What kind of risks are identified (internal, external…)?		
2.2.	(1.6., 9.6.) Does the procedure foresee that the risk assessment is done on a regular basis and in case of		

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
	significant modification of the system?		
2.3.	Is there a procedure in place to ensure that results of the risk assessment are translated into adequate action plans? If yes, does the procedure adequately deal with the follow-up of these action plans? (note who does it and how).		
2.4.	(7.1., 7.2., 7.3., 7.4., 7.5., 7.6., 7.7.) When carrying out a risk assessment, is it ensured that a fraud risk assessment is also addressed? (Please see also section 3.A.(vi)).		
	Conclusion:	Adequate / not adequate	

3. Management and Control Activities – Annex XIII CPR, point 3

This part of the checklist applies to all managing authorities [MA], certifying authorities [CA] and for functions delegated to intermediate bodies [IB.]

	A. Managing authority		
3.0	(1.1., 1.5. and 10.2.) Is a part of the management and control systems linked to management and control activities of the MA essentially similar to the previous programming period? If yes, mention which part and justify how this conclusion is reached. (See point 1.0 above)		
3.1.	(1.4., 1.6.) Have the procedures below mentioned been prepared in writing for use by staff of the MA and is there a formal procedure that controls the change, introduction or abandonment of procedures and their communication to staff? Are these procedures considered adequate? Has a reference been included on the training organised/foreseen on these procedures and any guidance issued (date/reference)?		
3.2.	(1.4., 1.6.) Is the date of and reference of the procedures indicated?		
3.3.	(1.4., 1.6.) In case certain tasks have been delegated to Intermediate Bodies, is the manual also used by Intermediate Bodies? Has it been indicated how this will be communicated to them and followed up? (See also point 1.16.)		

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
	3.A.(i) Procedures regarding grant applications, appraisal of applications, selection for funding, including instructions and guidance ensuring the contribution of operations to achieving the specific objectives and results of the relevant priority axes in accordance with the provisions of Article 125(3)(a)(i).	***Key Requirements 1, 2 and 4***	
3.4.	(4.3., 1.4.) Are there adequate procedures at selection stage for the appraising, selecting and approving of operations (Article 125(3) of the CPR), including for ensuring the compliance of operations with the general principles and compliance with Union policies such as: - the ones related with partnership and multi-level governance (transparency, equal treatment…), - promotion of equality between men and women, - non-discrimination, - accessibility for persons with disabilities - sustainable development, - public procurement, - State aid, - environment rules?		
3.5.	(2.1.) Has the Managing Authority developed a selection procedure ensuring that selection criteria will be: a) non-discriminatory and transparent b) ensure the contribution of operations to the achievement of the specific objectives and results of the relevant priority, c) take into account the promotion of equality between men and women and the principles of sustainable development as set out in Articles 7 and 8 of the CPR. d) that operations are not selected where they have been physically completed or fully implemented before the application of funding by the beneficiary.		
3.6.	(2.4.) Has the Managing Authority developed clear and sufficient procedures regarding the selection of operations (a) to ensure that a selected operation will fall within the scope of the Fund or Funds concerned and can be attributed to a category of intervention or, in the		

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
	case of the EMFF, a measure identified in the priority or priorities of the operational programme; (b) to ensure that the beneficiary will be provided with a document setting out the conditions for support for each operation including the specific requirements concerning the products or services to be delivered under the operation, the financing plan, and the time-limit for execution; (c) to ensure that the beneficiary will have the administrative, financial and operational capacity to fulfil the conditions regarding the provision of funding, (d) to ensure that, where the operations will have started before the submission or an application for funding to the managing authority, applicable law for the operation will have been complied with; (e) to ensure that operations selected for support from the Funds or the EMFF will not include activities which are part of an operation which has been or should have been subject to a procedure of recovery following the relocation of a productive activity outside the programme area; (f) to determine the categories of intervention or, in the case of the EMFF, the measures to which the expenditure of an operation shall be attributed.		
3.7.	In the case of ETC programmes, do these procedures clearly refer to and respect the criteria set out in Art. 12 of Reg. 1299/2013 on selection of operations?		
3.8.	(2.2.) Calls for application: is there an adequate procedure in place to ensure that: - calls for applications will be published; - in accordance with the conditions and objectives of the OP, they will contain a clear description of the selection procedure used and of the rights and obligations of the beneficiaries. - they will be properly advertised, in order to reach all potential beneficiaries.		
3.9.	(2.3.) Is there an adequate procedure in place to ensure that all applications received will be recorded? Applications should be registered on receipt, evidence of receipt delivered to each applicant and records kept of the approval status of each application. In particular, is there a procedure regarding declarations of non-conflict of interests to be filled in by all evaluators?		
3.10.	(2.4.) Is there an adequate procedure in place to ensure		

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
	that all applications/projects will be evaluated in accordance with the applicable criteria? The evaluation should be applied consistently, the criteria/scoring used should be in accordance with those approved by the Monitoring Committee and mentioned in the calls, results should be documented, the substance of the applications evaluated, the financial, administrative and operational capacities of the beneficiaries to fulfil the responsibilities regarding the provision of funding should also be adequately evaluated. Is there an adequate procedure in place to ensure that all evaluators assessing the application/projects will possess the required expertise and independence?		
3.11.	(2.5.) Is there an adequate procedure in place to ensure that the decisions taken on the acceptance or rejection of applications/projects will be communicated to the applicants? The decisions should be taken by an appropriately authorised person/body, the results notified in writing and the reasons for acceptance or rejection of applications clearly set out. The appeals procedure and related decisions should be communicated to all applicants.		
	3.A.(ii) Procedures for management verifications including administrative verifications in respect of each application for reimbursement by beneficiaries and on-the-spot verifications of operations.	***Key Requirement 4***	
3.12.	(4.1., 4.2.) Are there adequate procedures in place to verify that, when management verifications will be carried out: - the co-financed products and services have been delivered and - that expenditure declared by the beneficiaries has been paid and - that it complies with applicable law (including national eligibility rules), the operational programme and the conditions for support of the operation; - that it complies with the Union Policies : - the ones related with partnership and multi-level governance (transparency, equal treatment…), - promotion of equality between men and women,		

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
	- non-discrimination, - accessibility for persons with disabilities - sustainable development, - public procurement, - state aid, - environment rules? Do these verifications consist of: (a) administrative verifications in respect of each application for reimbursement by beneficiaries; (b) on-the-spot verifications of operations that may be carried out on a sample basis . Will verifications cover administrative, financial, technical and physical aspects of operations, as appropriate? For ETC programmes, has it been clearly how the management verifications will be organised following specific rules on verifications for ETC cooperation programmes. Does the procedure describe the identification of the authorities/body that will be carrying out such verifications?		
3.13.	(4.1., 4.2.) Do procedures in place ensure that the frequency and coverage of the on-the-spot verifications shall be proportionate to: - the amount of public support to an operation and - to the level of risk identified by these verifications and audits by the audit authority for the management and control system as a whole?		
3.14.	(4.1., 4.2.) Where on-the-spot verifications are carried out on a sample basis, is it foreseen that the managing authority will maintain a record describing and justifying the sampling method?		
3.15.	(4.1., 4.2.) In the case of ETC programmes, is it specified whether on spot verifications will take place at the premises of the lead beneficiary only, or at the premises of all project beneficiaries?		
3.16.	(4.3.) Are there written procedures and comprehensive checklists to be used for the management verifications in order to detect any irregularity? The checklists should address in particular verifications on:		

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
	- the correctness of the application for reimbursement, - the eligible period, - the compliance with the approved project, - the compliance with the approved financing rate (where applicable), - the compliance with the relevant eligibility rules and Union and national rules on public procurement, State aid, environment, financial instruments, sustainable development, publicity, equal opportunity requirements and non-discrimination, - the reality of the project, including physical progress of the product/service and compliance with the terms and the conditions of the grant agreement and with the output and result indicators, - the expenditure declared and of the existence of audit trail. - the separate accounting system or an adequate accounting code for all transactions.		
3.17.	(4.1., 4.2.) Is there an adequate procedure in place to ensure that the administrative verifications regarding the expenditure in a particular statement are completed before submission of an interim payment application, including an examination of both the claim itself and the relevant supporting documentation attached? The range and type of supporting documentation to be requested from beneficiaries for verification should be based on a risk-assessment of each type of file or beneficiary.		
3.18.	(4.1., 4.2.) Is there an adequate procedure in place to ensure that the on-the-spot verifications are undertaken when the project is well under way, both in terms of physical and financial progress?		
3.19.	(4.1, 4.2. and 4.4.) Is there an adequate procedure in place to ensure that the managing authority will keep records of: - each verification, stating the work performed, the date and the results of the verification and - the follow-up of the findings detected including the measures taken in respect of irregularities detected?		
3.20.	(4.1., 4.2.) Is it ensured that where on-the-spot verifications are not exhaustive, the sampling of operations is based on an adequate risk assessment and the records identify the operations selected, describe		

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
	the sampling method used and provide an overview of the conclusions of the verifications and the detected irregularities?		
3.21.	(4.5.) Does the description foresee how the information on the verifications carried out including information on deficiencies and/or irregularities (including suspected and established fraud) detected and their follow up in the context of management verifications, audits and controls by Union or National bodies, is transmitted to the certifying authority and audit authority ?		
	3.A.(iii) Procedures for treatment of applications for reimbursement by beneficiaries and authorisation of payments.	***Key Requirement 4***	
3.22.	(4.3.) Are the procedures for processing of applications for reimbursement from and payments to beneficiaries described in line with Art 122(3) of Reg. EU 1303/2013? In particular: a) Is each step of the procedure by which applications for reimbursement are received, verified and validated described? b) Is each step of the procedure by which payments to beneficiaries are authorised, executed and accounted for described? c) Is the body performing each step of the procedure indicated (in case it is not the MA)? d) Is adequate separation of functions for the process ensured? e) Has a flowchart been provided, describing the processes and indicating all bodies involved? f) Are all needed and relevant supporting documentation attached? g) Is the procedure for transmitting information on the results of these MA verifications to the certifying authority described? h) Is the procedure developed in view of respecting the deadline of 90 days for payments to beneficiaries under Art 132 of Reg. EU 1303/2013? i) Has the current situation been described as regards the implementation of Art 122(3) of Reg. EU 1303/2013?		
	3.A.(iv) Procedures for a system to collect, record and store in computerised form data on each	***Key Requirements 5, 6 and 11***	

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
	operation, including, where appropriate, data on individual participants and a breakdown of data on indicators by gender when required, and to ensure that systems security is in line with internationally accepted standards[10].		
3.23.	*Please note that article 32 of the Commission Delegated Regulation No 480/2014 concerning data to be recorded and stored in computerised form, shall apply either from December 2014 or from 1July 2015 as regards information on data recorded and stored referred to in Annex III of the CDR. The assessment of this designation criterion needs to be done against this legal framework.*	n.a.	
3.24.	(5.1., 5.2., 6.1.) Is there an adequate system in place to ensure collecting, recording and storing, in computerised form data on each operation, including, where appropriate, data on individual participants in operations data on individual participants in operations and a breakdown of data on indicators by gender when required,, necessary for monitoring, evaluation, financial management, verification and audit, as required by Article 125(2)(d) of the CPR and by Article 24 of the Commission Delegated Regulation No 480/2014? Does the audited body have a computerised system capable of providing reliable and relevant information as required in Annex III of the CDR, including data relating to indicators and milestones and on the progress of the OP in achieving its objectives provided by the managing authority under Article 125(2)(a) of the CPR?		
3.25	(5.1., 5.2., 6.1.) Does the system ensure that the data on indicators is broken down by gender where required by Annexes I and II of the ESF Regulation, as required by Article 125(2)(e) of the CPR?		
3.26.	(6.3.) Are there adequate procedures in place to ensure - the security[11] and maintenance of the computerised system, data integrity, data confidentiality, the authentication of the sender and storage of documents and data in particular in accordance with Articles 122(3), 125(4)(d), 125(8) and 140 of Regulation (EU) No 1303/2013		

[10] ISO/IEC standard 27001:2013 and ISO/IEC standard 2007:2013

[11] Taking into account the internationallly accepted standards: ISO/IEC standard 27001:2013 and ISO/IEC standard 2007:2013

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
	-the protection of individuals with regard to the processing of personal data?		
3.27.	(5.1., 5.2., 6.3.) Is a description including a flowchart of the information system(s) supplied, showing their elements and the links between them, and whether they are networked or decentralised?		
3.28.	(5.1., 5.2., 6.3.) Has the system been used in the previous programming period. If yes, was it considered reliable (for example has it been audited?)		
3.29.	(5.1., 5.2., 6.3.) Does the IT system description deals adequately with the issue of separation of function?		
3.30.	(5.1., 5.2., 6.3.) Indicate whether the systems are already operational for gathering reliable data on the matters -mentioned at questions 3.24 – 3.25? If not, a) assess based on the planning obtained from the bodies responsible whether the system will be operational in line with article 32 of the CDR. Indicate of the date when they will be operational, in order to ensure compliance with the provisions referred above and with Article 125(2)(d) of the CPR. b) was the IAB provided with the result of the testing already carried out on the current version of the IT system? Could any conclusion or recommendation be made at this stage of development of the IT system? (e.g. in terms of segregation of duties, workflows, users' profiles, security[12], etc).		
	3.A.(v) Procedures established by the managing authority to ensure that beneficiaries maintain either a separate accounting system or an adequate accounting code for all transactions relating to an operation.	***Key Requirements 3 and 4***	
3.31.	(3.1., 4.3.h) Does the audited body have a procedure to verify whether the beneficiaries maintain either a separate accounting system or an adequate accounting code for all transactions relating to the assistance, which allows for the verification of: - the correct allocation of expenditure only partly relating to the co-financed operation and - certain types of expenditure which are only considered eligible within certain limits or in		

[12] See footnote to question 3.87.

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
	proportion to other costs.		
	3.A.(vi) Procedures for putting in place effective and proportionate anti-fraud measures (Article 125.4 c).	***Key Requirement 7***	
3.32.	(7.1., 7.2., 7.3., 7.4., 7.5., 7.6., 7.7.) Are there adequate procedures in place for ensuring the putting in place of effective and proportionate anti-fraud measures taking into account the risks identified? Are these anti-fraud measures structured around the 4 key elements of the anti-fraud cycle (prevention, detection, correction and prosecution)? Is there a procedure for the monitoring and updating of the anti-fraud measures?		
3.33.	(7.1., 7.2., 7.3., 7.4., 7.5., 7.6., 7.7.) Does the procedure ensure that if the fraud risk assessment shows that there is a residual (net) risk of fraud which is significant or critical, which is due to the existing controls being insufficient to mitigate against the identified fraud risks, the managing authority must demonstrate that it has put in place additional anti-fraud measures (and indicate actions to be taken and a timetable for their implementation)? Are there adequate and proportionate preventive measures, tailored to the specific situations, in order to mitigate the residual risk of fraud to an acceptable level (such as mission statement, code of conduct, tone from the top communication, allocation of responsibilities, training and awareness raising actions, data analytics and up-to-date awareness of fraud warning signs and fraud indicators)?		
3.34	(7.1., 7.2., 7.3., 7.4., 7.5., 7.6., 7.7.) Is there an adequate procedure in place ensuring that the fraud risk assessment - is carried out for the first time within satisfactory deadlines and - is repeated during the programming period, its frequency depending on risk levels and the actual instances of fraud? Although it is not a requirement, it is recommended that the risk assessment is performed prior to the designation of the managing authority or no later than 6 months after the designation. Are such provisions foreseen?		

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
3.35.	(7.1., 7.2., 7.3., 7.4., 7.5., 7.6., 7.7.) Does the procedure ensure that the fraud risk assessment covers the specific fraud risks in relation to: - the selection of applicants, - the implementation and verification of the operations, - the certification of expenditure and payments? Have other specific fraud risks not covered by the Commission's tool been identified? If yes, which are these risks?		
3.36.	Is there a procedure in place for whistle-blowing (i.e. concerning the right to inform an external independent contact point of irregularities or wrongdoing)? Are rules adequate in order to protect staff from internal sanctions in case of reporting?		
3.37.	(7.1., 7.2., 7.3., 7.4., 7.5., 7.6., 7.7.) Does the procedure related to the process of the fraud risk assessment ensure that: - the assessment team is appropriately composed of members from representative departments? - there is evidence that sources of information such as audit reports, fraud reports and control self-assessments are taken into account during the risk assessment process? - the self-assessment process is clearly documented, allowing for clear review of the conclusion reached? -there is evidence that senior management has adequate oversight and/or involvement in the process and approved the net level of risk exposure?		
3.38.	(7.1., 7.2., 7.3., 7.4., 7.5., 7.6., 7.7.) Does the audited body intend to use a specific data mining tool such as ARACHNE or any comparable tool in order to identify operations which might be susceptible to the risk of fraud, conflict of interest or irregularity? The use of web mining tool by the managing authority, which will be considered by the Commission as a good practice for fraud combatting measures, should be taken into account when assessing the adequacy of the controls in place.		
3.39.	(7.5.) In case of suspected case of fraud, does the procedure ensure that adequate reporting measures will be taken, in particular regarding the co-ordination with the audit authority, the MS investigative authorities, the Commission and OLAF?		

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
3.40	(7.6. and 7.7.) Are there appropriate processes in place for following up any suspected cases of fraud and related recoveries of EU funds spent in a fraudulent manner? Are there follow-up procedures to review any processes, procedures or controls connected to the potential or actual fraud and feed into the subsequent review of the fraud risk assessment?		
	3.A.(vii) Procedures to ensure an adequate audit trail and archiving system.	***Key Requirements 4 and 5***	
3.41.	(4.1, 4.2. and 4.4.) Is there an adequate procedure in place to ensure that the managing authority will keep records of: - each verification, stating the work performed, the date and the results of the verification and - the follow-up of the findings detected including the measures taken in respect of irregularities detected?		
3.42.	(5.2.) Is there a procedure in place ensuring that a record is kept by the MA of the identity and location of bodies holding the supporting documents relating to expenditure and audits?		
3.43	(5.3.) Are there adequate procedures in place to ensure that all documents required to ensure an adequate audit trail are kept in accordance with the requirements of Articles 72(g), 122(3), 125(4)(d) and 140 of Regulation (EU) No 1303/2013 and in accordance with the national rules of conformity of documents (Art 125(4)(d) of Regulation 1303/2013 and Art 25 of Commission Delegated (EU) No 480/2014 ? Is there an adequate procedure in place dealing with: - the type of documents which have to be archived - the period during which these documents have to be archived? - the format in which the documents are to be held Are there instructions given on keeping supporting documents available by beneficiaries/intermediate bodies/managing authority? If yes indicate date and reference.		
3.44.	(4.4., 5.1., 5.2.) Is the description of the audit trail sufficient to demonstrate that it: a) permits the reconciliation of the aggregate amounts certified to the Commission with the detailed		

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
	accounting records and supporting documents held by the certifying authority, managing authority, intermediate bodies and beneficiaries as regards operations co-financed under the operational programme; b) permits the verification of payment of the public contribution to the beneficiary; c) permits the verification of the application of the selection criteria established by the monitoring committee; d) contains in respect of each operation as appropriate the technical specifications, financing plan, documents concerning the grant approval, document relating to public procurement procedures, progress reports and reports on verifications and audits carried out.		
3.45.	(5.1.) Is there a procedure in place ensuring that the technical specifications and financial plan of the operation, progress and monitoring reports, documents concerning application, evaluation, selection, grant approval and tendering and contracting procedures and reports on inspections of the products and services co-financed are kept at an appropriate management level?		
3.46.	(5.1.) Is there a procedure in place ensuring that the accounting records for operations are kept at the appropriate management level and provide detailed information on expenditure actually incurred in each co-financed operation by beneficiary? The accounting system should enable both the beneficiaries and the other bodies involved to be identified together with the justification for the payment.		
	3.A.(viii) Procedures to draw up the management declaration of assurance, report on the controls carried out and weaknesses identified, and the annual summary of final audits and controls.	***Key Requirement 8***	
3.47.	(8.1., 8.2., 8.3., 8.4.) Does the MA have adequate procedures in place -to draw up the management declaration of assurance (Article 125(4)(e)of Regulation (EU) No 1303/2013)? - to draw up the annual summary of final audit reports and controls referred to in Article 59(5)(b) of the Financial Regulation, including an analysis of the nature and extent of the errors and weaknesses identified in systems, as well as corrective action taken or planned (Article 125(4)(e) of Regulation (EU) No		

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
	1303/2013)?		
3.48	(8.2.) Is it ensured that the management declaration is based on the annual summary and drawn up in accordance with the model set out in the Commission Implementing Regulation?		
3.49.	(8.4.) Are there procedures ensuring that the annual summary and management declaration as well as all relevant supporting documentation and information are made available in due time (adequate internal deadlines) to the audit authority for the purpose of the audit authority' s assessment?		
3.50	(8.3.) Is adequate documentation of the work carried out in preparation of the annual summary and the management declaration foreseen:		
	a) to ensure that, before submission to the Certifying Authority, payment requests are checked to guarantee that information [to be included in the accounts] is properly presented, complete and accurate?		
	b) to ensure that, before submission to the Certifying Authority, payment requests are checked to confirm that they include only expenditure which is used for its intended purpose?		
	c) to ensure that control systems put in place give the necessary guarantees concerning the legality and regularity of underlying transactions? [see questions 3.51. to 3.61. related to some key points of the management and control system]		
3.51.	Are there procedures to ensure that an adequate staffing will be implemented for the programme, providing assurance about the effective functioning of the system?		
3.52.	Are there procedures to ensure that risks are managed in line with the provisions of internal rules (e.g. Risks Management manual)?		
3.53.	Are there procedures to ensure that irregularities are prevented, detected, reported and acted upon on a timely basis?		
3.54.	Are there procedures to ensure that system changes, exceptions to procedures, internal control weaknesses are applied or remedied properly in accordance with internal rules?		
3.55.	Are there procedures to ensure that the implementation of the programme is monitored on a regular basis		

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
	mainly with respect to: a) selection of (non-major) projects; b) preparation and submission of major projects; c) tendering and awarding of contracts; d) projects implementation.		
3.56.	Are there procedures to confirm the reliability of data relating to indicators, milestones and the progress of programme?		
3.57.	Are there procedures to ensure that effective and proportionate anti-fraud measures are in place and that the results of the measures are taken into account for the purpose of the management declaration?		
3.58.	Are there procedures to ensure that the results of management verifications are reported in the annual summary?		
3.59	Are there procedures to ensure that the results of management verifications are duly taken into account to conclude on the effective functioning of the control system put in place and the legality and regularity of underlying transactions?		
3.60.	(8.1.) Are there procedures to ensure that recommendations included in final audit reports issued by the relevant audit bodies (national and EU level) are followed-up and implemented?		
3.61.	(8.1.) Are there procedures to ensure that action is taken as regards areas of weaknesses/problems identified by the controls carried out?		
	3.A.(ix) Procedures to ensure the provision to the beneficiary of a document setting out the conditions for support for each operation.	***Key Requirement 3***	
3.62.	(3.1.) Are there adequate procedures in place to ensure effective communication to beneficiaries of their rights and obligations? In particular, do these procedures adequately deal with: - the national eligibility rules laid down by the Member State for the programme, - the applicable Union rules on eligibility - the specific conditions concerning the products or services to be delivered under the operation, - the financing plan, the time-limit for execution,		

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
	- the requirements concerning separate accounting or adequate accounting codes, - the information to be kept and communicated - the information and publicity obligations?		
3.63.	(3.2.) Are there clear and unambiguous national eligibility rules laid down for the programme?		
3.64.	(3.3.) Is there a clear strategy to ensure that beneficiaries have access to the necessary information and receive an appropriate level of guidance (leaflets, booklets, seminars, workshops, web sites...).		
	B. Certifying Authority		
3.65.	(9.1., 9.6. and 10.2.) Is part of the management and control systems linked to management and control activities of the CA essentially similar to the previous programming period? If yes, mention which part and justify how this conclusion is reached. (See point 1.0 above)		
3.66.	(9.4., 9.6.) Have the procedures below mentioned been prepared in writing for use by staff of the CA and is there a formal procedure which controls the change, introduction or abandonment of procedures and their communication to staff? Are these procedures considered adequate? Has a reference been included on the training organised/foreseen on these procedures and any guidance issued (date/reference)?		
3.67.	(9.4., 9.6.) Is the date of and reference of the procedures indicated?		
3.68.	(9.4., 9.6.) In case certain tasks have been delegated to Intermediate Bodies, is the manual also used by Intermediate Bodies? Has it been indicated how this will be communicated to them and followed up? (See also point 1.16.)		
	3.B.(i) Procedures for certifying interim payments to the Commission	***Key Requirements 9, 10 and 13***	
3.69.	***(13.2., 13.3., 10.2.)*** Are there a flowchart and an adequate the procedure by which statements of expenditure are drawn up, verified and submitted to the Commission, including a procedure to ensure sending of the final application for interim payment by 31 July following the end of the previous accounting year?		

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
	Does it show the flow of expenditure declarations from beneficiaries to the CA and submission to the EC?		
3.70.	Is there a description of arrangements in place for the certifying authority to access any information on operations, necessary for the purpose of drawing up and submitting payment applications, including the results of the management verification and all relevant audit;		
3.71.	***(9.4., 13.1., 13.2., 13.3., 13.4., 13.5. and 10.2.)*** Is there a description of the accounting system in computerised form to be set up and used as a basis for certification of expenditure to the Commission? a) Is it a centralised or decentralised system? b) If a decentralised system, is it described how aggregated data is forwarded to the CA? c) Are the accounting system and information system one system or separate systems? - If separate, has the link between both systems been described and how is it ensured that the information in the two systems is identical? (electronic link, reconciliation) d) Is the system already operational? If not, when will it be operational? e) Has the system already been used in the previous period or not? If yes, was it audited in the past and considered reliable?		
3.72.	***(13.2., 13.3., 10.2.)*** Is the level of detail of the accounting system indicated, including: a) Whether it shows total expenditure by Fund and priority? b) Whether it allows for traceability of the allocation of the available public funds? c) Whether it allows splitting payments made by beneficiaries to the year concerned?		
3.73.	***(13.2., 13.3., 10.2.)*** Is it a separate accounting system for ESIF operations or it is also used for other Funds transactions? - If not separate, does it identify ESIF transactions? (e.g. specific accounting codes)		
3.74.	***(13.2., 13.3., 10.2.)*** Are there adequate procedures in place to ensure that the certifying authority checks the accuracy of the payment requests?		

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
	3.B.(ii) Procedures for drawing up the accounts and certifying that they are true, complete and accurate and that the expenditure complies with [applicable Union and national rules] taking into account the results of all audits.	***Key Requirements 9, 11 and 13***	
3.75.	***(13.1., 13.4., 13.5.)***Are adequate procedures in place describing the accounting system to be set up and used as a basis for drawing up payment applications to the Commission (Article 126(d) of the CPR)? Is there a procedure in place ensuring that adequate accounting records of expenditure declared to the Commission and the corresponding public contribution paid to beneficiaries are maintained in computerised form ?		
3.76.	***(9.4., 11.1, 13.1., 13.4., 13.5.)*** Are there adequate arrangements for forwarding aggregated data to the certifying authority in case of decentralised system?		
3.77.	***(13.1., 13.4., 13.5.)*** Is there a clear link between the accounting system and the information system?		
3.78.	***(13.1., 13.4., 13.5.)*** In case of common system with other Funds, does the system allow identification of the ESIF transactions?		
3.79.	***(13.1., 13.4. 13.5.)*** Are there adequate procedures in place for timely drawing up the accounts and reporting them to the Commission as referred to in article 59(5) of the Financial Regulation (Article 126(b) of the CPR and 137(b))? There should be clear arrangements for certifying the completeness, accuracy and veracity of the accounts and that the expenditure entered in the accounts complies with applicable Union and national rules (Article 126(c) of the CPR) and take into account the results of all verifications and audits.		
3.80.	***(13.1., 13.4., 13.5.)*** How is it ensured that the drawing of the accounts takes into account the results of all audits?		
	3. B. (iii) Procedures for ensuring an adequate audit trail by maintaining accounting records including amounts recoverable, recovered and withdrawn for each operation in computerised form.	***Key Requirements 11 and 12***	

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
3.81.	**(11.1., 11.2., 11.3., 12.1., 12.2.)** Is there a system for ensuring the recovery of Union assistance? Is it described? Is there a procedure in place, describing the system for ensuring the prompt recovery of public assistance, including Union assistance?		
3.82.	**(11.1., 11.2., 11.3., 12.1., 12.2.)** Are there adequate procedures for ensuring an adequate audit trail by maintaining accounting records in computerised form, including amounts recovered, to be recovered, withdrawn from a payment application, amounts irrecoverable and amounts related to operations suspended by a legal proceeding or by an administrative appeal having suspensory effect, for each operation, including the recoveries resulting from the application of Article 71 of the CPR on durability of operations. Is the system already operational and can reliable record the data mentioned above?		
3.83.	**(11.1., 11.2., 11.3., 12.1., 12.2.)** Are adequate arrangements made to deduct amounts recovered or amounts to be withdrawn from expenditure to be declared?		
3.84.	**(12.1., 12.2.)** Is there an adequate procedure in place to ensure that the certifying authority keeps an account of - amounts recoverable and - amounts withdrawn following cancellation of all or part of the contribution for an operation? as established by article 126(h) of the CPR. Does the procedure clearly state that amounts recovered shall be repaid prior to closure of the operational programme by deducting them from the next statement of expenditure?		
3.85.	**(11.1., 11.2., 11.3.)** Does the audit trail within the certifying authority allow reconciliation of the expenditure declared to the Commission with the expenditure statements received from the managing authority/intermediate bodies MA/IBs?		
3.86.	**(11.1., 11.2., 11.3., 12.1., 12.2.)** Does the CA have: - computerised systems capable of providing reliable and relevant information? - procedures to ensure maintenance of the system, data		

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
	protection and data integrity?		
3.87	**(11.1., 11.2., 11.3., 12.1., 12.2.)** Does the procedure ensure that IT systems security is ensured, taking into account internationally accepted standards[13]?		
3.88.	**(11.1., 11.2., 11.3., 12.1., 12.2.)** Are the necessary arrangements described to: a) Maintain a debtor's ledger? b) Deduct amounts recovered or amounts to be withdrawn from expenditure to be declared?		
	3.B.(iv) Procedures, where appropriate, to ensure that it receives adequate information from the managing authority on the verifications carried out, and the results of the audits carried out by or under the responsibility of the audit authority.	***Key Requirements 4, 9 and 10***	
3.89.	(4.5., 9.4., 10.1.a) and b)) Are there adequate procedures in place specifying the information the CA requires on the procedures operated by the managing authority and by the intermediate bodies for the verification of expenditure? Has the CA put in place agreed procedures with the managing authority to ensure that it receives it on a regular and timely basis?		
3.90.	(4.5., 9.4., 10.1.c)) Are there adequate procedures in place to review the reports drawn up by the managing authority or the intermediate bodies on the progress of implementation, including a review of the verifications carried out pursuant to Article 125 (5) of CPR (all reviews should be documented)?		
3.91.	(4.5., 9.4., 10.1.d)) Are there adequate procedures in place, where appropriate, to ensure that the certifying authority receives adequate information from the managing authority on the verifications carried out, and the results of the audits carried out by or under the responsibility of the audit authority?		
3.92.	(4.5., 9.4., 10.1.e)) Are there adequate procedures in place to ensure that the results of these examinations are properly taken into account in reaching a		

[13] In addition to the COBIT (Control Objectives for Information and related Technology) framework, internationally accepted standards for information security include but are not limited to the ISO/IEC standard 27001 ("Information technology - Security techniques - Information security management systems – Requirements") and the ISO/IEC 27002 ("Information technology - Security techniques - Code of practice for information security controls"), last re-issued in 2013. The IAB may also take into consideration any related national standards.

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
	conclusion as to whether there is a sufficient basis for certifying that the expenditure being certified is legal and regular?		
	Conclusion:	Adequate / not adequate	

4. Monitoring – Annex XIII CPR, point 4

	4.A. ***Managing Authority***		
4.0.	(1.1., 1.5. and 10.2.) Is a part of the management and control systems linked to the monitoring activities of the MA essentially similar to the previous programming period? If yes, mention which part and justify how this conclusion is reached. (See point 1.0.).		
4.1.	Has a procedure of the MA been described, where applicable, in relation to the scope, rules and procedures concerning the effective arrangements set out by the Member State for the examination of complaints concerning the ESI Funds, in the context of Article 74(3) of Regulation (EU) No 1303/2013?		
	4.A.(i) Procedures to support the work of the monitoring committee	***Key Requirement 6***	
4.2.	(6.1., 6.2.) Does the MA have adequate procedures to support the work of the monitoring committee? Have such procedures been adequately disseminated to all staff concerned?		
4.3.	(6.1., 6.2.) Are there procedures to ensure that action is taken as regards areas of weaknesses/problems identified by the Monitoring Committee?		
4.4.	(6.1., 6.2.) Does the MA have adequate procedure to carry out regular reporting on the project implementation compared to implementation plan and on the evaluations according to the Articles 56 and 57 of Regulation (EU) No 1303/2013 ?		
	4.A.(ii) Procedures to draw up and submit to the Commission annual and final implementation reports.	***Key Requirement 6***	
4.5.	(6.1., 6.2.) Does the MA have adequate procedures in place to draw up and submit to the Commission annual and final implementation reports? Have such		

N°	Question	Y/ N/ n.a.	File reference, observation, comments, facts
	procedures been adequately disseminated to all staff concerned?		
4.6.	(6.1., 6.2.) Do the procedure include procedures for collection and reporting reliable data on performance indicators (Art 125(2)(a) of CPR)		
	4.B. *Certifying Authority*		
4.7.	(9.1., 9.5. and 10.2.) Is a part of the management and control systems linked to the monitoring activities of the CA essentially similar to the previous programming period? If yes, mention which part and justify how this conclusion is reached. (See point 1.0).		
4.8.	Has a procedure been described covering the scope, rules and procedures concerning the effective arrangements set out by the Member State for the examination of complaints concerning the ESI Funds, in the context of Article 74(3) of Regulation (EU) No 1303/2013?		
	4.B.(i) Procedures on the fulfilment of its responsibilities for monitoring the results of the management verifications and the results of the audits carried out by or under the responsibility of the audit authority before submitting payment applications to the Commission.	***Key Requirements 4 and 10***	
4.9.	(10.1., 4.5.) Does the CA have adequate procedures to monitor, before submitting payment applications to the Commission: a) the results of the management verifications and b) the results of the audits carried out by or under the responsibility of the audit authority		
4.10.	(10.1., 4.5.) Have such procedures been adequately disseminated to all staff concerned?		
	Conclusion:	Adequate / not adequate	

5. Result of the assessment of the IAB

Guidance

The managing authority and the certifying authority should seek to resolve all outstanding issues to enable the independent audit body to provide an unqualified opinion. The independent audit body will need to exercise professional judgement in order to assess the results and the seriousness of any shortcomings identified in order to provide an appropriate audit opinion. The following guidance may be taken into account:

- Non-compliance with one or more designation criteria relating to key requirements of the system should lead to either a qualified or an adverse opinion.
- In case of partial compliance with one or more designation criteria relating to key requirements of the system, the seriousness and extent of these shortcomings should be assessed by the independent audit body, which will decide whether a qualified opinion or an adverse opinion has to be formulated.

  An adverse opinion should be issued where the independent audit body considers that the number and seriousness of shortcomings with regard to the key requirements of the management and control systems result in wide-ranging non-compliance with the requirements of the CPR and in particular Articles 72, 125 and 126.

In accordance with internationally accepted auditing standards, the independent audit body may, without qualifying its opinion, include an emphasis of matter paragraph in its audit opinion.

Where the independent audit body's opinion on the managing and or certifying authority is:

- Adverse or qualified, the Member State should not designate that body.
- Unqualified, the Member State should designate the body/ies.

Computerised accounting and information system

Article 32 of the Commission Delegated Regulation No 480/2014, concerning data to be recorded and stored in computerised form, shall apply either from 1 December 2014 or from 1 July 2015 as regards information on data recorded and stored referred to in Annex III of the CDR. Therefore, the opinion of the independent audit body, if issued before 1 December 2014, may be unqualified even if the computerised accounting and information system is not fully set-up at the time the audit opinion on designation is being issued. However, in this case, an emphasis of matter paragraph should be included in the independent audit body's opinion. The setup of the IT system should be followed up by the body responsible for monitoring the designation.

Summary table of the IAB

The findings identified in the present checklist are to be summarised in the table below and serve as a primary source of information for the IAB when issuing its opinion on each body. This table is part of the report of the IAB.

CCI or system (group of CCIs)	Concerned Authority(Managing or Certifying authority)	Completeness and accuracy of description (Y/N)	Conclusion (unqualified, qualified, adverse)	Designation criteria affected	Section of description of functions and procedures affected	Shortcomings	Priorities affected	Recommendations/ Corrective measures	Timeframe agreed with concerned authority for implementation of corrective measures
CCI x	Managing authority								
	Certifying authority								
System y	Managing authority								
	Certifying authority								

Appendix 1 to Annex 3 – Extract of Article 125 of the CPR – Functions of the Managing Authority

The following extract of Article 125 of the CPR is relevant to point 3. of the present checklist, "Management and Control Activities" – Annex XIII. a) to CPR Regulation, point 3.

"1. The managing authority shall be responsible for managing the operational programme in accordance with the principle of sound financial management.

2. As regards the management of the operational programme, the managing authority shall:

(a) support the work of the monitoring committee referred to in Article 41 and provide it with the information it requires to carry out its tasks, in particular data relating to the progress of the operational programme in achieving its objectives, financial data and data relating to indicators and milestones;

(b) draw up and, after approval by the monitoring committee, submit to the Commission annual and final implementation reports referred to in Article 44;

(c) make available to intermediate bodies and beneficiaries information that is relevant to the execution of their tasks and the implementation of operations respectively;

(d) establish a system to record and store in computerised form data on each operation necessary for monitoring, evaluation, financial management, verification and audit, including data on individual participants in operations, where applicable;

(e) ensure that the data referred to in point (d) is collected, entered and stored in the system, and that data on indicators is broken down by gender where required by Annex I of the ESF Regulation.

3. As regards the selection of operations, the managing authority shall:

(a) draw up and, once approved, apply appropriate selection procedures and criteria that:

(i) ensure the contribution of operations to the achievement of the specific objectives and results of the relevant priority;

(i) are non-discriminatory and transparent;

(ii) take into account the general principles set out in Articles 7 and 8;

(b) ensure that a selected operation falls within the scope of the Fund or Funds concerned and can be attributed to a category of intervention or, in the case of the EMFF, a measure identified in the priority or priorities of the operational programme;

(c) ensure that the beneficiary is provided with a document setting out the conditions for support for each operation including the specific requirements concerning the products or services to be delivered under the operation, the financing plan, and the time-limit for execution;

(d) satisfy itself that the beneficiary has the administrative, financial and operational capacity to fulfil the conditions defined in point (c) before approval of the operation;

(e) satisfy itself that, where the operation has started before the submission of an application for funding to the managing authority, applicable law relevant for the operation have been complied with;

(f) ensure that operations selected for support from the Funds or the EMFF do not include activities which were part of an operation which has been or should have been subject to a procedure of recovery in accordance with Article 61 following the relocation of a productive activity outside the programme area;

(g) determine the categories of intervention or, in the case of the EMFF, the measures to which the expenditure of an operation shall be attributed.

4. As regards the financial management and control of the operational programme, the managing authority shall:

(a) verify that the co-financed products and services have been delivered and that expenditure declared by the beneficiaries has been paid and that it complies with applicable law, the operational programme and the conditions for support of the operation;

(b) ensure that beneficiaries involved in the implementation of operations reimbursed on the basis of eligible costs actually incurred maintain either a separate accounting system or an adequate accounting code for all transactions relating to an operation;

(c) put in place effective and proportionate anti-fraud measures taking into account the risks identified;

(d) set up procedures to ensure that all documents regarding expenditure and audits required to ensure an adequate audit trail are held in accordance with the requirements of Article 72(g);

(e) draw up the management declaration and annual summary referred to in Article 59 (5) (a) and (b) of the Financial Regulation.

By way of derogation from point (a), the ETC Regulation may establish specific rules on verifications for cooperation programmes.

5. Verifications pursuant to paragraph 4(a) shall include the following procedures:

(a) administrative verifications in respect of each application for reimbursement by beneficiaries;
(b) on-the-spot verifications of operations.

The frequency and coverage of the on-the-spot verifications shall be proportionate to the amount of public support to an operation and to the level of risk identified by these verifications and audits by the audit authority for the management and control system as a whole.

6. On-the-spot verifications of individual operations pursuant to paragraph (5)(b) may be carried out on a sample basis.

7. Where the managing authority is also a beneficiary under the operational programme, arrangements for the verifications referred to in paragraph 4(a) shall ensure adequate separation of functions.

(…)"

Appendix 2 to Annex 3 – Extract of Article 126 of the CPR – Functions of the Certifying Authority

The following extract of Article 126 of the CPR is relevant to point 3. of the present checklist, "Management and Control Activities" – Annex XIII. to CPR Regulation, point 3.

"The certifying authority of an operational programme shall be responsible in particular for:

(a) drawing up and submitting to the Commission payment applications and certifying that these result from reliable accounting systems, are based on verifiable supporting documents and have been subject to verifications by the managing authority;

(b) drawing up the accounts referred to in Article 59(5)(a) of the Financial Regulation;

(c) certifying the completeness, accuracy and veracity of the accounts and that the expenditure entered in the accounts complies with applicable law and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the operational programme and complying with applicable law;

(d) ensuring that there is a system which records and stores, in computerised form, accounting records for each operation, and which supports all the data required for drawing up payment applications and accounts, including records of amounts recoverable, amounts recovered and amounts withdrawn following cancellation of all or part of the contribution for an operation or operational programme;

(e) ensuring, for the purposes of drawing up and submission of payment applications, that it has received adequate information from the managing authority on the procedures and verifications carried out in relation to expenditure;

(f) taking account when drawing up and submitting payment applications of the results of all audits carried out by, or under the responsibility of, the audit authority;

(g) maintaining accounting records in a computerised form of expenditure declared to the Commission and the corresponding public contribution paid to beneficiaries;

(h) keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation. Amounts recovered shall be repaid to the general budget of the Union prior to the closure of the operational programme by deducting them from the next statement of expenditure."

ANNEX 4: TABLE LINKING THE DESIGNATION CRITERIA AND THE RELATED KEY REQUIREMENTS

Body	*KR/AC*	*Related designation criteria (Annex XIII CPR)*
MA	**KR1**	
MA	1.1	1. (i) / 1. (ii)
MA	1.2	1. (iv)
MA	1.3	1. (i)
MA	1.4	1. (ii) / 3. A.
MA	1.5	1. (ii)
MA	1.6	
MA	**KR 2**	
MA	2.1	3 . A (i)
MA	2.2	3 . A (i)
MA	2.3	3 . A (i)
MA	2.4	3 . A (i)
MA	2.5	3 . A (i)
MA	**KR 3**	
MA	3.1	3.A.(v) / 3.A.(ix)
MA	3.2	3.A.(ix)
MA	3.3	3.A.(ix)
MA	**KR 4**	
MA	4.1	3. A. (ii) and (iii)
MA	4.2	3. A. (ii)
MA	4.3	3. A. (i) / 3.A.(ii) / 3. A. (iii) / 3.A.(v)
MA	4.4	3.A.(ii) / 3. A. (vii)
MA	4.5	3.A.(ii) / 3. B. (iv) / 4.B.
MA	**KR 5**	
MA	5.1	3.A.(iv) / 3.A.(vii)
MA	5.2	3.A.(iv) / 3.A(vii)
MA	5.3	3.A (vii)
MA	**KR 6**	
MA	6.1	3.A (iv) and 4 . A (i) / and (ii)
MA	6.2	3.A (iv) and (vii) and 4 . A (i) / and (ii)
MA	6.3	3.A (iv)
MA	**KR 7**	
MA	7.1	3. A. (vi)
MA	7.2	3. A. (vi)

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Body	*KR/AC*	*Related designation criteria (Annex XIII CPR)*
MA	7.3	3. A. (vi)
MA	7.4	3. A. (vi)
MA	7.5	3. A. (vi)
MA	7.6	3. A. (vi)
MA	7.7	3. A. (vi)
MA	**KR 8**	
MA	8.1	3. A (viii)
MA	8.2	3. A (viii)
MA	8.3	3. A (viii)
MA	8.4	3. A (viii)
CA	**KR 9**	
CA	9.1	1. (i) / 1. (ii)
CA	9.2	1. (iv)
CA	9.3	1. (i)
CA	9.4	1. (ii) / 3. B.
CA	9.5	1.(ii)
CA	9.6	
CA	**KR 10**	
CA	10.1	3.B.(iv) / 4.B.
CA	10.2	1. (ii) / 3 / B. (i)
CA	**KR 11**	
CA	11.1	3.B. (iii)
CA	11.2	3.B. (iii)
CA	11.3	3.B. (iii)
CA	**KR 12**	
	12.1.	3.B. (iii)
	12.2	3.B. (iii)
CA	**KR 13**	
CA	13.1	3.B. (ii)
CA	13.2	3.B. (i) / 3.B.(ii)
CA	13.3	3.B. (ii)
CA	13.4	3.B. (ii)
CA	13.5	3.B. (ii)
AA	**KR 14**	n.a.
AA	**KR 15**	n.a.
AA	**KR 16**	n.a.
AA	**KR 17**	n.a.
AA	**KR 18**	n.a.

ANNEX 5: TABLE LINKING THE MODEL DESCRIPTION (ANNEX III CIR) WITH THE DESIGNATION CRITERIA AND THE RELEVANT QUESTIONS IN THE CHECKLIST (ANNEX 3)

Model description (Annex III CIR)	**Designation criteria (Annex XIII CPR)**	**Most relevant questions in the check list in Annex 3 to this guidance**
1. GENERAL	-	
1.1. Information submitted by:	-	**0.1**
• Name of MS		**0.2**
• Title of the programme and CCI (all operational programmes covered by the MA/CA), in case of common MCS		**0.2.**
• Name of main contact point, including e-mail (body responsible for the description)		**0.2**
1.2. The information provided describes the situation on: (dd/mm/yy)	-	**0.2**
1.3. System structure (general information and flowchart showing the organisational relationship between the authorities/bodies involved in the management and control system	1. (i), 1 (ii)	**1.2**
1.3.1. Managing authority (Name, address and contact point in the managing authority): Indicate whether the managing authority is also designated as the certifying authority, in accordance with Article 123(3) of Regulation (EU) No 1303/2013.	1. (i)	**0.2**
1.3.2. Certifying authority (Name, address and contact point in the certifying authority)	1. (i)	**0.2**
1.3.3. Intermediate bodies (Name, address and contact points in the intermediate bodies).	1. (i), 1. (ii)	**0.2**
1.3.4. When Article 123(5) of Regulation (EU) No 1303/2013 applies, indicate how the principle of separation of functions between the audit authority and the managing/certifying authorities is ensured.	1. (i)	**0.2**

Model description (Annex III CIR)	Designation criteria (Annex XIII CPR)	Most relevant questions in the check list in Annex 3 to this guidance
2. MANAGING AUTHORITY		
2.1. Managing authority and its main functions		
2.1.1. The status of the managing authority (national, regional or local public body or private body) and the body of which it is part[14].		**0.2**
2.1.2. Specification of the functions and tasks carried out directly by the managing authority. Where the managing authority also carries out in addition the functions of the certifying authority, description of how separation of functions is ensured.	1. (i),	**1.1, 1.5, 1.7, 3.29, 3.22**
2.1.3. Specification of the functions formally delegated by the managing authority, identification of the intermediate bodies and the form of the delegation (underlying that the managing authorities maintains the full responsibility for the delegated functions), under Article 123(6) and (7) of Regulation (EU) No 1303/2013. Reference to relevant documents (legal acts with empowerments, agreements). Where applicable, specifications of the functions of the controllers foreseen in Article 23(4) of Regulation (EU) 1299/2013, for European territorial cooperation programmes.	**1(i), 1(ii)**	**1.1, 1.9, 1.12, 1.13, 1.15, 3.3, 3.68**
2.1.4. Description of the procedures for ensuring effective and proportionate anti-fraud measures taking account of the risks identified, including reference to the risk assessment carried out (Article 125(4)(c) of Regulation (EU) No 1303/2013).	**3.A.(vi)**	**1.18, 1.20, 2.4, 3.32, 3.33, 3.34-3.40, 3.56**
2.2. Organisation and procedures of the managing authority		
2.2.1. Organisation chart and specifications of the functions of the units (including the plan for allocation of appropriate human resources with the necessary skills). This information also covers the intermediate bodies to which some functions have been delegated.	**1.(i), 1.(ii), 1.(iv)**	**1.1, 1.3, 1.4, 1.2, 1.5, 1.6, 1.7, 1.9, 1.12, 1.13, 1.14, 1.15,**
2.2.2. Framework to ensure that an appropriate risk management exercise is conducted when necessary, and in particular in the event of major modifications to the activities (=management and control system).	**2**	**2.0-2.4**

[14] See Article 123(§ 1 and §3) CPR.

Model description (Annex III CIR)	**Designation criteria (Annex XIII CPR)**	**Most relevant questions in the check list in Annex 3 to this guidance**
2.2.3. Description of the following procedures (that should be provided in writing to the staff of the managing authority and intermediate bodies; date and reference):	**3.A**	**3.1**
2.2.3.1. Procedures to support the work of the monitoring committee.	**4.A, 4.B**	**3.10, 3.24, 4.0, 4.2, 4.3, 4.4**
2.2.3.2. Procedures for a system to collect, record and store in computerised form data on each operation necessary for monitoring, evaluation, financial management, verification and audit, including, where applicable, data on individual participants and a breakdown of data on indicators by gender when required.	**3.A.(iv)**	**3.23-3.30**
2.2.3.3. Procedures for the supervision of the functions formally delegated by the managing authority under Article 123(6) and (7) of Regulation (EU) No 1303/2013.	**1.(ii)**	**1.13**
2.2.3.4. Procedures for appraising, selecting and approving operations and for ensuring their compliance, for the entire implementation period, with applicable rules (Article 125(3) of Regulation (EU) No 1303/2013), including instructions and guidance ensuring the contribution of operations to achieving the specific objectives and results of the relevant priorities in accordance with the provisions of Article 125(3)(a)(i) of Regulation (EU) No 1303/2013 and procedures to ensure that operations are not selected where they have been physically completed or fully implemented before the application for funding by the beneficiary (including the procedures used by the intermediate bodies where the appraisal, selection and approval of operations have been delegated).	**3.A.(i)**	**3.4-3.21**
2.2.3.5. Procedures to ensure the provision to the beneficiary of a document setting out the conditions for support for each operation, including procedures to ensure that beneficiaries maintain either a separate accounting system or an adequate accounting code for all transactions relating to an operation.	**3.A.(i), 3.A.(ix)**	**3.6, 3.62-3.64**
2.2.3.6. Procedures for the verifications of operations (in line with requirements under Article 125(4) to (7) of Regulation (EU) No 1303/2013), including for ensuring the compliance of operations with the Union policies (such as those related to partnership and multi-level governance, promotion of equality between men and women, non-discrimination, accessibility for persons with disabilities, sustainable development, public procurement, State aid and environment rules), and identification of the authorities or bodies carrying out such verifications. The	**1.(ii), 3.A.(i), 3.A.(ii)**	**3.4, 3.12-3.21**

Model description (Annex III CIR)	**Designation criteria (Annex XIII CPR)**	**Most relevant questions in the check list in Annex 3 to this guidance**
description shall cover administrative management verifications in respect of each application for reimbursement by beneficiaries and on-the-spot management verifications of operations, that may be carried out on a sample basis. Where the management verifications have been delegated to intermediate bodies, the description should include the procedures applied by the intermediate bodies for those verifications and the procedures applied by the managing authority to supervise the effectiveness of the functions delegated to the intermediate bodies. The frequency and coverage shall be proportionate to the amount of public support to an operation and to the level of risk identified by these verifications and audits by the audit authority for the management and control system as a whole.		
2.2.3.7. Description of the procedures by which applications for reimbursement are received from beneficiaries, verified, and validated, and by which payments to beneficiaries are authorised, executed and accounted for, in line with obligations set out in Article 122(3) of Regulation (EU) No 1303/2013 as from 2016 (including the procedures used by the intermediate bodies where processing of applications for reimbursement has been delegated), in view of respecting the deadline of 90 days for payments to beneficiaries under Article 132 of Regulation (EU) No 1303/2013.	**3.A.(iii),**	**3.12, 3.22**
2.2.3.8. Identification of the authorities or bodies carrying out each step in the processing of the application for reimbursement, including a flowchart indicating all bodies involved.	**1.(i), 3.A.(vii)**	**3.22**
2.2.3.9. Description of how information is transmitted to the certifying authority by the managing authority, including information on deficiencies and/or irregularities (including suspected and established fraud) detected and their follow-up in the context of management verifications, audits and controls by Union or national bodies.	**1.(iii), 3.A.(viii)**	**3.22**
2.2.3.10. Description of how information is transmitted to the audit authority by the managing authority, including information on deficiencies and/or irregularities (including suspected and established fraud) detected and their follow-up in the context of management verifications, audits and controls by Union or national bodies.	**3.A.(ii),**	**3.21, 3.39, 3.49**
2.2.3.11. Reference to national eligibility rules laid down by the Member State and applicable to the operational programme.	**3.A.(ii), 3.A.(ix)**	**3.62, 3.63**
2.2.3.12. Procedures to draw up and submit to the Commission	**4.A.(ii)**	**4.4, 4.5**

Model description (Annex III CIR)	Designation criteria (Annex XIII CPR)	Most relevant questions in the check list in Annex 3 to this guidance
annual and final implementation reports (Article 125(2)(b) of Regulation (EU) No 1303/2013), including the procedures for collecting and reporting reliable data on performance indicators (Article 125(2)(a) of Regulation (EU) No 1303/2013).		
2.2.3.13. Procedures for drawing up the management declaration (Article 125(4)(e) of Regulation (EU) No 1303/2013).	**3.A.(viii)**	**3.47-3.50**
2.2.3.14. Procedures for drawing up the annual summary of the final audit reports and of controls carried out, including an analysis of the nature and extent of errors and weaknesses identified in systems, as well as corrective action taken or planned (Article 125(4)(e) of Regulation (EU) No 1303/2013).	**3.A.(viii)**	**3.47-3.50**
2.2.3.15. Procedures concerning the communication to staff of the above procedures, as well as an indication of training organised / foreseen and any guidance issued (date and reference).	**3.A, 3.B**	**3.1, 3.66**
2.2.3.16. Description, where applicable, of the procedures of the managing authority in relation to the scope, rules and procedures concerning the effective arrangements set out by the Member State[15] for the examination of complaints concerning the ESI Funds, in the context of Article 74(3) of Regulation (EU) No 1303/2013.	**4.A.**	**4.1**
2.3. Audit trail		
2.3.1. Procedures to ensure an adequate audit trail and archiving system, including with respect to the security of data, taking account of Article 122(3) of Regulation (EU) No 1303/2013, in accordance with national rules on the certification of conformity of documents (Article 125(4)(d) of Regulation (EU) No 1303/2013 and Article 25 of Commission Delegated (EU) No 480/2014).	**3.A.(vi), 3.A.(vii)**	**3.26, 3.41-3.46**
2.3.2. Instructions given on keeping supporting documents available by beneficiaries/intermediate bodies/managing authority (date and reference):	**3.A.(vii)**	**3.43**
2.3.2.1. Indication of the period during which documents are to be held.	**3.A.(vii)**	**3.43**
2.3.2.2. Format in which the documents are to be held.	**3.A.(vii)**	**3.43**

[15] Reference to the document or national legislation where these effective arrangements have been set out by the Member State.

Model description (Annex III CIR)	Designation criteria (Annex XIII CPR)	Most relevant questions in the check list in Annex 3 to this guidance
2.4. Irregularities and recoveries	**1.(iii)**	
2.4.1. Description of the procedure (that should be provided in writing to the staff of the managing authority and intermediate bodies: date and reference) on reporting and correction of irregularities (including fraud) and their follow-up and recording of amounts withdrawn and recovered, amounts to be recovered, irrecoverable amounts and amounts related to operations suspended by a legal proceeding or by an administrative appeal having suspensory effect.	**1.(iii)**	**1.18-1.21**
2.4.2. Description of the procedure (including a flowchart setting out the reporting lines) to comply with the obligation to notify irregularities to the Commission in accordance with Article 122(2) of Regulation (EU) No 1303/2013.	**1.(iii)**	**1.18**
3. CERTIFYING AUTHORITY		
3.1. Certifying authority and its main functions		
3.1.1. The status of the certifying authority (national, regional or local public body) and the body of which it is part.	**-**	**0.2**
3.1.2. Specification of the functions carried out by the certifying authority. Where the managing authority also carries out in addition the functions of the certifying authority, description of how separation of functions is ensured (see 2.1.2).	**1.(i)**	**1.1, 1.2**
3.1.3. Functions formally delegated by the certifying authority, identification of the intermediate bodies and the form of the delegation under Article 123(6) of Regulation (EU) No 1303/2013. Reference to relevant documents (legal acts with empowerments, agreements). Description of the procedures used by the intermediate bodies to carry out delegated tasks, and of the procedures of the certifying authority to supervise the effectiveness of the tasks delegated to the intermediate bodies.	**1.((ii)**	**1.2, 1.9-1.17**
3.2. Organisation of the certifying authority		
3.2.1. Organisation chart and specification of the functions of the units (including plan for allocation of appropriate human resources with necessary skills). This information also covers the intermediate bodies to which some tasks have been delegated).	**1.(i), 1.(ii), 1.(iv)**	**1.1, 1.2, 1.24-1.31**
3.2.2. Description of the procedures to be provided in writing to the staff of the certifying authority and intermediate bodies (date and reference):	**3.B**	**3.66-3.68**

Model description (Annex III CIR)	**Designation criteria (Annex XIII CPR)**	**Most relevant questions in the check list in Annex 3 to this guidance**
3.2.2.1. Procedures for drawing up and submitting payment applications: – Description of arrangements in place for the certifying authority to access any information on operations, necessary for the purpose of drawing up and submitting payment applications, including the results of management verifications (in line with Article125 of Regulation (EU) No 1303/2013) and all relevant audits. – Description of the procedure by which payment applications are drawn up and submitted to the Commission, including procedure to ensure sending of the final application for interim payment by 31 July following the end of the previous accounting year.	**3.B.(iv)**	**3.21, 3.69, 3.70**
3.2.2.2. Description of the accounting system used as a basis for certification of expenditure and accounts to the Commission (Article 126(d) of Regulation (EU) No 1303/2013): – arrangements for forwarding aggregated data to the certifying authority in case of a decentralised system, – the link between the accounting system and the information system described under paragraph 4.1, – identification of European Structural and Investment Fund transactions in case of a common system with other Funds.	**3.B.(iii)**	**3.71, 3.72, 3.73, 3.76, 3.77**
3.2.2.3. Description of the procedures in place for drawing up the accounts referred to in Article 59(5) of Regulation (EU, Euratom) No 966/2012 (Article 126(b) of Regulation (EU) No 1303/2013) Arrangements for certifying the completeness, accuracy and veracity of the accounts and that the expenditure entered in the accounts complies with applicable law (Article 126(c) of Regulation (EU) No 1303/2013) taking into account the results of all verifications and audits.	**3.B.(ii)**	**3.75-3.80**
3.2.2.4. Description, where applicable, of the procedures of the certifying authority in relation to the scope, rules and procedures concerning the effective arrangements set out by the Member State[16] for the examination of complaints concerning the ESI	**4.B.**	**4.8**

[16] Reference to the document or national legislation where these effective arrangements have been set out by the Member State.

Model description (Annex III CIR)	Designation criteria (Annex XIII CPR)	Most relevant questions in the check list in Annex 3 to this guidance
Funds, in the context of Article 74(3) of Regulation (EU) No 1303/2013.		
3.3. Recoveries		
3.3.1. Description of the system for ensuring prompt recovery of public assistance, including Union assistance.	**3.B.(iii)**	**3.81**
3.3.2 Procedures for ensuring an adequate audit trail by maintaining accounting records in computerised form, including amounts recovered, amounts to be recovered, amounts withdrawn from a payment application, amounts irrecoverable and amounts related to operations suspended by a legal proceeding or by an administrative appeal having suspensory effect, for each operation, including the recoveries resulting from the application of Article 71 of Regulation (EU) No 1303/2013 on durability of operations.	**3.B.(iii)**	**3.82**
3.3.3. Arrangements for deducting amounts recovered or amounts to be withdrawn from expenditure to be declared.	**3.B.(iii)**	**3.84, 3.88**
4. INFORMATION SYSTEM	**-**	
4.1. Description of the information systems including a flowchart (central or common network system or decentralised system with links between the systems) for:		
4.1.1. Collecting, recording and storing, in a computerised form data on each operation, including where appropriate data on individual participants and a breakdown of data on indicators by gender when required, necessary for monitoring, evaluation, financial management, verification and audit, as required by Article 125(2)(d) of Regulation (EU) No 1303/2013 and by Article 24 of Commission Delegated Regulation 480/2014.	**3.A.(iv),**	**3.24, 3.25**
4.1.2. Ensuring that the data referred to in the previous point is collected, entered and stored in the system, and that data on indicators is broken down by gender where required by Annexes I and II to Regulation (EU) No 1304/2013, as required by Article 125(2)(e) of Regulation (EU) No 1303/2013.	**3.A.(iv),**	**3.24, 3.25**
4.1.3. Ensuring that there is a system which records and stores, in computerised form, accounting records for each operation, and which supports all the data required for drawing up payment applications and accounts, including records of amounts to be recovered, amounts recovered, amounts irrecoverable and amounts withdrawn following cancellation of all or part of the contribution for an operation or operational programme, as set	**3.B.(ii), 3.B.(iii)**	**1.22, 3.46, 3.75-3.79, 3.81-3.85**

Model description (Annex III CIR)	**Designation criteria (Annex XIII CPR)**	**Most relevant questions in the check list in Annex 3 to this guidance**
out in Article 126(d) and 137(b) of Regulation (EU) No 1303/2013;		
4.1.4. Maintaining accounting records in a computerised form of expenditure declared to the Commission and the corresponding public contribution paid to beneficiaries, as set out in Article 126(g) of Regulation (EU) No 1303/2013.	**3.B.(ii), 3.B.(iii)**	**3.75, 3.82**
4.1.5. Keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation, as set out in Article 126(h) of Regulation (EU) No 1303/2013.	**3.B.(iii)**	**3.83, 3.84**
4.1.6. Keeping records of amounts related to operations suspended by a legal proceeding or by an administrative appeal having suspensory effects.	**3.B(iii)**	**3.82**
4.1.7. Indication as to whether the systems are operational and can reliably record the data mentioned above.	**3.A.(iv)**	**3.30**
4.2. Description of the procedures to verify that IT systems security is ensured.	**3.A.(iv)**	**3.26**
4.3 Description of the current situation as regards implementation of the requirements of Art 122(3) of Regulation (EU) No 1303/2013.	**3.A.(iii), 3.A(iv), 3.B.(iii)**	**3.22**