

**Questions and Answers from
the Webinar on ‘Audit Information for Beneficiaries of Civil Protection Grants’,
Friday 21 October 2022**

Audit firms:

1. Are the audit firms used by the European Commission from a Member State?

DG ECHO External Audit Team works with 3 audit firms (EY, BDO & Deloitte) that provide audit services to the European Commission as represented by DG ECHO under a framework contract. These audit firms shall mobilize audit teams to every Member State for performing the audit engagements requested by DG ECHO. They are international firms and are generally expected to ensure a good understanding of local languages in the different Member States (either through a local member of the audit team or interpreters).

2. Will the auditor's fieldwork be carried out physically at the beneficiary's headquarters?

Even though during the past years some of the audit engagements have been carried out remotely due to constraints related to the COVID-19 outbreak, the general practice is to carry out the audit fieldworks on-site at the beneficiaries' headquarters. On-site audit fieldwork has been already resumed in 2022.

3. What is the language regime of audits? Is it possible to be audited in an official national language of the country?

According to the working practice for audits of UCPM, the audit engagements must be carried out by at least two auditors, of whom at least one must be familiar with the local language in the case of EU Member States. Therefore, the audit engagements may be carried out in the official language of the EU Member state or/and in English.

4. Does the procurement documentation have to be in English?

There is no specific obligation to document the transactions in English. The supporting documentation should be in original language in which it was issued. It helps, however, that for documentation that is not in an EU official language, an explanatory note in English/French is provided.

Audit plan and sample:

5. What are the main criteria to decide which projects to audit?

Our sampling methodology is based on two main criteria: random selection and risk-basis. In the case of random selection, every year we select randomly between 10 and 15 grants that were closed in the precedent year by a balance payment / liquidation. No other criteria apply for the random selection. As for the risk-based methodology, every year we select on a need-basis an undetermined number of grants based on several risk factors: legality and regularity

(high error rate), level of operational risks, action management irregularities, risk of fraud, etc.

Documentary proof:

6. In projects involving non-EU partners from third countries, it is sometimes not possible to obtain the same standard of documentation that can be issued by EU Member States. How can this difficulty be overcome?

It is the obligation of the beneficiary to secure reliable evidence for the transactions carried out. For those cases where standard documents cannot be provided, the beneficiary shall provide acceptable alternative evidence that provides an equal level of assurance to the auditors. This acceptable alternative evidence may vary on a case-by-case basis, but it should in any case provide enough assurance to the auditors on the same elements as the ones provided by the standard documents.

7. Salaries for civil servants are sometimes difficult to justify with contracts when for instance the salary framework is decided by national law. How can we provide the required data?

The beneficiary shall be able to prove the employment or similar relationship and the actual salary paid out. If there is no employment contract, the beneficiary shall provide acceptable alternative evidence that provides an equal level of assurance to the auditors on the same elements as provided by the standard document requested. This acceptable alternative evidence may vary on a case-by-case basis.

8. How can project coordinators ensure the respect of privacy when auditors request documents related to salary, payslips, bank account statements or income tax declarations? Could the European Commission send a letter to the project beneficiaries to support the request for this type of data?

Auditors are bound by strict rules regarding professional secret and privacy when performing their tasks in the context of an audit engagement. As referred in the standard initiation letter received by the beneficiaries that have been selected to be audited, the Commission and the audit firms authorised to act on its behalf are bound to keep confidential any information and documents to which they may have access during the audit (article II.27.1 of the Annex II – General Conditions to the multi-beneficiary grant agreement). Likewise, any personal data provided and processed in the context of the audit engagement is subjected to the Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons, which rules the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data.

Feedback on the templates:

9. At final reporting stage we must submit a financial report that includes a list of expenditures. Do the auditors expect a certain format? Can you please share the template?

Please note that the auditors only request a transaction listing that reconciles with the final financial report submitted to DG ECHO at the end of the action. There are no other requirements for this document.

10. In the information paper on the audit procedure, it is mentioned that beneficiaries can also provide feedback on the templates. How would you like to get this feedback on the audit experience?

In case you would like to give DG ECHO External Audit Team any feedback concerning your experience with an audit engagement, we kindly invite you to contact us by e-mail to our Functional Mailbox ECHO-AUDIT@ec.europa.eu.

11. Before, there was some flexibility on postponing an audit during a real emergency. It would be good to keep this flexibility.

DG ECHO is always flexible and request the appointed auditors to observe such flexibility towards any emergency or extraordinary situation that might arise and constrain the good development of the audit works. However, this flexibility shall be evaluated on a case-by-case basis. Therefore, we encourage you to communicate as early as possible to the audit firm/DG ECHO any circumstance that might request to adopt flexibility measures.