

# KARELIA

CBC // Cross-border cooperation



## Training of auditors

Petrozavodsk, 16.4.2019



14.5.2019

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# Expenditure verifications in Karelia CBC Programme

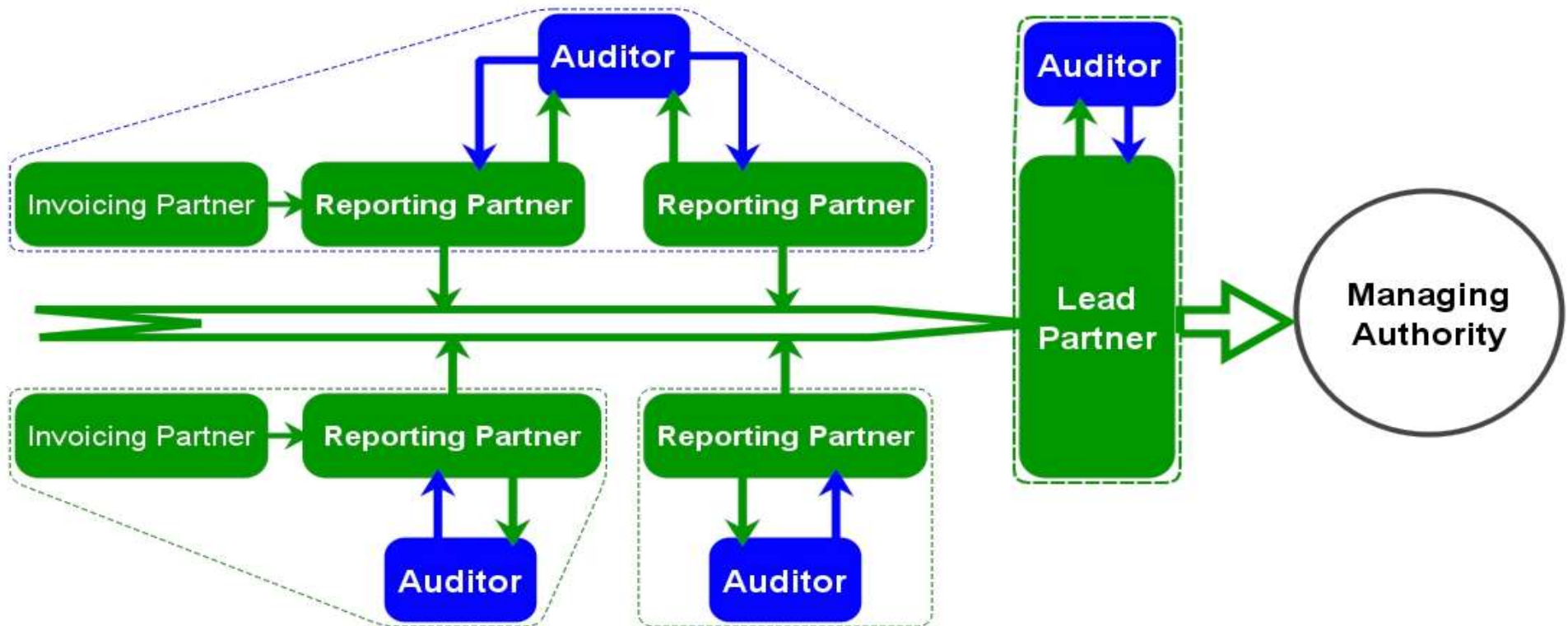
Reporting and expenditure verification processes:

1. Project consortium – Auditors
2. Three Partners – one Auditor
3. Lead Partner – Auditor

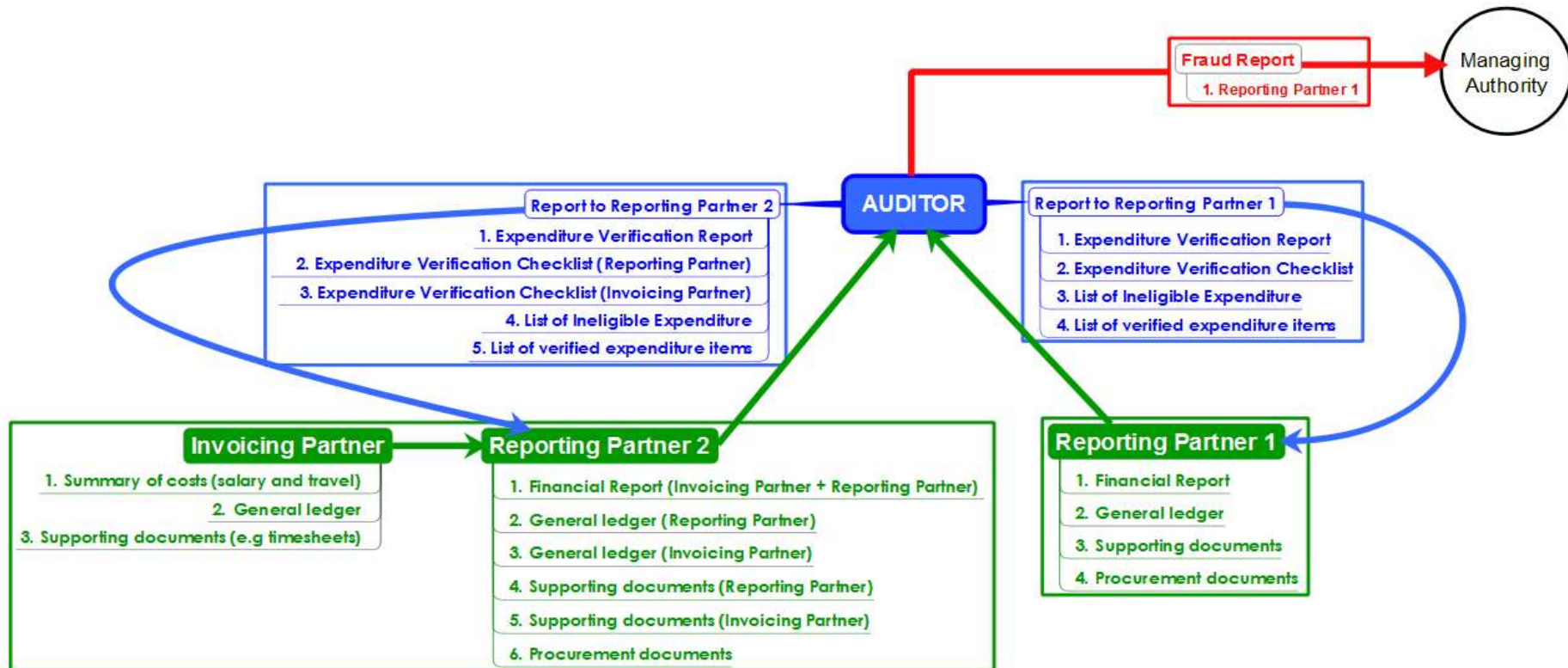


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# 1. Project consortium - auditors



## 2. Three Partners - one Auditor



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## 3. Lead Partner – Auditor

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## Key expectations

- Expenditure verification work
    - is performed in accordance with the guidelines (Annex 1)
    - verifies whether the Partner has applied the rules described in the Programme Manual (Part C Financial Management)
    - pays special attention to the staff costs, calculation basis (e.g. holiday bonuses and timesheets) and procurement processes
    - Indicates in the Financial Report the verified expenditure items / invoices, revenues and own contribution paid by external donors
  - Expenditure Verification Checklist (Annex 3)
    - comments where necessary in order to understand the full status and/or when answering only "Yes" or "No" does not give a clear answer
    - comments for any deviation and grounds for ineligibility (listed in details in Annex 4 List of ineligible expenditure)
  - Expenditure Verification Report (Annex 2)
    - gives a clear statement, is accurate and understandable (concise comments)
    - gives recommendations where necessary and monitors whether the Partner has implemented the given recommendations
    - reports irregularities, any deviations and risk indicators
- Overall expectation: Good quality expenditure verification work and good quality reporting

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## Key expectations

### Targets of verification, especially:

- Application of Programme rules
- Organization of project accounting
- General ledger listing all reported expenditure items/invoices
- Audit trail
- Sound financial management of the project, cost-efficiency and transparent use of Programme funding
- Calculation basis (e.g. salaries, timesheets, holiday bonuses, overtime work, sick leave)
- Procurement processes
- Proof of delivery and proof of payment
- Risk indicators
- Documentation
- Unusual expenditure



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**Thank you for your attention!**

<https://kareliacbc.fi/en/payments-and-expenditure-verification>



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