Commission Implementing Regulation (EU) 2015/1386 of 12 August 2015 laying down detailed rules implementing Regulation (EU) No 223/2014 of the European Parliament and of the Council as regards the models for the management declaration, the audit strategy, the audit opinion and the annual control report

COMMISSION IMPLEMENTING REGULATION (EU) 2015/1386

of 12 August 2015

laying down detailed rules implementing Regulation (EU) No 223/2014 of the European Parliament and of the Council as regards the models for the management declaration, the audit strategy, the audit opinion and the annual control report

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 223/2014 of the European Parliament and of the Council of 11 March 2014 on the Fund for European Aid to the Most Deprived[(1)], and in particular Articles 32(10) and 34(6) thereof,

After consulting the Committee for the Fund for European Aid for the Most Deprived,

Whereas:

(1) Commission Implementing Regulation (EU) 2015/341[(2)] lays down provisions necessary for the submission of certain information to the Commission. In order to ensure implementation of the programmes financed by the Fund for European Aid to the Most Deprived (the 'FEAD'), it is necessary to lay down further provisions for the application of Regulation (EU) No 223/2014. To facilitate a comprehensive view and the access to those provisions, those provisions should be set out in one implementing act.

(2) To harmonise standards for the preparation and presentation of the management declaration for which a managing authority is responsible pursuant to point (e) of Article 32(4) of Regulation (EU) No 223/2014, it is necessary to set out uniform conditions for its content in the form of a standard model.

(3) To harmonise standards for the preparation and presentation of the audit strategy, the audit opinion and the annual control report for which an audit authority is responsible pursuant to Article 34(4) and the first subparagraph of Article 34(5) of Regulation (EU) No 223/2014, a model should be provided setting out uniform conditions for the structure, and specifying the nature and the quality of the information to be used in their preparation.

(4) In order to allow for the prompt application of the measures provided for in this Regulation, this Regulation should enter into force on the day following that of its publication in the *Official Journal of the European Union*,

HAS ADOPTED THIS REGULATION:

Changes to legislation: There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2015/1386. (See end of Document for details)

Article 1

Model for the management declaration

The management declaration referred to in point (e) of Article 32(4) of Regulation (EU) No 223/2014 shall be submitted for each operational programme in accordance with the model set out in Annex I to this Regulation.

Article 2

Models for the audit strategy, the audit opinion and the annual control report

1 The audit strategy referred to in Article 34(4) of Regulation (EU) No 223/2014 shall be prepared in accordance with the model set out in Annex II to this Regulation.

2 The audit opinion referred to in point (a) of the first subparagraph of Article 34(5) of Regulation (EU) No 223/2014 shall be drawn up in accordance with the model set out in Annex III to this Regulation.

3 The annual control report referred to in point (b) of the first subparagraph of Article 34(5) of Regulation (EU) No 223/2014 shall be drawn up in accordance with the model set out in Annex IV to this Regulation.

Article 3

Entry into force

This Regulation shall enter into force on the day following its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 12 August 2015.

For the Commission

The President

Jean-Claude JUNCKER

***Changes to legislation:** There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2015/1386. (See end of Document for details)*

ANNEX I

Model for the management declaration

I/We, the undersigned (*name(s), first name(s), title(s) or function(s)*), Head of the managing authority for the operational programme (*name of the operational programme, CCI*)

based on the implementation of the (*name of operational programme*) during the accounting year ended 30 June (*year*),

based on my/our own judgment and on all information available to me/us at the date of the accounts submitted to the Commission, including the results from administrative and on-the-spot verifications carried out in accordance with Article 32(5) of Regulation (EU) No 223/2014 and from audits and controls in relation to the expenditure included in the payment applications submitted to the Commission in respect of the accounting year ended 30 June … (year),

and taking into account my/our obligations under Regulation (EU) No 223/2014 and in particular Article 32 thereof,

hereby declare that:

— the information in the accounts is properly presented, complete and accurate in accordance with Article 49(1) of Regulation (EU) No 223/2014,

— the expenditure entered in the accounts was used for its intended purpose, as defined in Regulation (EU) No 223/2014, and in accordance with the principle of sound financial management,

— the management and control system put in place for the operational programme gives the necessary guarantees concerning the legality and regularity of the underlying transactions, in conformity with the applicable law.

I/We confirm that irregularities identified in final audit or control reports in relation to the accounting year and reported in the annual summary attached to this declaration as required under Article 32(4)(e) of Regulation (EU) No 223/2014, have been appropriately treated in the accounts. Where necessary, adequate follow-up was given to deficiencies in the management and control system reported in those reports or is on-going as regards the following required remedial actions: … (if appropriate indicate which remedial actions are still on-going, at the date of signing the declaration).

I/We also confirm that expenditure which is subject to an ongoing assessment of its legality and regularity has been excluded from the accounts pending conclusion of the assessment, for possible inclusion in an interim payment application in a subsequent accounting year as provided for in Article 49(2) of Regulation (EU) No 223/2014.

Furthermore, I/we confirm the reliability of data relating to indicators [, (for OP I only) including, where relevant, data based on informed estimations in accordance with Commission Delegated Regulation (EU) No 1255/2014[(3)]]/[(for OP II only) and data relating to the progress of the operational programme, required under Article 32(2)(a) of Regulation (EU) No 223/2014]. I/we confirm that effective and proportionate anti-fraud measures under Article 32(4)(c) of Regulation (EU) No 223/2014 are in place and take account of the risks identified and that I/we am/are not aware of any undisclosed matter related to the implementation of the operational programme which could be damaging to the reputation of the Fund for European Aid to the Most Deprived.

Date

Signature(s)

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2015/1386. (See end of Document for details)*

ANNEX II

Model for the audit strategy

1. INTRODUCTION

This section shall include the following information:

— Identification of the operational programme(s) (title(s) and CCI[4]) and period covered by the audit strategy.

— Identification of the audit authority responsible for drawing up, monitoring and updating the audit strategy and of any other bodies that have contributed to this document.

— Reference to the status of the audit authority (national, regional or local public body) and the body in which it is located.

— Reference to the mission statement, audit charter or national legislation (where applicable) setting out the functions and responsibilities of the audit authority and other bodies carrying out audits under its responsibility.

— Confirmation by the audit authority that the bodies carrying out audits pursuant to Article 34(2) of Regulation (EU) No 223/2014 have the requisite functional independence (and organisational independence, where applicable under Article 31(5) of Regulation (EU) No 223/2014).

2. RISK ASSESSMENT

This section shall include the following information:

— Explanation of the risk assessment method followed.

— Reference to internal procedures for updating the risk assessment.

3. METHODOLOGY

This section shall include the following information:

3.1. Overview

— Reference to audit manuals or procedures containing the description of the main steps of the audit work, including the classification and treatment of the errors detected.

— Reference to the internationally accepted audit standards that the audit authority shall take into account for its audit work, as established by Article 34(3) of Regulation (EU) No 223/2014.

— Reference to the procedures in place for drawing up the control report and audit opinion to be submitted to the Commission in accordance with Article 34(5) of Regulation (EU) No 223/2014.

3.2. Audits on the functioning of management and control systems (system audits)

Indication of the bodies to be audited and the related key requirements in the context of system audits. Where applicable, reference to the audit body on which the audit authority relies to perform these audits.

Indication of any system audits targeted to specific thematic areas, such as:

— quality of the administrative and on-the-spot verifications referred to in Article 32(5) of Regulation (EU) No 223/2014, including in relation to the respect of public procurement rules, equal opportunities, reduction and prevention of food waste, and Union law on consumer product safety;

— functioning and security of IT systems set up in accordance with Articles 28(d), 32(2)(d) and 33(d) of Regulation (EU) No 223/2014; and their connection with the IT system, referred to in Article 30(4) of Regulation (EU) No 223/2014 ('SFC 2014');
— reliability of data relating to indicators and, for OP II, data relating to the progress of the operational programme in achieving its objectives provided by the managing authority under Article 32(2)(a) of Regulation (EU) No 223/2014;
— reporting of withdrawals and recoveries;
— implementation of effective and proportionate anti-fraud measures underpinned by a fraud risk assessment in line with Article 32(4)(c) of Regulation (EU) No 223/2014.

3.3. **Audits of operations**

Description of (or reference to internal document specifying) the sampling methodology to be used in line with Article 34(1) Regulation (EU) No 223/2014 and Article 6 of Commission Delegated Regulation (EU) No 532/2014[(5)] and other specific procedures in place for audits of operations, namely related with the classification and treatment of the errors detected, including suspected fraud.

3.4. **Audits of the accounts**

Description of the audit approach for the audit of the accounts.

3.5. **Verification of the management declaration**

Reference to the internal procedures setting out the work involved in the verification of the assertions contained in the management declaration, for the purpose of the audit opinion.

4. **AUDIT WORK PLANNED**

This section shall include the following information:
— Description and justification of the audit priorities and specific objectives in relation to the current accounting year and the two subsequent accounting years, together with an explanation of the linkage of the risk assessment results to the audit work planned.
— An indicative schedule of audit assignments in relation to the current accounting year and the two subsequent accounting years for system audits (including audits targeted to specific thematic areas), as follows:

Authorities/ Bodies or specific thematic areas to be audited	**CCI**	**OP Title**	**Body responsible for auditing**	**Result of risk assessment**	**20xx Audit objective and scope**	**20xx Audit objective and scope**	**20xx Audit objective and scope**

5. **RESOURCES**