



## Assurance and auditing of EAFRD financial instruments

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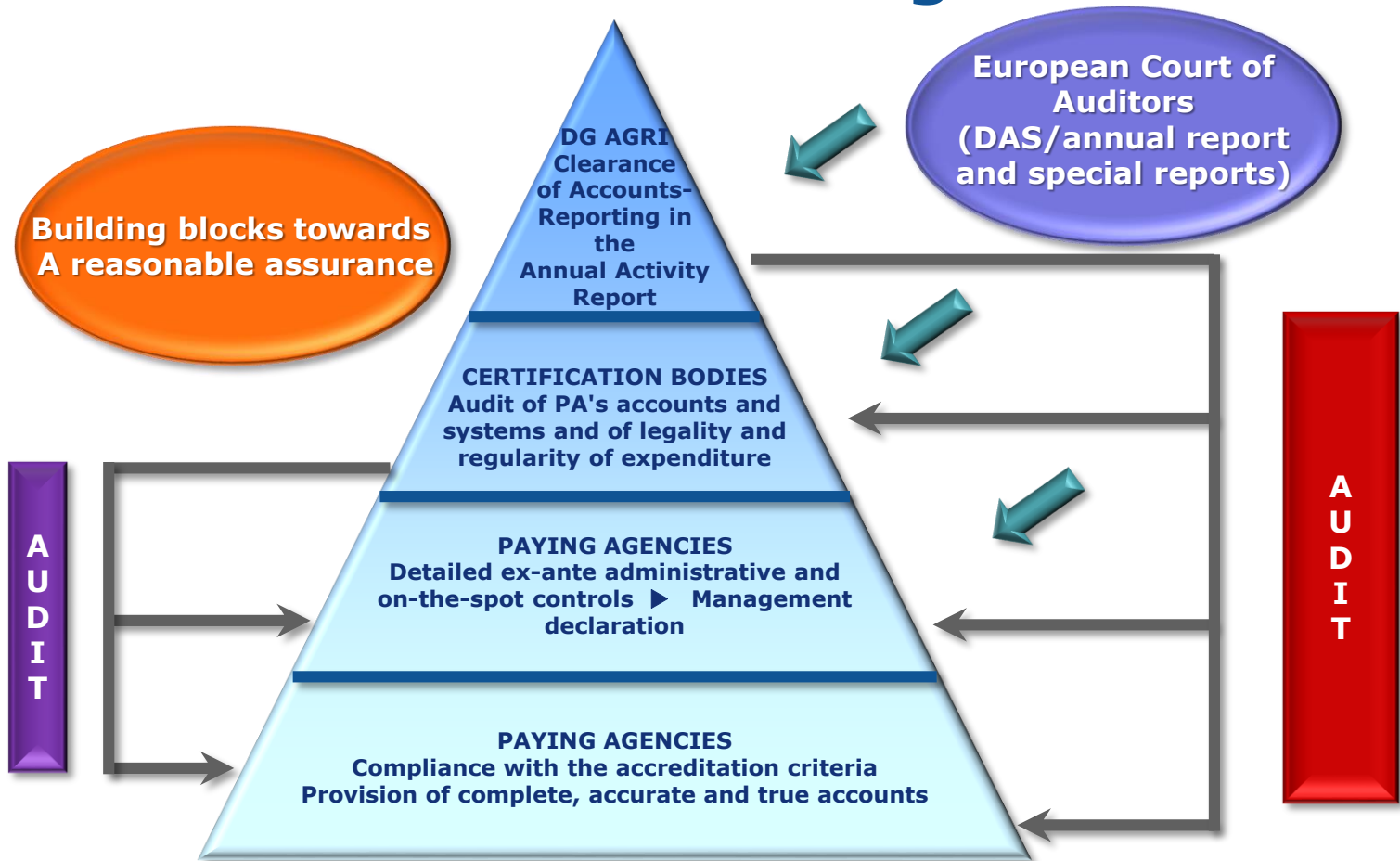


# **EAFRD Financial Instruments: Assurance and audit**

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**AGRI H.1 – Competency centre**  
**for assurance and audit**

**Targeted Coaching**  
**Sevilla, 23 October 2017**

# DG AGRI's assurance building model

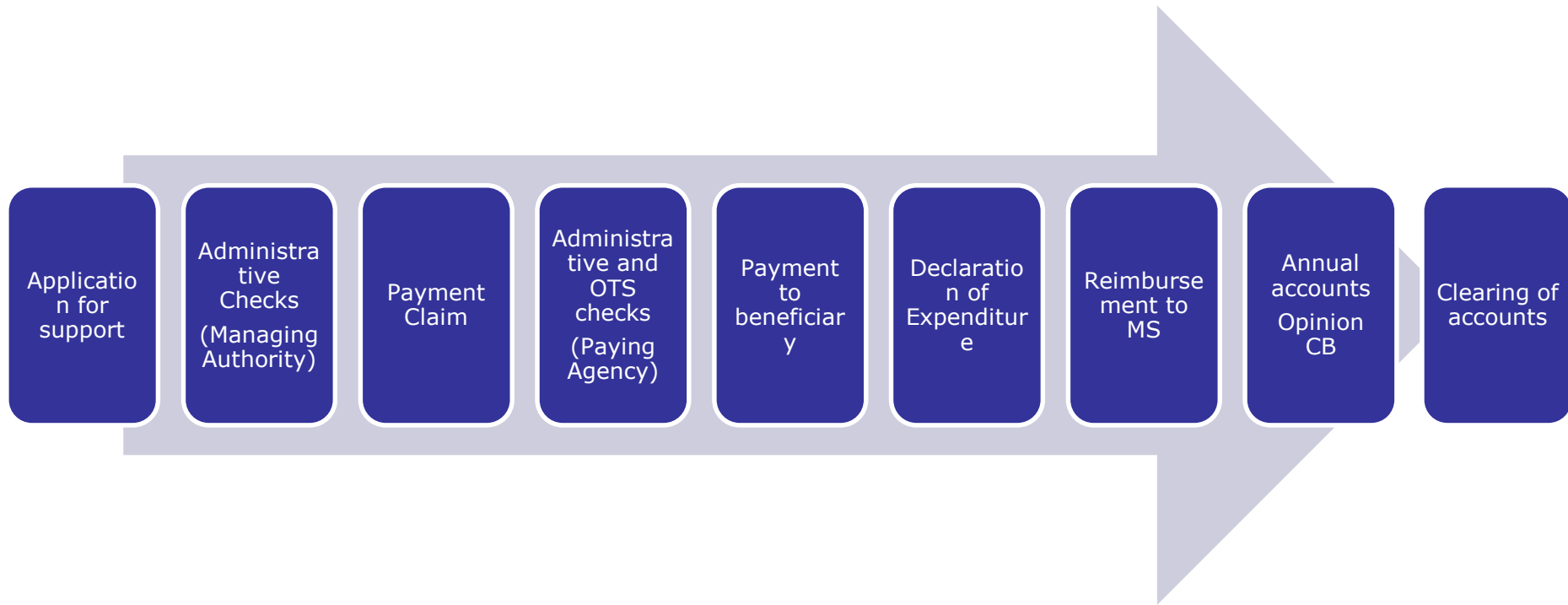




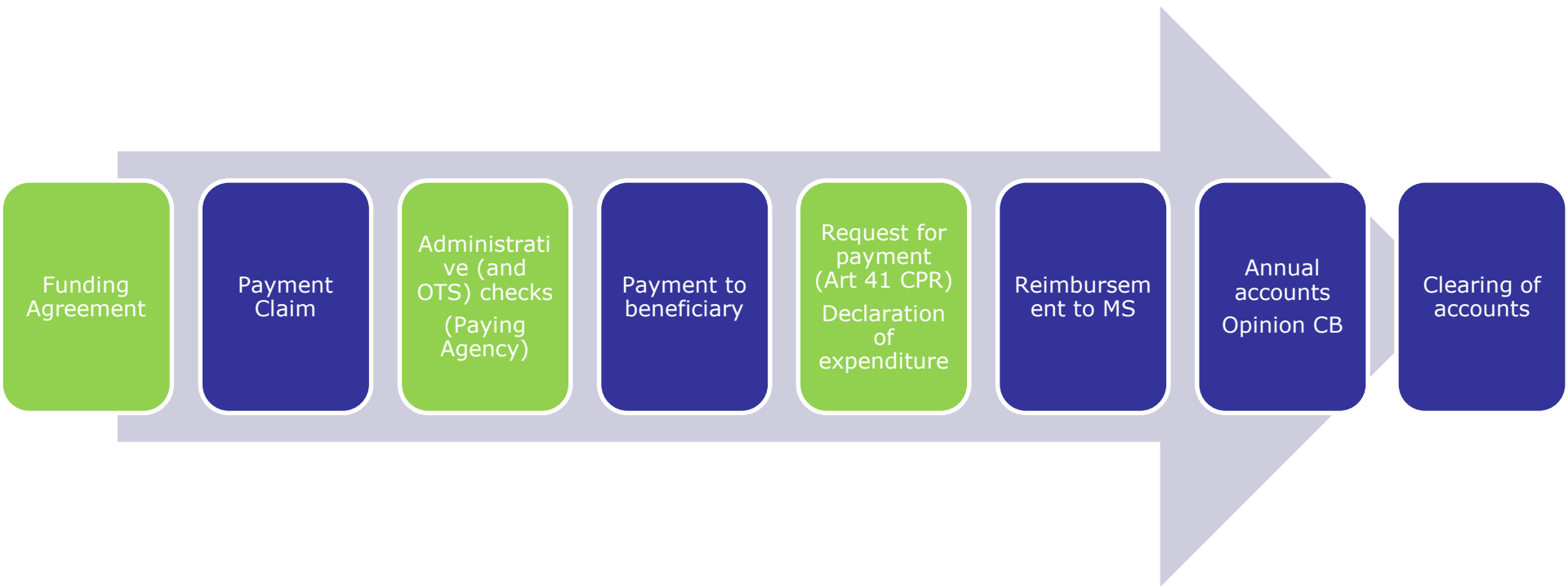
# Role of the Certification Body

- Independent (public or private) audit body
- Opinion on annual accounts of the paying agency
- Opinion on the functioning of the internal control systems of the paying agency
- **Opinion on legality and regularity of the expenditure based on re-performance of OTS and administrative checks**

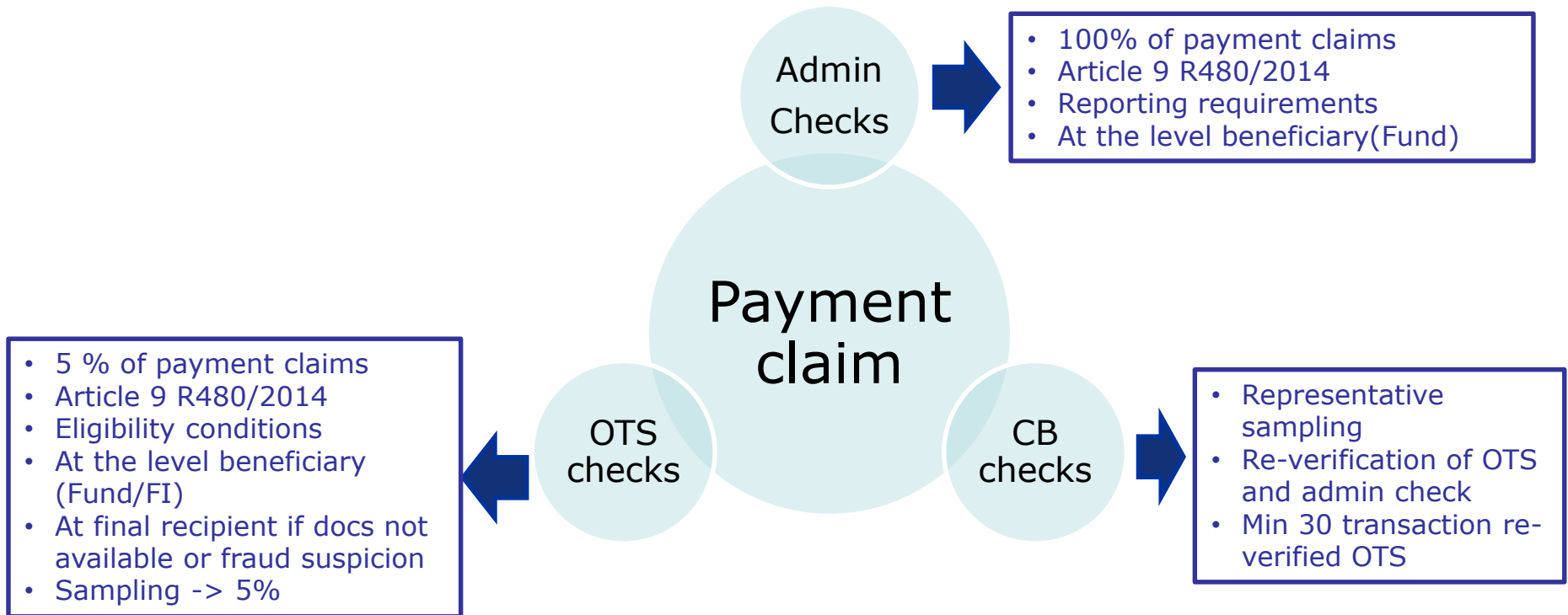
# Standard Payment Cycle



# Financial Instruments Payment Cycle

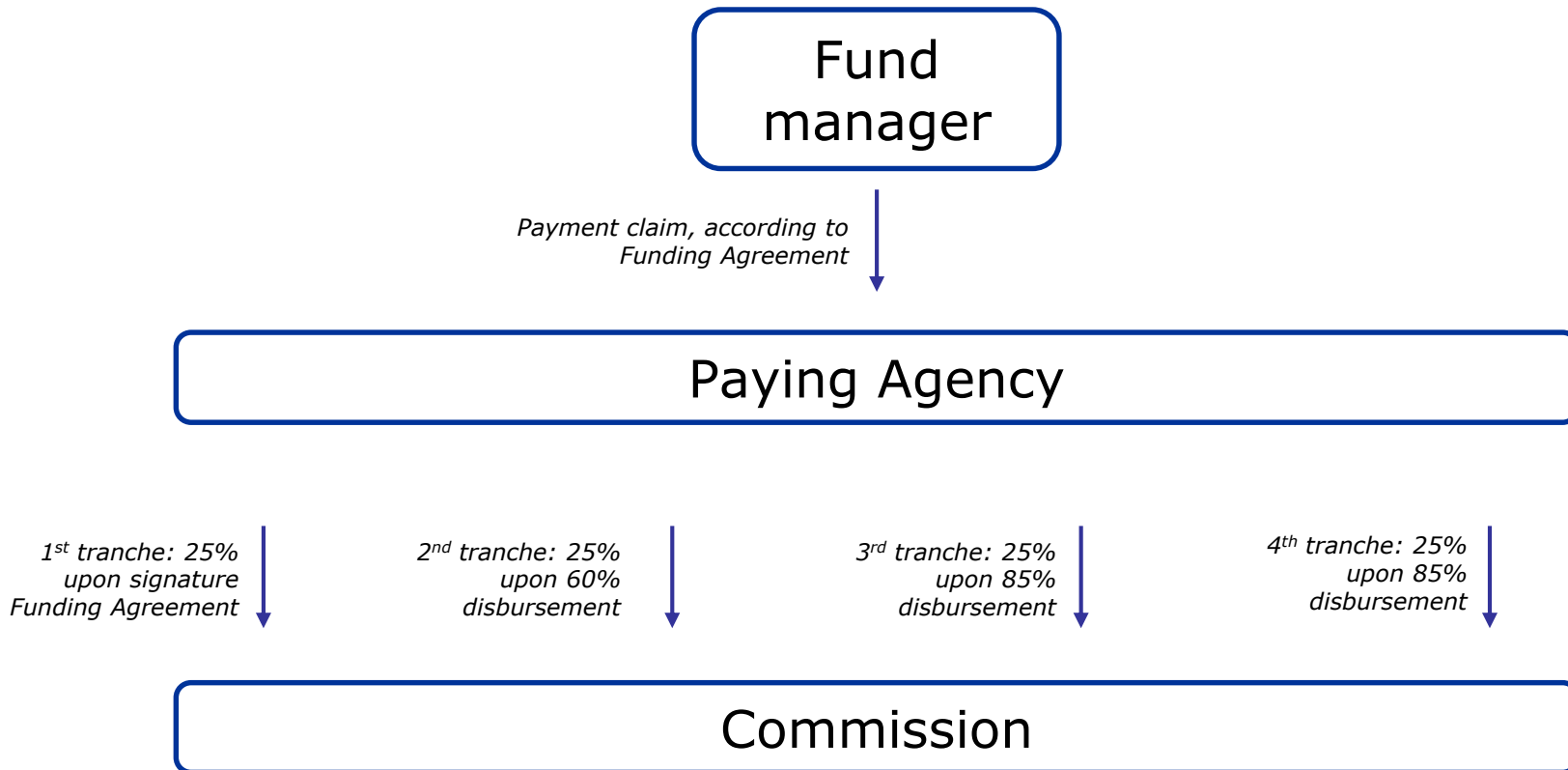


# Types of checks





## In practice, standard case...





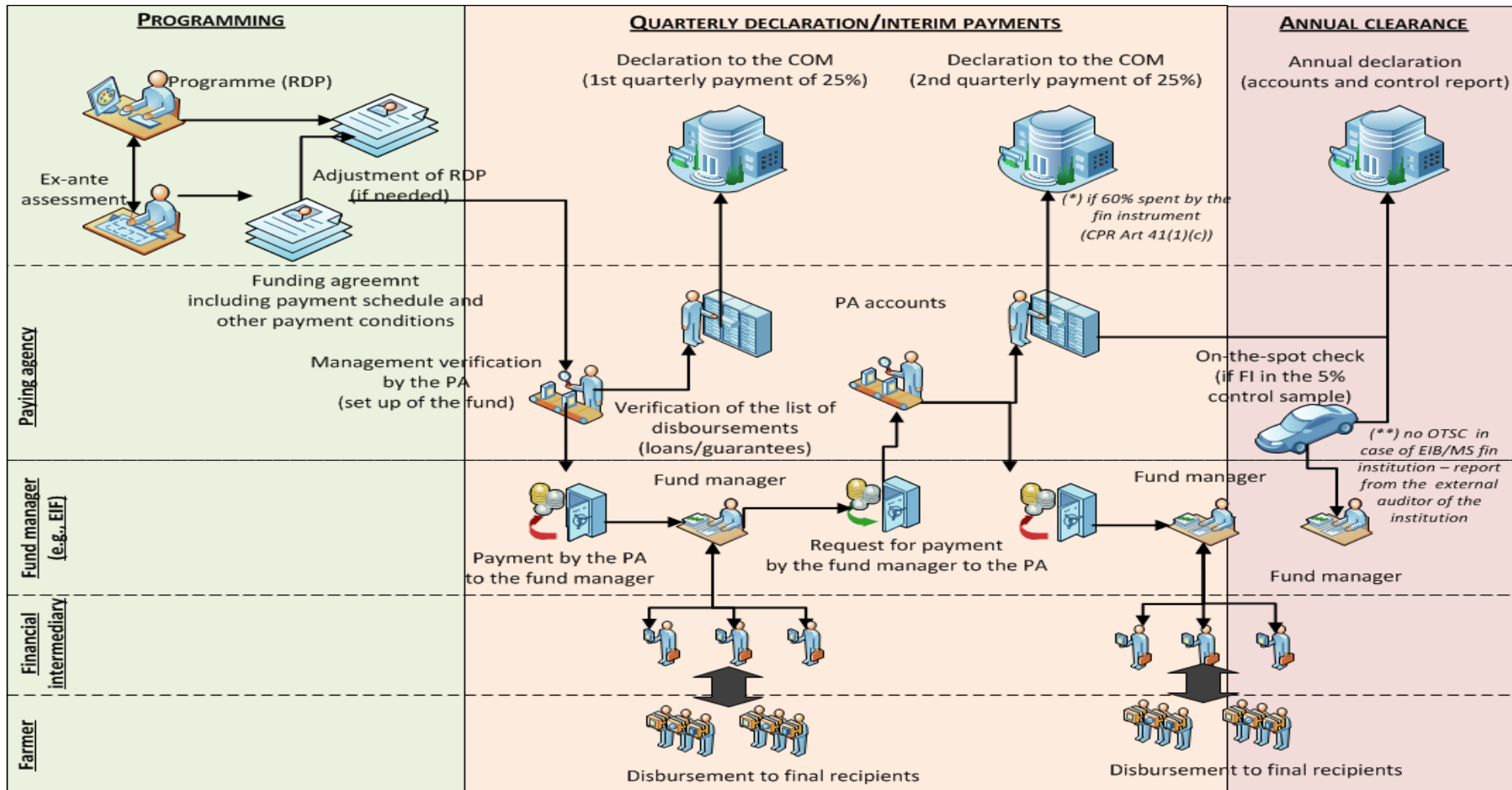


## Example...step by step

Financial Instrument  
(100 M€ frontloaded)

1. Funding Agreement is signed between Fund manager and MA
2. Fund manager submits a payment claim for 100M€ to the paying agency
3. Paying agency checks administratively claim (Art 9) and pays
4. Member States declares 25M€ to the Commission
5. Fund manager reports disbursement of 15M€ ( $25 \times 60\%$ ) to final recipients
6. Paying Agency checks administratively and where relevant OTS (Art 9)-> CB
7. Member State declares 25M€ to the Commission
8. Fund manager reports disbursement of 42,5 M€ ( $50 \times 85\%$ ) to final recipients
9. Paying Agency checks administratively and where relevant OTS (Art 9)-> CB
10. Member State declares 25M€ to the Commission
11. Fund manager reports disbursement of 63,75M€ ( $75 \times 85\%$ ) to final recipients
12. Paying Agency checks administratively and where relevant OTS (Art 9)-> CB
13. Member State declares 25M€ to the Commission

# Flow-chart





Thank You



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