

PROJECT OBJECTIVES & COMPONENTS

MAIN OBJECTIVE

The overall objective of the project is to prepare the Beneficiary Country and more specific the beneficiary AA for the sound financial management of the EU Instruments upon accession, in line with the EU requirements. It aims to increase know-how, effectiveness and impact of the Audit Authority involved in the audit of EU funds and to increase efficiency during implementation including the swift response to emerging priorities.

COMPONENTS

The project covers the following main components:

COMPONENT 1: IMPROVED LEGAL FRAMEWORK

Prepared new/amendments of the Law for the competences of the Audit Authority, that will include its responsibilities arising from the IPA II and fostering the independence of the Audit Authority.

Benchmarks

- Analysis report of current legislation prepared;
- Amendments proposed to update the legal framework;
- Road-map (means, time and purpose) to achieve the update of the law.

COMPONENT 2: STRENGTHENED ADMINISTRATIVE AND OPERATIONAL CAPACITIES

Prepared assessment and recommendations for enhancement of the audit procedures including analytical review of existing quality control in practice at AA and preparing detailed map of the current quality control system, mapping out all strengths and weaknesses as well as compliance with the relevant standards. Improved audit manuals in accordance with IPA II regulations, including revised existing methodology and provided recommendations to improve for IPA II requirements. Revised Audit Authority's strategies and Guidelines: revised IT Strategy and Risk Strategy and new Audit Strategy prepared for IPA II in accordance with the Framework Agreement 2014-2020 (3 year Audit Strategy).

Benchmarks

- Analysis of instructions, guidelines and manuals in the transit area;
- Analysis of instructions, guidelines and manuals in the other listed and agreed areas;
- Recommendations prepared;
- The audit methodology will be laid down in a revised version of the audit manual, which will also contain a set of templates for mandatory AA results as well as checklists for all relevant audit processes, covering all audits both under the IPA and IPA II regime.

- Deliverables will be the updated version of both IT and Risk strategy as well as an updated audit strategy prepared for IPA II in accordance with the Framework Agreement 2014-2020 (3 year Audit Strategy)

COMPONENT 3: ENHANCEMENT OF THE AUDIT SKILLS

The audit processes and procedures are streamlined with the International Auditing Standards, EU best practices and lessons learnt from the EU member states and EU candidate countries, including:

- (i) staff trained through pilot audits on new revised audit procedures in compliance with IPA II requirements and making use of the similar experience for audit of EU funds from the member states (audit techniques, working papers, sub sampling techniques);
- (ii) auditors trained to use valid templates of the reports developed for IPA II regulation;
- (iii) trained staff in relation to the fulfilment of the Audit Authority's current and upcoming competences (improving the analytical capacities of staff and quality assurance in practice; training staff aiming to perform comprehensive on the spot checks; enhancement of the auditors skills for verification of the expenditures, legality and regularity of transactions; improving skills for performing financial audits).

Benchmarks

- Audits for operations of 3 contracts;
- System audit of the process of accounting;
- 1 system audit of the IPA II;
- Training Needs Analysis;
- 6 IPA content trainings
- Study visit & internship;
- CAATS training.

PROJECT MISSION, IMPLEMENTATION & RESULTS

MISION

The mission of the this Twinning project is to contribute to the safeguarding of EU's and Beneficiary Country's financial interests through enhancement of the effective auditing of EU funded projects.

IMPLEMENTATION

The project started on 18 May 2016 and will last 16 months. The total value of the project amounts to EUR 600.000.

This Twinning project is being implemented with the assistance of the Central Audit Service, Dutch Ministry of Finance in cooperation with the Croatian Agency for Audit of European Union Programmes Implementation System (ARPA).

EXPECTED RESULTS

The expected results of the project can be defined as:

- Sound analysis of the existing situation including recommendations for improvement.
- Developed audit manuals covering all relevant aspects of AA's main responsibilities.
- Trainings and workshops successfully organized in all relevant audit fields.
- Study visits to experience setup, organisations and day - to - day execution in the contracting member states The Netherlands, Croatia and Portugal.
- Internships organized and executed for 4 auditors of AA staff in The Netherlands and Croatia.