

# Performance Auditing of EU Co-Funded Investments carried out by the European Court of Auditors

*Results or no results, that's the question*

Rome (IT), 29-30 May 2017



[www.eipa.eu](http://www.eipa.eu)

### What is this course about?

The new legal framework 2014-2020 has the ambition to be a more results oriented spending framework. **Performance and results are the new key words:** there is a new 'performance framework' based on 'partnership agreements' indicating the strategic choices upfront, and the intervention strategy is set. Moreover, a 'performance reserve' of 6% is allocated to priorities which achieve the milestones set, and a 'performance review' is to be done by the Commission in 2019 against milestones set for end 2018.

The **European Court of Auditors (ECA)** carries out three types of audit in the area of the EU Policies: **financial, compliance and performance audit**. Each of them has different objectives and addresses different audit questions. **Performance audit assesses results and outcomes of EU Cohesion Policy and EU Rural Development Policy** spending.

As the **European Commission** was requested to focus more on the **effectiveness of co-financed projects**, and to introduce the principle that EU funding should be conditional upon attainment of planned results, **performance audit knowledge and techniques have become crucial** for both closing programmes of 2007-2013, and for **correctly implementing the current programming period 2014-2020**.

During this highly practical course, you will learn about all aspects of each stage of the performance audit process, from the preliminary study, the risk assessment techniques, the audit planning and practical audit implementation up to drawing conclusion techniques and reporting the audit results with clear conclusions and relevant recommendations for improved quality of spending to managers.

### How will it help you?

The **unique feature of this training is to have an insight in how the European Court of Auditors plan, prepare and implement their audit assignments, as it will cover real audit case studies in different fields: maritime and air transport, energy efficiency, rural development, innovation and R+D, etc.** After the presentation of each stage of performance audit, you will work on real life case studies in small working groups with direct guidance of ECA's experts. During seminar you will be also able to discuss individually with ECA' experts your projects and problems.

### Who will benefit most?

Beneficiaries eligible under Structural Funds, Cohesion Fund, European Agricultural Fund for Rural Development and IPA II, Managing Authorities, Certifying Authorities and Audit Authorities, Supreme Audit Institutions, Intermediate Bodies, as well as independent auditors dealing with or interested in EU funded project and programmes and consulting companies specialised in auditing EU co-funded programmes and projects.

# Programme

## MONDAY 29 MAY 2017

- 08.45 **Registration and handout of seminar materials**
- 09.00 **Welcome speech by representative of the Italian Court of Auditors**
- 09.15 **Opening of the seminar: introduction to the programme, objectives and methodology; Participants' presentation to endorse networking**  
*Iwona Karwot, EIPA Barcelona and Luc T'Joen, European Court of Auditors*

### **I. Setting the scene: What is a performance audit, and how do we plan one?**

- 09.45 **Performance audit approach and objectives: the three "E"s (Economy, Efficiency, Effectiveness); the distinction with financial, compliance and internal auditing; the European Court of Auditor's mandate**  
*Luc T'Joen*

- 10.30 Coffee break

- 10.45 **Overview of the performance audit cycle: main steps - Purpose of the preliminary study and risk assessment**  
*Lorenzo Pirelli, European Court of Auditors*

- 11.30 **Workshop I: What exactly should we audit?**

#### **Case studies:**

- 1. Maritime transport and air transport**
- 2. Energy efficiency and rural infrastructure**

Based on hand-outs prepared by the Court's experts, four case studies dealing with maritime and air transport from one side and with energy efficiency and rural infrastructure from the other side, will be developed focusing on the following issues:

1. What is a Programme Logic Model?
2. Risk assessment: how to identify the main risks, and assess their likelihood and importance?
3. Which of the three "E's" will you choose?

*Luc T'Joen and Lorenzo Pirelli*

- 12.30 **Plenary session with short group presentations**

- 13.00 Joint lunch in the Hotel Clodio restaurant

- 14.45 **Outlining the performance audit plan: defining audit questions, scope, criteria, methodology and preparing an evidence collection plan**  
*Luc T'Joen*

- 15.45 **Workshop II: How are we going to do the audit?**

#### **Case studies:**

- 1. Maritime transport and air transport**
- 2. Energy efficiency and rural infrastructure**

Participants will be guided by the Court's experts on:

1. How to formulate the main audit question?
2. How to complete an evidence collection plan?

*Luc T'Joen and Lorenzo Pirelli*

- 17.00 **Plenary session with short group presentations**

- 17.30 **End of day one**

- 17.30 Walking sightseeing tour of the city (2 hrs approx.)

- 20.00 Welcome dinner at the city centre

## TUESDAY 30 MAY 2017

### **II. Implementing a performance audit**

- 09.00 **Presentation of the real life findings of the maritime transport and airports performance audits**  
*Luc T'Joen*

- 10.30 Coffee break

- 10.45 **Presentation of the real life findings of the energy efficiency and rural infrastructure performance audits**  
*Lorenzo Pirelli*

- 12.15 **Plenary session - Questions & Answers**

- 12.45 Joint lunch in the Hotel Clodio restaurant

### **III. Reporting on a performance audit**

- 14.30 **Drafting a performance audit report: main principles and quality checks; drawing conclusions techniques, and making recommendations to improve spending quality**  
*Luc T'Joen*

# Programme

## 15.00 **Workshop III: Which report would you publish?**

Using the detailed feedback of the morning presentations on the real life findings on the four performance audits, participants will be working again in groups, guided by the Court's experts, on:

1. What would be the main parts and headings of your audit report?
2. Which conclusions would you draw, and in what order?
3. What recommendations would you make?

*Luc T'Joen and Lorenzo Pirelli*

## 16.15 **Plenary session with short group presentations**

### **IV. Impact and follow-up of a performance audit**

## 16.45 **Examples of impact of performance audits - Follow-up of recommendations**

*Lorenzo Pirelli*

### **V. Implementing a performance audit in your organisation**

## 17.15 **Final discussion on how to implement a performance audit in your organisation**

*Luc T'Joen and Lorenzo Pirelli*

## 17.45 **Closure of seminar and issuing of EIPA certificates to participants**

*Iwona Karwot and Luc T'Joen*

### **EXPERTS**

(in alphabetical order)

#### **Ms Iwona Karwot (PL)**

Senior Lecturer and project leader, EIPA Barcelona, PhD in EU Regional Policy; she specialises in EU funds with a main focus on the European Regional Development Fund (ERDF) and pre-accession funds (PHARE, IPA, IPA II). She has working experience as an EU expert, trainer, manager and adviser in the framework of Institutional Building and Technical Assistance EU projects in the field of regional development: Poland, Slovakia, Romania, Croatia, Macedonia, Serbia, Turkey, Albania, Spain, Germany, France, Luxembourg, etc.

#### **Mr Luc T'Joen (BE)**

Senior Administrator, Transport and Energy - Performance Audit, European Court of Auditors. Having a fiscal economy background, Luc T'Joen dealt for ten years with economic customs policy legislation and controls in the Belgian Ministry of Finances and, for 19 years, he was involved in legislation, revenue controls, investigations and financial audits as a European Commission official in the Directorates-General Taxation and Customs Union, Budget and Eurostat. As of 2008, Mr T'Joen joined the European Court of Auditors leading teams dealing with performance audits in the fields of structural funds, transport, research and energy. The most recent special reports on transport of his teams, published by the European Court of Auditors deal with the effectiveness of cohesion policy spending for seaport infrastructures (SR4/2012), the effectiveness of the Marco Polo programmes (SR3/2013), a Special Report on the cost-effectiveness of cohesion policy spending for airport infrastructures (SR21/2014) and the special report on maritime transport within the EU (SR23/2016).

#### **Lorenzo Pirelli (IT)**

Auditor of transport, energy, research and rural infrastructures performance audits, European Court of Auditors. Lorenzo Pirelli, PhD in Management, Economics and Industrial Engineering at Milan Polytechnic University, has a background in the field of EU research and innovation policies. He analyzed the effectiveness of EU instruments fostering start-up firms' growth, such as venture capital, incubators and research programmes. He published his research in the main scientific journals and taught as Assistant Professor the course of Economics and Business Administration. He joined the European Court of Auditors in 2010 and carried out several performance audits in the fields of Cohesion policy funds, transport, energy, research and rural development (such as seaports, multi-modality, airports, energy efficiency, business incubators, training and rural infrastructure) and he is currently leading a performance audit on young farmers.



*'Not everything that can be counted counts, and not everything that counts can be counted' A. Einstein*

# General Information

## Programme

The programme will commence on Monday at 08.45 and will finish on Tuesday at 18.00.

## Seminar venue

### Italian Court of Auditors / Corte dei Conti

Largo Don Giuseppe Morosini, 1/A, Edificio Montezemolo  
00195 Roma

## Working language

The seminar will be conducted in English.

## Fee

EIPA members' fee\*: €995

Regular fee: €1100

The participation fee includes documentation, two lunches, one dinner, refreshments and a walking guided tour of the city. Accommodation and travel costs are at the expense of the participants or their administration. For more information, please visit EIPA's website: <http://seminars.eipa.eu> (Training courses - Discount policy)

\* EIPA members can take advantage of a reduced fee; this is available to all civil servants working for one of EIPA's member countries (i.e. AT, BE, BG, CY, CZ, DE, DK, ES, FI, FR, GR, HU, IE, IT, LT, LU, MT, NL, NO, PL, PT, SE, UK), and civil servants working for an EU institution, body or agency.

## Hotel reservations

EIPA Barcelona will be pleased to make reservations for you at the following hotel which is 10 minutes walking distance from the venue where the seminar will take place. Special rates apply for EIPA participants:

### Hotel Clodio

Via di Santa Lucia 10

00195 Roma

Tel.: +39 06 37 21 122

[www.hotelclodio.it](http://www.hotelclodio.it)

Rates of room with breakfast buffet included:

- Double room for single use: €130 + €6 tax.
- Double room for two persons: €160 + €12 tax.

Should you wish to make use of this possibility, please indicate the dates of arrival and departure on the registration form as well as the type of room required. Payment is to be made directly and personally to the hotel upon checking out. Please note that if you register after the deadline, hotel reservations cannot be guaranteed.

## Meals

Lunches will be served at a restaurant nearby the conference venue and dinner on the first evening will be at a restaurant in town. Should you require a special menu (e.g. vegetarian, diabetic), please inform the Programme Organiser so that this can be arranged.

## Registration

Kindly complete the online registration form which can be found on EIPA's website <http://seminars.eipa.eu> before **15 May 2017**.

Your name and address will be part of EIPA's database for our mailing purpose only. If you do not want to be included in our mailing database, please tick the box on the registration form.

## Confirmation

Confirmation of registration will be forwarded to participants on receipt of the completed registration form. Moreover, when it is confirmed that the seminar will take place, the participant will receive a confirmation letter by e-mail from the Programme Organiser, with some other details.

## Payment

Prior payment is a condition for participation. Please indicate the method of payment on the registration form. For cancellations received within 15 days before the activity begins, we will have to charge an administration fee of €150 unless a replacement participant is found.

## Cancellation policy

EIPA reserves the right to cancel the seminar up to two weeks before the starting date. EIPA accepts no responsibility for any costs incurred (travel, hotel, etc.). For more information: <http://seminars.eipa.eu> (Training courses - Cancellation policy).

## Programme Organiser

Ms Miriam Escolà

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