

## [<sup>X1</sup>ANNEX V

### MODEL AUDIT STRATEGY PURSUANT TO ARTICLE 62(1)(c) OF REGULATION (EC) No 1083/2006

#### **Editorial Information**

**X1** Substituted by [Corrigendum to Commission Regulation \(EC\) No 1828/2006 of 8 December 2006 setting out rules for the implementation of Council Regulation \(EC\) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation \(EC\) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund \(Official Journal of the European Union L 371 of 27 December 2006\)](#).

1. INTRODUCTION
  - Identification of the audit authority responsible for drawing up the audit strategy and of any other bodies which have contributed. Explanation of the procedure followed for drawing up the audit strategy.
  - Specification of the overall objectives of the audit strategy.
  - Explanation of the functions and responsibility of the audit authority and other bodies carrying out audits under its responsibility.
  - Indication of the independence of the audit authority from the managing authority and certifying authority.
  - Confirmation by the audit authority that the bodies carrying out audits pursuant to Article 62(3) of Regulation (EC) No 1083/2006 have the requisite functional independence.
2. LEGAL BASIS AND SCOPE
  - Indication of any national regulatory framework that affects the audit authority and its functions.
  - Indication of the period covered by the strategy.
  - Indication of the Funds, programmes and areas covered by the strategy.
3. METHODOLOGY
  - Indication of the audit methodology to be followed taking account of internationally accepted audit standards (including, but not limited to, INTOSAI, IFAC and IIA), audit manuals and other specific documents.
4. AUDIT APPROACH AND PRIORITIES
  - Materiality thresholds for planning purposes and for reporting deficiencies.
  - Indication of the types of audits to be carried out (system audits, audits of operations).
  - *For system audits:*
    - (a) specification of the body or bodies responsible for the audit work;
    - (b) specification of the bodies to be audited;
    - (c) indication of any horizontal issues to be covered by the system audits, such as public procurement, state aid, environmental requirements, equal opportunities and IT systems.
  - *For audits of operations:*

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**Changes to legislation:** There are currently no known outstanding effects for the  
Commission Regulation (EC) No 1828/2006, ANNEX V. (See end of Document for details)

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- (a) specification of the body or bodies responsible for the audit work;
  - (b) specification of the criteria for determining the assurance level gained from system audits and reference to the documentation used for applying the sampling methodology set out in Article 17;
  - (c) specification of the procedure for determining steps to be taken where material errors are detected.
- Indication and justification of the priorities and audit objectives established for the whole of the programming period.
  - Explanation of the linkage of the risk assessment results to the audit work planned.
  - An indicative audit schedule of audit assignments for the forthcoming year provided in a table format.
5. RISK ASSESSMENT
- Indication of the procedures followed, including the extent to which the results of previous audits of the bodies and systems have been taken into account (for example, audits from the 2000-2006 period, audit work for the compliance assessment).
  - Indication of the managing authority, certifying authority and intermediate bodies covered.
  - Indication of the risk factors taken into account, including any horizontal issues identified as risk areas.
  - Indication of the results through identification and prioritisation of the key bodies, processes, controls and programmes and priority axes to audit.
6. RELIANCE ON THE WORK OF OTHERS
- Indication of the extent to which certain components are audited by other auditors and the extent of potential reliance on such work.
  - Explanation of how the audit authority will ensure the quality of the work carried out by the other audit bodies, taking account of internationally accepted audit standards.
7. RESOURCES
- Indication of planned resources to be allocated, at least for the forthcoming year.
8. REPORTING
- Indication of internal procedures for reporting, such as provisional and final audit reports, and of the right of the body audited to be heard and to provide an explanation before a final position is taken.]

**Changes to legislation:**

There are currently no known outstanding effects for the Commission Regulation (EC) No 1828/2006, ANNEX V.