Control mechanism applicable to Partners

What is the assessment of A or P

In order to better take account of the diversity of DG ECHO's partners and to establish a more effective control environment as imposed by the Financial Regulation, the FPA 2008 established differentiated control mechanisms of the humanitarian actions. The applicable control mechanisms are based on DG ECHO's ex ante assessment of the humanitarian organisation's internal control mechanisms and risk management, financial strength and procurement rules. The FPA 2008 introduced the following two control mechanisms for Actions:

- **A** – control mechanisms (A standing for Action related monitoring): these mechanisms do not require the same level of ex ante assurance with respect to the compliance of the procedures of the partner. For grant agreements under A-control mechanisms, the partner must comply with stricter procurement rules, applicable for the award of contracts exceeding EUR 60,000. The actions are subject to more thorough monitoring during the action, to a more focused control at liquidation stage and to ex-post audits mainly focused on the actions. The actions are subject to a maximum funding threshold per action. Above this threshold, additional controls will have to be implemented.

- **P** – control mechanisms (P standing for Prior assessment and own Procedures): these mechanisms are applicable to those humanitarian actions where the partner's internal procedures are recognised as equivalent to those established in the FPA. In practical terms, this recognition is translated into greater flexibility in managing the humanitarian action. For instance, for grant agreements under P-control mechanisms, the partner applies its own procurement procedures. The humanitarian actions are not subject to contractual limits on funding.

The applicable A or P – control mechanism will be established by DG ECHO based on the following three domains:

- the partner's financial strength (e.g. annual turnover, dependency on DG ECHO or Commission funds, management of accounting system, and the like);
- the partner's internal control and risk management (audit trail, adequate segregation of duties, accountability procedures, risk appraisal and the like);
- the partner's procurement rules (the availability of written procedures, applicable thresholds, application of mandatory principles of Annex IV, and the like).

Together with the application dossier, applicants are asked to fill in the A & P Questionnaire indicating its internal control mechanisms and risk management, financial strength and procurement rules and available of DG ECHO's website.

However, as a general rule, for new partners of DG ECHO the **A-control mechanism** will be applied.