SCOs from the audit perspective

LEADER Thematic Lab
'LEADER funding made simpler – using SCOs in the transition period and under the CAP Strategic Plans'
26 April 2021

AGRI.Unit.H.4

Agriculture
and Rural
Development

Have you already implemented some SCO?

The auditors focus on the following controls:

Application for support

Appropriate verification of the reasonableness of costs (audit of the methodology and the calculation)

Art. 67(5) of Reg. (EU) No 1303/2013

The auditors focus on the following controls:

Application for support

Appropriate checks on the eligibility of the costs (if method is applied)

Art. 48(2)(d) of Reg. (EU) No 809/2014

The auditors focus on the following controls:

Payment claim

Adequate verification of all payment claims

Art. 48(3) Reg. (EU) No 809/2014

The auditors focus on the following controls:

Adequate audit trail

Art. 67(5)(a) of Reg. (EU) No 1303/2013 and Art. 49 of Reg. (EU) No 1306/2013

Deficiencies detected during the audits

- **Lack of evidence as regards the treatment of data – underlying data and calculations**

- **No reliable justification for the data sources used**

- **No access to the underlying data used in the SCO methodology due to outsourcing data from (multiple) external parties**

- **No verification of the real output of the operation**

Important to be considered:

SCOs shall be based on sound methodology.

All assumptions used for the methodology should be well justified.

Data sources should be relevant.

Important to be considered:

Calculations are fair and equitable if they are based on reality.

The methodology should be clear: It should be possible for the auditors to verify the selected individual costs via the calculations to the source data.

Important to be considered:

The operation realisation as planned, the quantities involved in the project and that the operation is genuine need to be verified, either by in-situ visit or any other reliable method.