

Key requirements of the management and control systems and their classification  
with regard to their effective functioning

Table 1

Key requirements			
	Key requirements of the management and control systems	Bodies/authorities concerned	Scope
1	Adequate description and separation of functions and adequate systems for reporting and monitoring where the Responsible Authority entrusts execution of tasks to another body	Responsible Authority/ Delegated Authority	Internal environment
2	Appropriate selection of projects	Responsible Authority/ Delegated Authority	Control activities
3	Adequate information to beneficiaries, potential beneficiaries and the public	Responsible Authority/ Delegated Authority	Internal information and communication
4	Adequate controls	Responsible Authority/ Delegated Authority	Control activities
5	Effective systems and procedures to ensure that all the documents regarding expenditure and controls are held to ensure an adequate audit trail	Responsible Authority/ Delegated Authority	Control activities
6	Reliable computerised systems for accounting, for the storage and transmission of financial data and data on indicators, for monitoring and for reporting	Responsible Authority/ Delegated Authority	Control activities/ Internal information and communication
7	Effective implementation of procedures for the prevention, detection and correction of irregularities including proportionate anti-fraud measures	Responsible Authority/ Delegated Authority	Control activities
8	Appropriate procedures for drawing up the annual accounts, the management declaration and the annual summary of final audit reports and of controls carried out	Responsible Authority/ Delegated Authority	Control activities
9	Appropriate and complete account of amounts recoverable, recovered and cancelled	Responsible Authority/ Delegated Authority	Control activities
10	Adequate description and separation of functions, functional independence from the Responsible Authority and adequate systems for ensuring that any other body that carries out audits has the necessary functional independence and takes accounts of internationally accepted audit standards	Audit Authority	Internal environment
11	Adequate system audits	Audit Authority	Control activities
12	Adequate audits of expenditure	Audit Authority	Control activities
13	Adequate audits of accounts	Audit Authority	Control activities
14	Adequate procedures for providing reliable audit opinions and audit reports	Audit Authority	Control activities

Table 2

<b>Classification of key requirements for the management and control systems with regard to their functioning</b>	
Category 1	Works well. No, or only minor improvement(s) needed
Category 2	Works. Some improvement(s) needed
Category 3	Works partially. Substantial improvements needed
Category 4	Essentially does not work'