



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR EUROPEAN CIVIL PROTECTION AND HUMANITARIAN AID
OPERATIONS (ECHO)
Resources
Programming, Control and Reporting

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DG ECHO

list of standard documents requested to support audited expenditure in financial audits of ECHO Partners

The purpose of this list of documents is to assist ECHO partners selected for an ECHO audit in preparing for the financial audits of grant agreements.

It is important to note that, **the documents listed below are not exhaustive**. The auditors might need additional information during their audits. However, the list is a fair display of documentation requested for verifiability of expenditure claimed from DG ECHO.

1. CONTRACTUAL AND TECHNICAL INFORMATION

- Grant agreement(s) and all annexes;
- Amendment(s) to the agreement(s);
- Initial budget(s) and revised budget(s);
- Monitoring reports (e.g. indicator tracker), narrative reports (e.g. Single Form IRs) and evaluation report(s).

2. INTERNAL CONTROL INFORMATION

2.1. Accounting, financial management and reporting

- Segregation of duties / authorization matrix showing the staff responsible for initiation, recording, approval, and payment of transactions; Manual of financial procedures applicable at HQ and country level (country of grant implementation that is subject of the audit);
- Shared cost allocation methodology and corresponding calculations (e.g. Excel file showing how costs were distributed to each project); and HQ review of cost allocation files used in the field;
- Country and project budgets and current performance monitoring (include countries in which grants under audit are implemented);
- Cash & bank reconciliations;
- Internal reports to HQ in relation to the grant(s) under audit (e.g. Word or PowerPoint presentations).

2.2. Project management:

- Policies and procedures applied for the use of Implementing Partners (IPs), if any, including selection / due diligence reports, signed MoUs, monitoring and reporting arrangements;
- Reports of monitoring visits, periodic financial verifications, and external audits of IPs;
- Evidence of PSEA trainings for staff and reporting channels created to prevent and manage any case of sexual exploitation, abuse and harassment of final beneficiaries;
- Local VAT registration certificates or notification if registration refused for all countries relating to the grants under audit.

3. FINANCIAL INFORMATION

- Signed final financial report(s);
- Excel version(s) of the financial report(s) reconciling with the full transaction listing(s);

- Transaction list(s) of expenditure in Excel reconciled with the financial report(s);
- Bulk transactions highlighted in the transaction listing and breakdown of costs of the bulk transactions;
- Interim reports submitted to ECHO;
- Previous audit report(s) linked to the project(s);
- Overview of payments made by the EC (including bank statements);
- Overview of payments made to IPs (if any);
- Accounting ledgers.

3.1. General procedural information relevant for the timeframe covered by substantive audits of individual Actions

- Proof of legal commitments such as contracts and (purchase) order forms;
- Proof of delivery of services such as services received notes, approved reports, staff time sheets, boarding passes, proof of attending seminars, conferences, and training courses (including relevant documentation and material obtained, certificates, etc.);
- Proof of receipt of goods such as delivery notes from suppliers (or internal goods received notes, if not available);
- Proof of completion of works, such as completion or acceptance certificates;
- Invoices, payment requests and other documents displaying amounts to be paid;
- Proof of payment such as bank statements, debit advices or proof of settlement acknowledged by the payee (vendor / contractor, supplier or service provider);
- Collective payroll statements, individual payslips or other documents which provide details of salaries paid, taxes withheld, deductions for social security and other salary elements (e.g. vacation pay, allowances / benefits).

3.2. Procurement

- Procurement policies and procedures, including applicable thresholds / methods and derogation or waiver requests;
- National procurement rules (if applicable) relevant to country where Action is implemented;
- List of ongoing framework agreements or framework contracts with vendors;
- List of favoured, preferred, or prequalified vendors (if any);
- Purchase orders from Humanitarian Procurement Centres (HPCs);
- Proof of checks by the Partner whether the selected suppliers / beneficiaries are listed in the EU / UN sanctions regime.

Depending on the procurement or grant award procedure, **supporting documents for the procurement & contract execution process** may include:

3.2.1. Consultation

- Tender dossiers or call for proposals documents;
- Proof of publication (open call) or invitations to tenderers (restricted);
- Pro forma invoices / quotes / request for quotation forms / technical and evaluation bids received from all vendors;
- Bid register or confirmations of receipt of tenders / proposals;
- Minutes of the tender / proposal opening sessions;
- Proof of verification of vendor compliance with any EU restrictive measure;
- Tender / proposal / bid evaluation reports;
- Contract offer / grant award / selection email;

- Responses to requests for further information or complaints;
- Notification of unsuccessful bidders (as and when applicable).

3.2.2. Contracting

- Signed works, supply, or service contracts;
- Grant agreements;
- Order forms / purchase orders with formal vendor acceptance.

3.2.3. Certified delivery / distribution

- Delivery notes or acknowledgements of receipt / goods received notes (GRNs) for supplies;
- Provisional / final acceptance / completion certificates for works / progress reports approved by the works inspector;
- Reports on services provided approved and dated / services received note;
- Grant implementation reports (liquidation of IPs' progress / financial reports) approved and dated;
- Invoices / payment requests endorsed with "certified correct" or "certified as delivered";
- Proof of delivery to final beneficiaries / distribution lists / full documentation of cash & voucher assistance (beneficiary selection committee minutes, initial / master lists, batch payment order, signed receipts / bank statements, etc.).

3.2.4. Payment

- "Paid" stamps on invoices / payment requests, vouchers and supporting documents;
- Bank statements or debit advices;
- Financial guarantees and Cash payment receipts.

3.3. Equipment and other Capital Assets

- Asset management system policies and procedures;
- Fixed asset register (in relation to the grants under audit) showing the custodian, location of the asset and reconciliation of asset values with trial balance and / or general ledger accounts (among other information);
- Proof of physical existence and tagging (through direct observation or pictures);
- Handover / donation / transfer certificates evidencing transfer of assets;
- Evidence in support of actual costs claimed (invoices, contract agreements), procurement process, payment;
- Relevant insurance coverage related to property damage, loss, or theft (starting with vehicles);
- Annual physical inventory report.

3.4. Stock

- Stock management system policies and procedures;
- Stock reports from the field (in relation to the grants under audit);
- Periodic stocktaking / stock count reports in the concerned warehouses / storage rooms;
- Proof of physical existence, adequate recording and stacking (through direct observation or pictures);
- Stock insurance policy (when relevant and feasible).

3.5. Personnel Cost

- Staff list or register by function / job title and name;
- Personnel file records such as employment contract or letters of appointment covering the period of the project, job description / terms of reference and other relevant annexes (code of conduct, acknowledgement of key policies such as on PSEA, anti-fraud and anticorruption, etc.);
- Payroll statements or payslips showing the full calculations for the tested period (e.g. basic > gross > net salary and total employer's costs);
- Timesheets or other reliable evidence to support allocation of staff costs (including full shared cost allocation methodology and calculations);
- If applicable, documents and evidence for severance payments:
 - o Evidence that severance payments arise from a statutory obligation under the applicable social security and labour laws;
 - o Calculation for the allocation of severance payments to the project corresponding to time spent on the project;
 - o Proof of payment of severance payments where these have already been paid.

3.6. Travel and related mission costs

- Relevant travel / mission / allowance policy and procedures for the organisation applicable at the time when the costs incurred;
- Travel / mission orders (specifying the member of staff, specific task, duration, precise location(s) distinct from his/her normal place of work, etc.);
- Staff travel expense reports (with supporting documents – see below), daily subsistence allowance (per diem) policy and calculations;
Tickets for transport (e.g. train, bus, plane), boarding passes or alternative travel evidence;
- Hotel invoices, invoices, and receipts relevant to specific incidental expenses (taxi, train, bus, restaurant, etc.);
- Mission report(s).

3.7. Seminars, workshops, and meetings

- Attendance list(s) signed;
- Agendas and reports or minutes of meetings;
- Receipts for allowances paid;
- Presentation / training materials;
- Brochures and pamphlets produced for the event.

3.8. Office Running Cost

- Lease agreements / contracts for the rent of offices and equipment;
- Invoices for utilities – water, electricity, gas, etc.;
- Insurance policies and coverage details;
- Shared cost allocation methodology (including details of basis of computation and explanations on distribution / apportionment / allocation keys or drivers).

3.9. Vehicles Operating Cost

- Vehicle logbooks - should contain the vehicle type and make, vehicle registration number, donor / project code, name and signature of the main user, reason for use (e.g. activity title, departure point and destination), start and end positions

(kilometres / mileage) and, ideally, details of maintenance and fuel usage (fuel type, litres, costs).

3.10. Accounting

- Accounting records such as trial balance, general ledger, and sub-ledgers (or confirmation through the systems work that the financial report provided to ECHO has been extracted from the accounting system);
- Proof from relevant national tax authorities that taxes and / or VAT that have been paid cannot be reclaimed (or evidence that VAT exemption has been officially requested).

3.11. Implementing Partners / Consortium Partners

- Relevant legally binding agreements, Memorandums of Understanding / Consortium / Partnership Agreements or other documents governing the operational and contractual arrangements with IPs and Consortium Partners (CPs);
- A complete extract from the IPs / CPs' records of all project expenditure claimed for reimbursement (transaction listing), by cost category;
- Supporting evidence for all such transactions (in line with evidence needs as listed above for own costs of similar type);
- Details of all payments made to IPs / CPs in respect of the Action (dates and values).

4. SPECIFIC EVIDENCE TO CERTAIN TYPES OF ACTIONS

4.1. Cash for work

- Details of the procedures to select and contract the beneficiaries who are provided cash for work;
- Breakdown of the cash paid to each beneficiary showing the number of days the sampled individual worked and the amount paid per day (in accordance with the agreed-upon NGO / sectoral / UN rate);
- Register / attendance list signed by the sampled individual and their supervisor;
- Bank statement (when it exists) and / or other means of verification (e.g. cash receipt signed by the beneficiary) to confirm that the cash has been transferred or handed over;
- Post distribution monitoring or activity report.

4.2. Cash distributions

- Details of the procedures to select the beneficiaries who are provided cash in line with the project objectives (including selection committee meeting minutes showing the total population assessed and the proposed list of beneficiaries along with the criteria used for each of them – to be considered as the 'master list');
- Bank statement (when they exists) and / or other means of verification (e.g. PDM reports to confirm that the cash has been transferred).

4.3. In-kind supplies

- Activity terms of reference / design and internal control monitoring and reporting procedures applied to implement the in-kind distribution programme;

- Procurement documentation for works, supply and service contracts and grants” as noted above;
- Selection criteria of beneficiaries (same as cash distributions);
- Distribution and monitoring reports (including post-distribution / PDMs).

4.4. Purchase of food

- Procurement documentation as noted above;
- All other evidence (invoices, bank statements, etc.) as noted above;
- Proof that the food purchased complies with any quality standards laid down by the domestic legislation of the country of origin and/or the country of destination, whichever has the higher quality standard;
- Proof of delivery of food to NGO (to adequate warehouse or storage facility) through delivery notes;
- Proof of food items leaving warehouse (e.g. stock release notes);
- Distribution lists or summaries to evidence transfer, including confirmation of receipt by third party recipient / beneficiary.

4.5. Purchase of medicines and medical equipment

- Procurement documentation as noted above;
- Proof that the NGO has procured medical supplies either through an HPC or by launching a procurement procedure with pre-certified suppliers;
- If medical supplies procured through pre-certified suppliers, proof of compliance with ECHO requirements (EU Guidelines on Good Distribution Practice (GDP) or WHO’s GDP, Stringent Regulatory Authority or by qualified expert – MQAS or GDP report);
- Proof of medical supplies pre-qualification (authorization by a Stringent Regulatory Authority; WHO pre-qualification programme; manufacturing demonstrates compliance with EU Guidelines to Good Manufacturing Practice (GMP) or WHO’s GMP);
- Other evidence (invoices, bank statements, etc.) as noted above;
- Proof of delivery of medicine or medical equipment to NGO (to adequate warehouse or storage facility);
- Proof of medicine or medical equipment leaving warehouse;
- If the medicine is delivered to clinics or hospitals – proof that the clinic or hospital has received the medicine;
- If the medicine is delivered to beneficiaries – distribution lists or summaries to evidence transfer, including confirmation of receipt by third party recipient / beneficiary.