Brussels,
mare.e.1.002(2023)5451243

Ministerie van Financiën, Audit Dienst Rijk,
Korte Voorhout 7,
2511 CW, Den Haag
The Netherlands

Subject:   EPM 'Review of the work of audit authorities / Compliance Audits 2014 - 2020'
Duurzaam vissen voor de markt - Operationeel Programma EFMZV van Nederland (CCI 2014NL14MFOP001)

Ref.: Audit Mission No 2023/NL/Compliance/MARE/E1 (to be used in all correspondence)

Dear [Name]

I am writing to inform you that the Directorate-General for Maritime Affairs and Fisheries will carry out a compliance audit in relation to the above-mentioned Programme. The legal basis for the audit is Article 75 (1) and (2) of Regulation (EU) No 1303/2013.

The audit mission is planned to be held from 25/09/2023 to 29/09/2023.

The unit responsible for the audit is DG.MARE.E1 - Budget, Audit and Public Procurement - and the responsible auditors are +32-@ec.europa.eu and +32-@ec.europa.eu.

The main objective of the audit is to obtain, via review of the work of the audit authority, a reasonable assurance that there is no serious deficiency in the management and control system that remains undetected, unreported and therefore uncorrected once the accounts have been submitted to the Commission.

The audit will focus in particular on the following key requirements:

- KR 16 – Adequate audits of operations
- KR 18 – Adequate procedures for providing a reliable audit opinion and for preparing the annual control report

The following audit work will be carried out:

1) A review of the audit authority's methodology in relation to the above-mentioned key requirements;
2) A review of the audit authority's working papers from selected audits of operations carried out on the expenditure declared to the Commission in the accounting year 01/07/2021 – 30/06/2022;

3) The re-performance of selected audits of operations.

List of audits of operations selected for review / re-performance:

<table>
<thead>
<tr>
<th>Project No</th>
<th>Beneficiary</th>
<th>Total eligible expenditure declared (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>16269000025</td>
<td>Min LNV</td>
<td>958,481,90 €</td>
</tr>
<tr>
<td>20157000064</td>
<td>Grietje BV</td>
<td>44,000,00 €</td>
</tr>
<tr>
<td>20157000192</td>
<td>Visserij Mij Meindert Jan U.K. 95 B.V.</td>
<td>26,400,00 €</td>
</tr>
<tr>
<td>20157000452</td>
<td>Visserij Mij Meindert Jan U.K. 95 B.V.</td>
<td>35,200,00 €</td>
</tr>
<tr>
<td>16741000056</td>
<td>Roem van Yerseke B.V.</td>
<td>394,398,12 €</td>
</tr>
<tr>
<td>20189000004</td>
<td>The Kingfish Com ny N.V.</td>
<td>249,779,05 €</td>
</tr>
<tr>
<td>16280000029</td>
<td>Noordzee International B.V.</td>
<td>403,009,41 €</td>
</tr>
</tbody>
</table>

The audit will take place at the premises of the audit authority of the programme in question and, where needed, at the premises of the managing authority.

For the preparation of the audit, I would be grateful if the services concerned would provide the information set out below (preferably in electronic format) by 23/06/2023:

- Copy of the individual final audit reports and AA checklists of selected operations
- AA Manual of procedures / procedures for executing audits of operation and providing the audit opinion and ACR (including checklists and other working papers)
- Audit strategy (including the audit plan for 2020/2021)
- National eligibility rules for the selected projects
- National public procurement rules
- Breakdown of the declared costs per operation, including information on the subsamples drawn by the AA.
- Copy of the grant agreement of selected operations.

Further details regarding this audit, including a detailed agenda, will be communicated later following the analysis of the information requested above.
The audit authority is kindly requested to ensure that all relevant material for the audit is readily available on the dates specified and that the responsible persons are available to answer the auditors’ questions.

I would be grateful if you could indicate the name, telephone number and e-mail address of the person who will facilitate the audit on your behalf.

The Commission services would like to draw your attention to the fact that data collected during the audit assignment may include information relating to an identified or identifiable natural person (“data subject”). Such information could be stored in the Directorate-General’s audit filing system. Regulation (EU) No 2018/1725\(^1\) of the European Parliament and of the Council, applicable to Union institutions, and Regulation (EU) 2016/679\(^2\) of the European Parliament and of the Council, applicable to Member States, protect the right to privacy of natural persons with respect to the processing of personal data. In order to inform the data subjects of their rights, you are kindly asked to deliver the enclosed *Privacy Statement* to the bodies or organisations to be audited in the context of this audit.

Yours sincerely

[e-signed]

Enclosures: Privacy Statement, Mutual Expectations Paper

Copy: Permanent Representation of the Netherlands to the European Union, Kortenberglaan 4-10, 1040 Brussels;

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2 OJ L 119, 4.5.2016, p.1
External Audit and Control of Directorate-General for Maritime Affairs and Fisheries

PRIVACY STATEMENT

(Attached to the letter initiating the External Audit. The controlled entity has to internally inform all staff concerned)

Processing operation: External audits and controls carried out by the European Commission

Data Controller: European Commission, Directorate-General for Maritime Affairs and Fisheries, Unit E1 - Budget, Audit and Public Procurement

Record reference: 06446.1

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6. How do we protect and safeguard your personal data?
7. Who has access to your personal data and to whom is it disclosed?
8. What are your rights and how can you exercise them?
9. Contact information
10. Where to find more detailed information?

1. Introduction

The European Commission (hereafter ‘the Commission’) is committed to protect your personal data and to respect your privacy. The Commission collects and further processes personal data pursuant to Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, is applicable (repealing Regulation (EC) 45/2001).

This privacy statement explains the reason for the processing of your personal data, the way we collect, handle and ensure protection of all personal data provided, how that information is used and what rights you have in relation to your personal data. It also specifies the contact details of the responsible Data Controller with whom you may exercise your rights, the Data Protection Officer and the European Data Protection Supervisor.

This privacy statement concerns the processing operation ‘External audits and controls’, undertaken by the Commission, Directorate-General for Maritime Affairs and Fisheries, Unit E1 - Budget, Audit and Public Procurement, as presented below.

2. Why and how do we collect your personal data?

Purpose of the processing operation: The European Commission collects and uses your personal data to verify compliance with all contractual provisions (including financial provisions), in view of checking that the provisions of the grant agreements or the contracts are being properly implemented and in view of assessing the legality and regularity of the transactions underlying the implementation of the general budget of the Union.

Your personal data will not be used for an automated decision-making including profiling.
3. **On what legal ground(s) do we process your personal data**

The processing operations on personal data carried out in the context of ex post controls are necessary and lawful under the following articles of Regulation (EU) 2018/1725:

- Article 5(1)(a): processing is necessary for the performance of a task carried out in the public interest on the basis of the Treaties establishing the European Communities or other legal instruments adopted on the basis thereof and
- Article 5(1)(b): processing is necessary for compliance with a legal obligation to which the controller is subject.

The legal basis for carrying out audits and controls are

- Regulation (EU, Euratom) No 2018/1046 on the financial rules applicable to the general budget of the Union\(^3\), and in particular the Article 74(6) stipulating that the authorising officer by delegation may put in place ex post controls to detect and correct errors and irregularities of operations after they have been authorised.”
- Regulation (EU) No 1303/2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Fisheries Fund\(^4\), in particular the Article 75:
  - Article 75(1) provides that the Commission shall satisfy itself, on the basis of available information, including information on the designation of bodies responsible for the management and control, the documents provided each year, in accordance with Article 63(5),(6) and (7) of the Financial Regulation, by those designated bodies, control reports, annual implementation reports and audits carried out by national and Union bodies, that the Member States have set up management and control systems that comply with this Regulation and the Fund-specific rules and that those systems function effectively during the implementation of programmes.
  - Article 75(2) provides that Commission officials or authorised Commission representatives duly empowered to carry out on-the-spot audits shall have access to all necessary records, documents and metadata, irrespective of the medium in which they are stored, relating to operations supported by the ESI Funds or to management and control systems.

4. **Which personal data do we collect and further process?**

The personal data collected and further processed are all data necessary to effectively carry out the controls and audits, such as (non-exhaustive list):

- Name, company, function, grade, e-mail address, telephone number, professional or private address;
- Information on professional expertise, technical skills and languages, educational background, professional experience;
- Bank account references (IBAN and BIC codes), VAT number, passport or ID number; timesheets, salary slips, accounts, details of the costs, missions, reports, information coming from local IT system used to declare costs as eligible, supporting documents

\(^3\) OJ L 193, 30.07.2018, p. 1

linked to travel costs, minutes from mission and other similar data depending of the nature of the grant/contract, etc.;

5. **How long do we keep your data?**

The Data Controller only keeps your personal data for the time necessary to fulfil the purpose of collection or further processing, namely for 10 years after the final payment on condition that no contentious issues occurred; in this case, data will be kept until the end of the last possible legal procedure.

6. **How do we protect and safeguard your personal data?**

All personal data in electronic format (e-mails, documents, databases, uploaded batches of data, etc.) are stored either on the servers of the European Commission or of its contractors (processors), if contractors are engaged to assist the controller. All processing operations are carried out pursuant to the Commission Decision (EU, Euratom) 2017/46 of 10 January 2017 on the security of communication and information systems in the European Commission.

In order to protect your personal data, the European Commission has put in place a number of technical and organisational measures in place. Technical measures include appropriate actions to address online security, risk of data loss, alteration of data or unauthorised access, taking into consideration the risk presented by the processing and the nature of the personal data being processed. Organisational measures include restricting access to the personal data solely to authorised persons with a legitimate need to know for the purposes of this processing operation. The Commission’s contractors are bound by a specific contractual clause for any processing operations of your data on behalf of the Commission. The processors have to put in place appropriate technical and organisational measures to ensure the level of security, required by the Commission.

7. **Who has access to your data and to whom is it disclosed?**

Access to your personal data may be provided on a “need to know” basis to Commission services and staff dealing with the external audit or control (including those supervising/approving), inclusive of ÖLAF.

In addition, staff from the Council, European Parliament, European Court of Auditors, EDPS and Ombudsman may have access to your personal data. Finally, your data may be shared with national managing, certifying and audit authorities in shared management, beneficiaries/final recipients and external contractors.

The information we collect will not be given to any third party, except to the extent and for the purpose we may be required to do so by Union law, including the possible transmission of personal data to EU bodies or institutions in charge of audit or inspection in accordance with the EU Treaties.

8. **What are your rights and how can you exercise them?**

You have specific rights as a ‘data subject’ under Chapter III (Articles 14-25) of Regulation (EU) 2018/1725, in particular the right to access, rectify or erase your personal data and the right to restrict the processing of your personal data. Where applicable, you also have the right to object to the processing or the right to data portability.

You have the right to object to the processing of your personal data, which is lawfully carried out pursuant to Article 5(1)(a) on grounds relating to your particular situation.

You can exercise your rights by contacting the Data Controller, or in case of conflict the Data Protection Officer. If necessary, you can also address the European Data Protection Supervisor. Their contact information is given under Heading 9 below.
Where you wish to exercise your rights in the context of one or several specific processing operations, please provide their description (i.e. their Record reference(s) as specified under Heading 10 below) in your request.

9. **Contact information**

- **The Data Controller**
  If you would like to exercise your rights under Regulation (EU) 2018/1725, or if you have comments, questions or concerns, or if you would like to submit a complaint regarding the collection and use of your personal data, please feel free to contact the Data Controller.

  European Commission, Directorate-General for Maritime Affairs and Fisheries, Unit E1 - Budget, Audit and Public Procurement at MARE-xx@xx.xxxxxx.xx

- **The Data Protection Officer of the European Commission**
  You may contact the Data Protection Officer (data-protection-officer@ec.europa.eu) with regard to issues related to the processing of your personal data under Regulation (EU) 2018/1725.

- **The European Data Protection Supervisor (EDPS)**
  You have the right to have recourse (i.e. you can lodge a complaint) to the European Data Protection Supervisor, [https://edps.europa.eu/data-protection/our-role-supervisor/complaints_en](https://edps.europa.eu/data-protection/our-role-supervisor/complaints_en) or edps@edps.europa.eu, if you consider that your rights under Regulation (EU) 2018/1725 have been infringed as a result of the processing of your personal data by the Data Controller.

10. **Where to find more detailed information?**

    The Commission Data Protection Officer (DPO) publishes the register of all processing operations on personal data by the Commission, which have been documented and notified to him. You may access the register via the following link: [http://ec.europa.eu/dpo-register](http://ec.europa.eu/dpo-register).

    This specific processing operation has been included in the DPO’s public register with the following Record reference: **06446.1**
Mutual Expectations Paper

EU Audits under Cohesion Policy, EMFF, EUSF and FEAD

What you should expect from Commission audits and what the Commission audit services expect from you
1. **INTRODUCTION**

This paper describes the relationship between auditor and auditee to clarify responsibilities and to align mutual expectations so that audits are smooth, efficient and effective.

The overall objective of the Commission audit services’ activity is to obtain reasonable assurance that the management and control systems (MCS) established and implemented by Member States (and beneficiary countries in the case of the IPA-CBC programme):

- comply with requirements of the relevant EU and national rules;
- are functioning effectively to prevent and detect errors, irregularities and fraud and to ensure the legality and regularity of the expenditure declared to the Commission; and
- ensure the quality and reliability of the systems in place for reporting performance data.

The procedures outlined in the following sections are based on both the relevant professional standards and EU Regulations.

The auditor and auditee should cooperate on each audit engagement. The auditors should use their professional experience and judgement in determining the specific procedures required for each type of audit engagement.

The Commission audit work is carried out taking into account internationally accepted auditing standards (namely the International Standards of Supreme Audit Institutions or ISSAI 4000 of the International Organisation of Supreme Audit Institutions (INTOSAI)) and in respect of the Charter on good practices promoted by the Audit Community where applicable.

2. **AUDIT PLAN**

The Commission audit work is based on an 18/24-month rolling audit plan which is communicated to audit authorities at the Annual Audit Co-ordination meetings.

The audit plan takes account of the single audit concept, whereby the Commission may rely, where possible, on audits already performed by audit authorities.

The Commission auditors may update the audit plan based on new risks identified.

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6 Charter on good practices promoted by the Audit Community (Commission and Member States' audit authorities) when carrying out audits under Cohesion Policy, EMFF and FEAD.

7 Article 148(3) and (4) of Regulation (EU) No 1303/2013.
3. AUDIT ENGAGEMENT

The table below summarises the deliverables expected from each party during the main phases of the audit process flow and, where relevant, the related deadlines.

<table>
<thead>
<tr>
<th>Process-flow</th>
<th>Deliverables</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risk Assessment &amp; Annual Audit Plan</strong></td>
<td>Commission: Announcement Letter</td>
<td>As general principle, 8 weeks(^8) before the start of the audit mission</td>
</tr>
<tr>
<td></td>
<td>Auditee: Information requested in the announcement letter</td>
<td></td>
</tr>
<tr>
<td><strong>Planning of engagement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Preliminary Survey</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Audit on-the-spot</strong></td>
<td></td>
<td></td>
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<tr>
<td><strong>Kick-off meeting</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fieldwork</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Wrap-up Meeting</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Reporting</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Draft Audit Report</strong></td>
<td>Draft Report</td>
<td>3 months from the last day of the audit on the spot(^8) (this applies for the report in the EC working language, report in national language will be sent as soon as available)</td>
</tr>
<tr>
<td><strong>Contradictory procedure</strong></td>
<td>Reply</td>
<td>1 month in general from the draft audit report in national language</td>
</tr>
<tr>
<td><strong>Final Audit Report</strong></td>
<td>Final Report</td>
<td>3 months from the receipt of the complete reply from the competent national authority (this applies for the report in the EC working language, report in national language will be sent as soon as available)</td>
</tr>
<tr>
<td><strong>Follow Up</strong></td>
<td>Reply (information on implementation of audit recommendations)</td>
<td>2 months in general(^10) from the final audit report in national language</td>
</tr>
<tr>
<td><strong>Closure</strong></td>
<td>Final position letter</td>
<td></td>
</tr>
</tbody>
</table>

3.1. Planning (Announcement letter)

The concerned Commission audit services will send an announcement letter to the auditee concerned (AA, MA, CA,) giving details of the objectives, scope and timing of

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\(^8\) At minimum, sufficiently in advance to allow the auditee to adequately prepare for the audit.

\(^9\) This time limit does not include the period which starts on the date following the date on which the Commission sends its request for additional information to the Member State and lasts until the Member State responds to that request.

\(^10\) A different timeframe, specified in the final audit report, may apply depending on the nature of the recommendations and adequate time for their implementation.
the audit, the names of the audit team and a list of documents expected to be available for the audit.

3.2. Preliminary Survey

The purpose of the preliminary survey phase is to gain a better understanding of the MCS under audit and its specific risks. This phase also includes the analysis of the information received from the auditee before the mission.

3.3. Audit on-the-spot

In order to establish an open and constructive dialogue with the auditee, the Commission auditors will hold a kick-off meeting with the auditee to provide more details about the audit objectives, scope and the methodology to be followed.

The audit work on the spot will generally comprise interviews, testing of procedures and controls, substantive testing, documentary review and/or physical inspection of operations.

At the end of the audit work on the spot, the Commission auditors will hold a wrap up meeting to inform the auditee of the main preliminary audit findings, with a particular emphasis on those findings with a potential financial impact. At this meeting, the auditors and the auditee should clarify what additional information or explanations are still needed and the timeframe for providing this.

3.4. Reporting

The reporting process will consist of a draft audit report and a final audit report. The reporting timeframes are set out in the table in section 3 together with the expected timeframe for receipt of replies from auditees.

Following the audit on the spot, the Commission auditors will prepare the draft audit report setting out its findings and recommendations. This report will take account of information and explanations provided by the auditee during the audit and within the agreed timeframe following the audit on the spot.

During the contradictory procedure, the auditees are invited to clarify or validate the facts presented in the draft audit report and to express their agreement or disagreement with the findings, actions and recommendations set out in the report.

The aim is to confirm the facts to be set out in the final audit report, meaning that they would not need to be revised during the later stages of the contradictory procedure. Therefore, the auditee should put in place procedures to ensure timely validation of the facts set out in the draft audit report.

Following examination of the reply from the auditee and taking account of the auditee's comments (where a reply is sent within the set deadline), the Commission auditors will send the final audit report. The auditee will then be requested to inform the Commission on the implementation of the recommendations and actions within the deadlines indicated for each recommendation mentioned in the final audit report.
In the absence of a reply within the requested period, it will be considered that the auditee accepts the findings and conclusions and the report will be considered as final and sent to the auditee for the required follow up.

3.5. Follow-up

The auditee should develop an action plan to implement the audit recommendations and to monitor its follow-up.

The Commission will review the adequacy of the corrective actions implemented, either through desk based review or, where necessary, on the spot audits.

The Commission will communicate its final conclusions in its final position letter.

Where an agreement on any proposed financial corrections has not been reached following the reply to the final position letter, the auditee has the right to request a hearing\(^\text{11}\) before a Commission decision is adopted.

4. GENERAL RIGHTS AND OBLIGATIONS OF THE AUDITOR

4.1. Rights

The Commission auditors should:

- be able to work independently and free of outside influence,
- not be assigned any operational or management responsibilities or authority over the auditee's activities,
- have full and unlimited access to all relevant persons and information required for the proper performance of their duties including access to documents and IT systems.

4.2. Obligations

The Commission auditors will:

- adequately plan, control and record their work,
- at all times perform their work objectively and impartially and free from influence, and will have regard to any factors that might reflect adversely upon their integrity and objectivity in relation to an assignment,
- carry out their work respecting the technical and professional standard expected of them,
- conduct themselves with courtesy and consideration towards all with whom they come into contact in the course of their work,
- respect confidentiality requirements,

\(^\text{11}\) Article 145 of Regulation (EU) N° 1303/2013.
not use information acquired in the course of their work for their own personal benefit or for the advantage of any third party.

5. GENERAL RIGHTS AND OBLIGATIONS OF THE AUDITEE

5.1. Rights

The auditees have the right to:

- be treated with courtesy and consideration
- request information from the Commission on the progress of the audit
- present counter-arguments to the Commission findings and conclusions
- provide evidence to support their position.

5.2. Obligations

The auditees should:

- act with courtesy and consideration towards the audit team
- ensure that they are adequately prepared for the audit,
- take reasonable care to ensure that only factual information and explanations are given to the audit team,
- ensure that supporting audit evidence is made available in a timely manner.