

DEVCO Residual Error Rate: Final Report;
Contracts Closed from 1 September 2016 to 31 August 2017
Date of report: 30 March 2018

Reference and Description ⁴	Standard	Facts	Analysis	Residual Error (EUR / %)						
<p>EY Transaction 36</p> <p>Transaction Ref: SCR.2015.013872</p> <p>Contract Ref: LA/2012/294-140</p> <p>Transaction value: EUR 470.470,00</p> <p>Error type:</p> <p>1 - Missing / inadequate documentation *</p> <p>4 - Expenditure includes VAT / other taxes</p> <p>5 - Incorrect exchange rate used</p> <p>10 - Other financial findings</p> <p>Managing entity: Government of Peru</p> <p>Contract type: Grants / Indirect Management</p>	<p>Article 16.1 of the General Conditions (Annex II to the Grant Contract) requires that the Financial Report (both interim and final) as required under Article 2 can be properly and easily reconciled to the Beneficiary's accounting and bookkeeping system and to the underlying accounting and other relevant records.</p>	<p>Substantive testing was performed as regards the project "Modelos Prácticos De Producción Piscícola De Consumo Humano Y Uso Ornamental Para El Desarrollo De La Zona De Integración Fronteriza De Perú Y Colombia".</p> <p>Fieldwork was also carried out at the beneficiary PEDICP and partner SINCHI. Several exceptions were noted, as follows:</p> <p>PEDICP (Beneficiary)</p> <p>EUR 4.525,09: Exchange rate not according to the contractual conditions (Global calculation by EU - Isolated error)</p> <p>EUR 2.933,61: Missing supporting documents: Invoice, proof of payment, accounting records and additionally evidence that support the cost have not been provided (Error pervasive over the whole population)</p> <p>SINCHI (Partner)</p> <p>EUR 47.327,97: Missing supporting documents: Invoice, proof of payment, accounting records and additionally evidence that support the cost have not been provided. (Error pervasive over the whole population)</p> <p>EUR 61.529,14: No proof of payment (Error pervasive over the whole population)</p> <p>EUR 7.115,69: Travel costs: missing</p>	<p>We have concluded that expenditure totaling EUR 119.503, 76 is ineligible.</p> <p>The errors identified in our testing related to VAT and missing documentation are likely to be repeated in the unsampled population. So they cannot be isolated or considered as a one-off. For this reason we have extrapolated them error over the entire population.</p> <p>The errors considered as pervasive over the whole population have been extrapolated as follows:</p> <table border="1" data-bbox="1391 783 1854 959"> <tr> <td>Error detected EUR (A)</td> <td>119.503,76</td> </tr> <tr> <td>Sampled population EUR (B)</td> <td>543.668,45</td> </tr> <tr> <td>Error % (A/B)</td> <td>21,98%</td> </tr> </table> <p>The extrapolated error is EUR 143.845,0€. Additionally, an isolated error (exchange rate) of EUR 4.525,09 is considered.</p> <p>Therefore, the total error is: 143.845,08 + 4.525,09 = EUR 148.370,17.</p> <p>This total error represents an error of 22,67% of the total direct cost declared.</p> <p>The RER amount that corresponds to the transaction value EUR 470.470 is therefore EUR 106.667,21.</p>	Error detected EUR (A)	119.503,76	Sampled population EUR (B)	543.668,45	Error % (A/B)	21,98%	<p>EUR 106.667,21</p> <p>/</p> <p>22,67%</p>
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		<p>boarding pass and travel reports. (Error pervasive over the whole population)</p> <p>EUR 597,36: VAT not eligible. (Error pervasive over the whole population).</p> <p>The partner provided us some new documents during the contradictory phase. For those that the entity has not provided any additional supporting documents, the entity replied: "they are available at the entity premises".</p>		