

- (b) drawing up and submitting the accounts confirming completeness, accuracy and veracity of the accounts in accordance with Article 98, and keeping electronic records of all the elements of the accounts, including payment applications;
 - (c) converting the amounts of expenditure incurred in another currency into euro by using the monthly accounting exchange rate of the Commission in the month during which the expenditure is registered in the accounting systems of the body responsible for carrying out the tasks set out in this Article.
2. The accounting function shall not comprise verifications at the level of beneficiaries.
 3. By way of derogation from point (c) of paragraph 1, the Interreg Regulation may establish a different method to convert the amounts of expenditure incurred in another currency into euro.

Article 77



Functions of the audit authority

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1. The audit authority shall be responsible for carrying out system audits, audits on operations and audits of accounts in order to provide independent assurance to the Commission regarding the effective functioning of the management and control systems and the legality and regularity of the expenditure included in the accounts submitted to the Commission.
2. Audit work shall be carried out in accordance with internationally accepted audit standards.
3. The audit authority shall draw up and submit to the Commission:
 - (a) an annual audit opinion in accordance with Article 63(7) of the Financial Regulation and with the template set out in Annex XIX to this Regulation and, based on all audit work carried out, cover the following distinct components:
 - (i) the completeness, accuracy and veracity of the accounts;
 - (ii) the legality and regularity of the expenditure included in the accounts submitted to the Commission;
 - (iii) the effective functioning of the management and control system;
 - (b) an annual control report fulfilling the requirements of point (b) of Article 63(5) of the Financial Regulation, in accordance with the template set out in Annex XX to this Regulation, which supports the annual audit opinion referred to in point (a) of this paragraph and sets out a summary of findings, including an analysis of the nature and extent of errors and deficiencies in the systems as well as the proposed and implemented corrective actions and the resulting total error rate and residual error rate for the expenditure entered in the accounts submitted to the Commission.
4. Where programmes are grouped for the purpose of audits of operations pursuant to the second subparagraph of Article 79(2), the information required under point (b) of paragraph 3 of this Article may be grouped in a single report.
5. The audit authority shall transmit to the Commission system audit reports as soon as the contradictory procedure with the relevant auditees is concluded.
6. The Commission and the audit authorities shall meet on a regular basis and, unless otherwise agreed, at least once a year to examine the audit strategy, the annual control report and the audit opinion, to coordinate their audit plans and methods, and to exchange views on issues relating to the improvement of management and control systems.

Article 78

Audit strategy

1. The audit authority shall, after consulting the managing authority, prepare an audit strategy based on a risk assessment, taking account of the management and control system description provided for in Article 69(11), covering system audits and audits of operations. The audit strategy shall include system audits of newly identified managing authorities and authorities in charge of the accounting function. Such audits shall be carried out within 21 months of the decision approving the programme or the amendment of the programme identifying such an authority. The audit strategy shall be prepared in accordance with the template set out in Annex XXII and shall be updated annually following the first annual control report and audit opinion provided to the Commission. It may cover one or more programmes.
2. The audit strategy shall be submitted to the Commission upon request.