

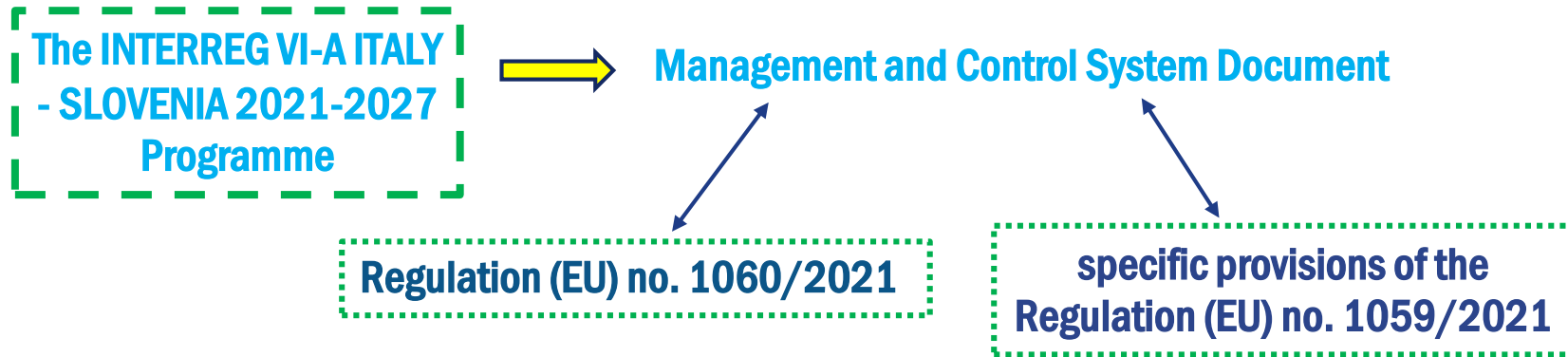
“INTERREG VI-A ITALY-SLOVENIA 2021-2027 Programme Risk-based management verifications methodology”.

BUDAPEST – November 7th 2024

Francesca Sibilla
Managing Authority Support Staff



HOW WE STARTED DEVELOPING PROGRAMME METHODOLOGY



Art. 62 of Regulation (EU) 2021/1060 “*each MA is responsible for developing and implementing its methodology*”

Annex to MCSD

The risks shall be periodically reassessed by the programme based on controller’s corrections and audit results. The “**Programme risk-based management verifications methodology**” will be updated when needed, or when National controllers detect the requirement, and based on the revised risk assessment at the annual anti-fraud working group meetings, to reinforce the controls or further reduce them depending on the level of risks.



WG anti-fraud risk meetings

The MA sets up a technical working group (WG), in line with Art. 4.3 of the internal Rules of Procedures of the Monitoring Committee, to carry out (and update) the risk self-assessment.

N.	date	Mode
1 st WG Risk	14/12/2022	On-line
2 nd WG Risk	05/04/2023	Ljubljana
3 rd WG Risks	07/06/2023	Trieste
4 th WG Risks	20/10/2023	Ljubljana
5 th WG Risks	13/12/2023	Trieste
Meeting with NCs on Risks Management methodology	07/08/2024	Ljubljana



The 6° WG Risk meeting is planned for December 12° in Trieste



Guidance on the risk-based management verifications for 2021- 2027 and HIT methodology

November 2022
Version 2



EUROPEAN COMMISSION
DIRECTORATES-GENERAL
EMPLOYMENT, SOCIAL AFFAIRS AND INCLUSION
REGIONAL AND URBAN POLICY
Joint Audit Directorate for Cohesion

Risk based management verifications Article 74 (2) CPR 2021-2027¹

REFLECTION PAPER

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Version 29 March 2022

¹ **DISCLAIMER.** This reflection paper was prepared in view of a workshop with ETC authorities in December 2020 by and expresses the view of the Commission services and does not commit the European Commission. Only the Court of Justice of the European Union is competent to authoritatively interpret Union law.

...and participation to
several meeting in order to
reach the goal of an
efficient, proportionate,
and risk-based
management verification
methodology



ANALYSIS' PHASE



BASIS of the risk assessment:

= **PROJECT PARTNER CLAIMS**

= **ERRORS DETECTED** by controllers reported in the programme online system for the period 2014-2020 from 2019 up to April 2023 (DATA WAREHOUSE - EXTRACTIONS OF DATA PER COST CATEGORIES).

RESULTS = no errors above 2% were detected, nor the need to submit OLAF files to the European Commission.

MA/JS made a list of the typology of expenditures in order to:

1. VERIFY THE DIMENSION PER EACH COST CATEGORY
2. IDENTIFY THE MAIN EXPENDITURE TYPOLOGY REPORTED BY BENEFICIARIES.

AIM: to find sampling percentage for :

- a. Administrative check = control of the expenditures reported
- b. On-the-spot check = control of the delivery of the co-financed services, supplies, works...

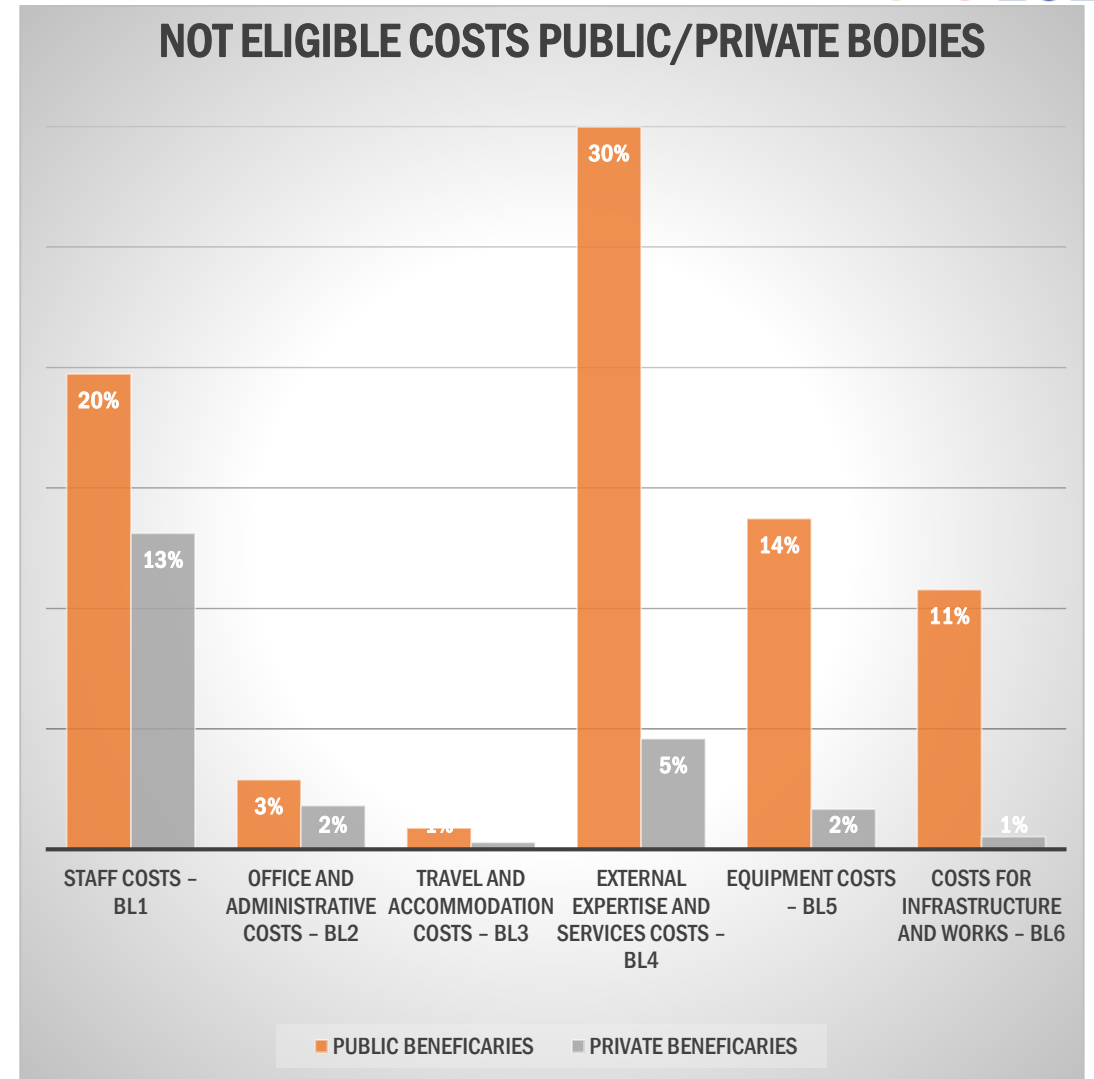
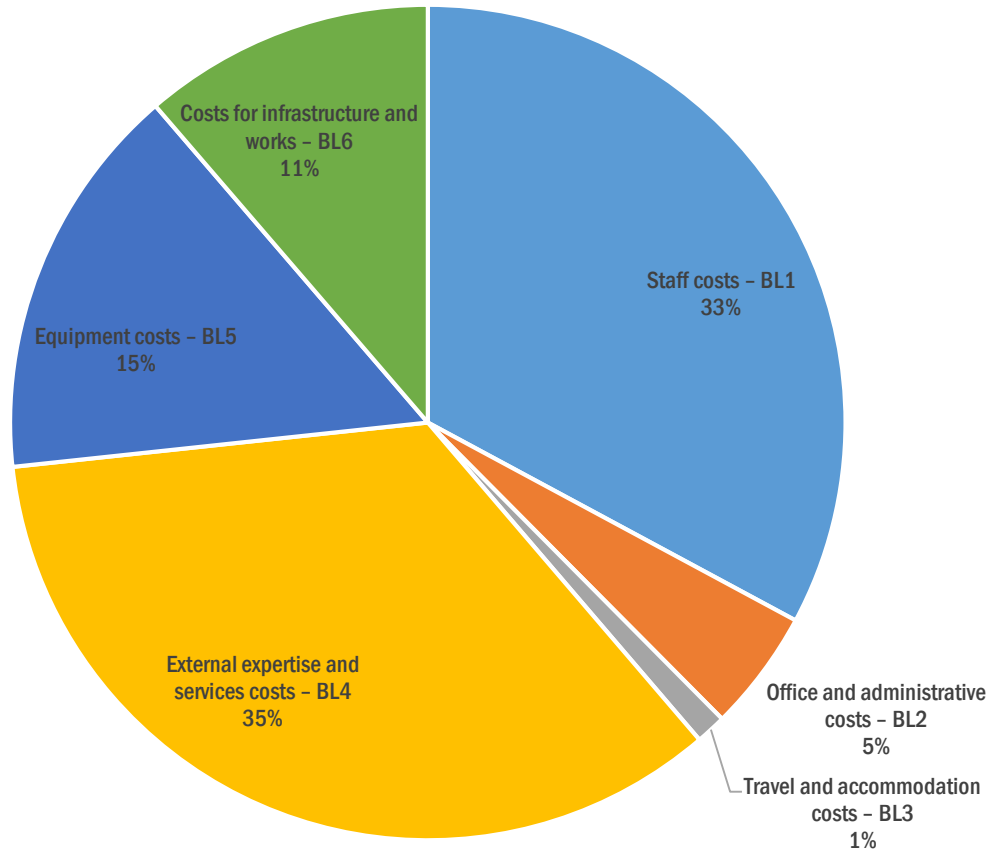




Risk Assessed	Result
Are private partners riskier than public ones?	No statistical impact on error rate
Is there a difference depending on the typology of call (standard, strategic)?	No statistical impact on error rate
Is there a difference depending on the area of origin of the beneficiary (ITA/SI)?	No statistical impact on error rate
Is there a difference between different report numbers? (eg. Is the risk of errors higher in the first report?)	First reports
Which are the riskiest cost categories?	Staff, external expertise
Which are the expenditure categories with the largest amounts/budget?	Staff, external expertise
Which type of errors are the most common ones?	Miscalculation, public procurement, audit trail
Which one detected more errors between desk-based/administrative or on-the-spot checks?	Desk-based/administrative checks



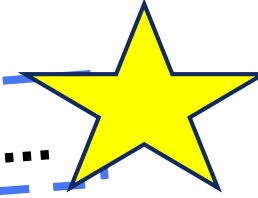
SUMMARY OF NOT ELIGIBLE COSTS PER COSTS CATEGORIES





Simplified Costs options

Some mitigation measures have been implemented...



14-20	21-27
LUMP SUM <i>For preparatory costs</i>	LUMP SUM <i>For preparatory costs</i>
FLAT RATE FOR OFFICE COSTS	SCOs IN ALL COSTS CATEGORIES

1. Check at Programme level - how many and which reports to check (data extrapolated from Jems):

- ❖ The first 100 reports with reported expenditures received in the reporting phases will be checked.
- ❖ In the following phases RBMV will be revised on the basis of the findings of the first 100 reports checked. Methodology will be revised consequently.

2. Sampling per project partner at report level - according to the following items:

- ❖ Cost categories
- ❖ Public Procurement (giving priority to those whose amount is above 10,000.00 euro)
- ❖ In case of equipment and infrastructures reported there will be the verification of the evidence of their existence
- ❖ Expenditures with errors detected by national controller in previous reports verifications
- ❖ Increase of sample in case of individual errors or irregularities discovered during the control of the sample (10%, 20% or 100%)

3. Sample of on-the-spot verification - on-the-spot check will be carried out according to the following 3 principles:

- ❖ on the basis of the findings of the administrative checked reports that reported financial corrections
- ❖ beneficiaries who used the flat rate of up to 40%
- ❖ reports related to equipment and infrastructure and works costs categories

Yearly RANDOM control is foreseen and it will be detailed in the national Controls' Manual.

4. Sample checks for SPF Operation - as defined below:

- ❖ quality check at Programme level on Sole beneficiary
- ❖ control of the first and final report and at least one interim report per year
- ❖ at least one on-the-spot check.



May 2022

...but some changes occurred...

INTERREG VI-A
ITALY-SLOVENIA 2021-2027

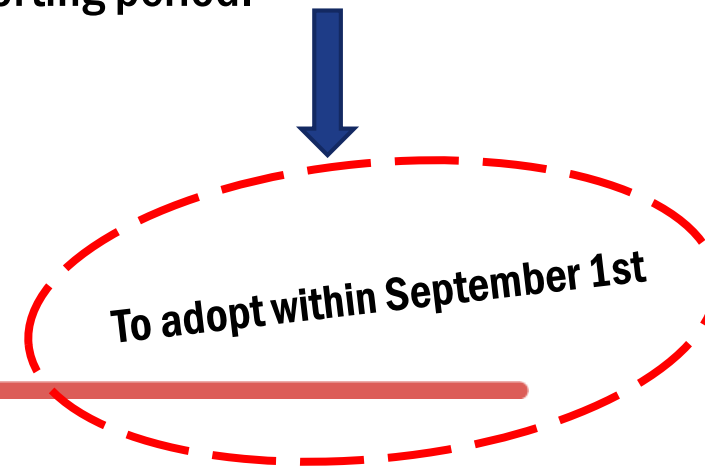
Programme risk-based
management verifications
methodology

DRAFT May, 2023

OLD LAYOUT



MA sent by email operational/technical explanations to apply some **integration** to the Methodology for sampling beneficiaries' reports, in order to proceed with the check of the beneficiaries' reports (arrived after the check made to the first 100 reports), which has to be processed by July, 4th, in compliance with the regulatory deadline of 90 days set for checking the reports sent by the beneficiary (CPR 2021/1060) and in order to harmonize the 1 and 2 reporting period.



Revisions in methodological document

New Chapters

New Annexes



..in the
meantime..
Programme layout
also changed!

LAST REMARKS...

- Each risk factor will always be identified by extraction from Jems and **NEVER** manually!
- In any cases /doubt about items and partners or suspicion of fraud, additional verification can be carried out also on the basis of the *professional judgment* of National Controllers!
- A joint internal assessment on the methodology's functioning will be carried out after one year later its approval.





***Thank you for your
attention!!!***

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