

**ESPON**



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Interreg

# // Management & Control System Description

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# ESPON Management & Control System Description (MCSD)

# MCSD drafting strategy

- Keep the drafting work as minimum by only making the necessary update of the previous MCSD
- Maintain an overall picture of the regulatory and implementation environment
- Keep brief descriptions of the procedures that will be applied during the implementation of the Programme
- Provide further details in separate annexes (to ease the update/adaptation)

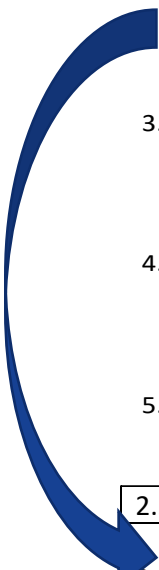
# MCS D: what has changed compared to ESPON 2020?

- No major changes: existing procedures have been **updated** and **adapted** and we kept the subsection of the previous template because still relevant (and useful also for us)
- Description of the procedures in the MCS D are kept short and reference are made to separate annexes (e.g MA internal manual; Implementation Guidelines for beneficiaries; etc.)
- Risk analysis updated and result considered for the management verifications

# MCS D: finalized and approved

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| 2.2.4 | Procedures for appraising, selecting and approving operations  |

# MCSD: separate annexes

Annex 1: MA internal manual

Annex 2: Ministerial decree for separation of functions

Annex 3: MA Risk Assessment

Annex 4: Rules of procedure of the Monitoring Committee

Annex 5: Operation proposal template (including Horizontal Activity template and Scoping Note template)

Annex 6: Operation Specification

Annex 7: Operation implementation guidelines

Annex 8: Grant Agreement

Annex 9: Reference document on Liability Mechanism

Annex 10: Terms of reference for the development of the computerised system and user manual

Annex 11: Template individual declaration of no conflict of interest

Annex 12: Procedure for MA quality checks

Annex 13: Complain procedure

# MA internal manual

|           |   |           |
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# Risk Assessment excel tool

## Customize Scales

Before you begin reviewing the program and evaluating the risks involved, it's necessary to set some common definitions for the varying degrees of a risk's impact and likelihood. It's also important to set common parameters for evaluating the effectiveness of controls.

Sample definitions are provided, but they can be modified to suit your needs. When you've completed this step, begin describing the program's objectives and assessing its risks on the pages linked below.

You can return to this page any time by clicking the "Customize Scales" button.

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| <a href="#">Introduction</a>        |
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| <a href="#">Risk Assessment</a>     |
| <a href="#">Additional Controls</a> |
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| Risk Impact |  |
|-------------|--|
| Scale       | Definition   |
| Very high   | Core mission impaired, operationally disabling   |
| High        | Operations must shift significantly to adjust to conditions created by consequences of risk-related incident or control failure      |
| Moderate    | Operational changes are necessary to adjust to conditions created by consequences of risk-related incident or control failure        |
| Low         | Consequences of risk-related incident or control failure are tangible, but operations remain largely intact and maintain status quo. |
| Very low    | Operations are unaffected, but risk awareness and monitoring is appropriate.   |

| Risk Likelihood |  |
|-----------------|--|
| Scale           | Definition                                   |
| Very high       | Certain to occur                             |
| High            | Almost certain to occur                      |
| Moderate        | May occur within the year                    |
| Low             | Not likely to occur within the year          |
| Very low        | Not likely to occur within the next 10 years |

| Existing Control Effectiveness |   |
|--------------------------------|---|
| Scale                          | Definition  |
| Nearly complete                | The controls reduce the risk's combined likelihood and severity by 95%. |
| Significant                    | The controls reduce the risk's combined likelihood and severity by 75%. |
| Moderate                       | The controls reduce the risk's combined likelihood and severity by 50%. |
| Minor                          | The controls reduce the risk's combined likelihood and severity by 25%. |
| None                           | The controls do not reduce the risk's likelihood or severity at all.    |

| Weighting   |                 |
|-------------|-----------------|
| Risk Impact | Risk Likelihood |
| 50%         | 50%             |

You can change the weighting of the risk impact and risk likelihood factors above by changing the numbers above. These two numbers must add up to 100%.



# Risk Assessment result

| Risks                               | Risk Typology (Int. or Ext.)   | Potential Consequences of Control Failure | Impact   | Likelihood | Current Management and Mitigation | Existing Control Effectiveness   | Risk Rating with Existing Controls |                       |
|-------------------------------------|--|---|--|------------|-----------------------------------|--|------------------------------------|-----------------------|
| <b>Organisational related risks</b> |  |   |  |            |                                   |  |                                    |                       |
| 1                                   | The MA does not have sufficient staff to monitor the content implementation of the single operation (implementation of the Technical assistance) | Internal                                  | Priority 1 targets are not reached and the single operation is not implemented according to the initial plan   | High       | Low                               | Staff recruited at the MA is highly qualified and experienced and highly committed to compensate the lack of resources. The MA establish clear strategic priorities, a good cooperation with the MC and has sufficiently detailed reporting requirements for the single operation. | Significant                        | Adequately controlled |
| 2                                   | Lack of separation of functions between MA - AA - EGTC   | Internal                                  | No compliance with the legal requirements, less detection of errors and/or frauds, more possibility of erroneous and inappropriate actions, poor control system, no implementation of remedial actions/sanctions                   | High       | Low                               | Ministerial Decree, clear description and allocation of functions. Clear separation of staff and independency between Ministerial staff involved in the EGTC and the Ministerial staff belonging to the MA.  | Moderate                           | Adequately controlled |
| 3                                   | Insufficient understanding of MA duties and responsibilities   | Internal                                  | Not all regulatory requirements and duties are fulfilled or not sufficiently fulfilled. Deadlines are not respected. The confidence level of the MCSD is low.  | High       | Low                               | Staff recruited at the MA is highly qualified and experienced. Staff receive adequate training.  | Nearly complete                    | Adequately controlled |
| 4                                   | Unclear repartition of duties/functions/responsibilities among programme bodies  | Internal                                  | Overlapping of controls and verifications. Lacking or insufficiency in implementing certain controls/verifications. Risk of non compliance with regulatory requirements. Irregular expenditure. Unclear decision making processes. | High       | Low                               | Clear management and control system description. Detailed procedures are in place, are well documented and regularly updated.  | Significant                        | Adequately controlled |
| 7                                   | Unclear / unbalanced repartition of tasks among MA staff   | Internal                                  | Fulfillment of regulatory obligation is not done and/or is not done timely. Single operation is not sufficiently monitored. Overlapping of controls and verifications. Non efficient use of limited resources.                     | High       | Low                               | Clear job description. Clear and balanced allocation of tasks among staff. Detailed procedures are in place, are well documented and regularly updated. Regular coordination meetings, in particular at key milestones of the programme implementation.                            | Significant                        | Adequately controlled |
| 9                                   | Lack of coordination and/or lack/unclear communication among programme bodies and within the MA.   | Internal                                  | Fulfillment of regulatory obligation is not done and/or is not done timely. Irregularities (of any sort) are not followed up. Reporting duties are incomplete. Unclear decision making processes.                                  | Moderate   | Low                               | Clear internal reporting procedures. Regular coordination meetings, in particular at key milestones of the programme implementation. E-cohesion system is used by all actors (both for uploading and obtaining information). Clear decision making processes.                      | Significant                        | Adequately controlled |