

Proactive rather than reactive approach to irregularities and fraud

Interreg Knowledge Fair session report | March 2024

Overview

The objective of the session was to explore effective and proportionate approaches to anti-fraud and measures to detect, correct, and report irregularities correctly. Measures to reduce irregularities and prevent fraud are essential for protecting public money and programmes' reputations.

Methodology

The session started with the presentation of the ESIF payments, the most common types of irregularities in Interreg, where public procurement is still one of the most sources of errors, the financial impact of irregularities in Interreg, audit findings explained with the lessons learned, irregularities in 2021-2027, effective implementation of proportionate anti-fraud measures, and Annex XII to CPR Handbook on the requirement to report irregularities, withdrawals and deductions in 2021-2027, Annex 4 to Methodological Note on the annual control report, audit opinion and treatments of the errors.

After that, there was a detailed discussion of the well-known definitions of irregularities and frauds with examples from the programmes, a continuous forward-looking process addressing issues that could change the mindset from being proactive rather than reactive when addressing irregularities and fraud. It was discussed who is responsible for reporting irregularities, data mining tools, Arachne, EDES, IMS, and requirements, challenges, barriers and difficulties, detecting, reporting, and preventing. Also, the Jems corrections module was presented.

Key discussion points

- ESIF 2021-2027 Payments: Net interim payments are currently at 0.1%, and no irregularities have been reported yet.
- Most common irregularities in Interreg 2014-2020 were public procurement errors and ineligible expenditures related to staff costs, as well as missing documentation and accounting errors.

- Financial impact of irregularities in Interreg: this section highlighted the financial impact of irregularities, with public procurement and ineligible expenditures having the highest impact.
- Audit findings and lessons learned from the CPR expert group meetings.
- Irregularities reporting requirements outlined in Annex XII to the CPR 2021-2027
- The responsibilities and requirements for reporting irregularities
- Withdrawals and deductions in 2021-2027 – impact on the payment applications or the accounts
- Annex 4 to the Methodological Note on ACR – typology of errors
- Treatment of irregularities in JEMS
- Data Mining Tools: Arachne, EDES,
- IMS to detect, report, and prevent irregularities.
- Data Mining Tools: requirements, challenges, barriers, and difficulties in detecting, reporting, and preventing irregularities; proactive measures vs. reactive measures; proactive approach to administrative verifications and checks; and reactive measures for addressing irregularities and fraud.

Conclusions, plans for followed up

These points covered various aspects of tracking irregularities and fraud in 2021-2027, including detection, reporting, prevention, and corrective measures. Moreover, these topics will be continuously discussed during the next meeting on irregularities and anti-fraud.

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