



Sharing Expertise

INTERACT Event for Certifying Authorities in
European Territorial Cooperation Programmes

CA Reporting to the European Commission

Elfriede Kober, ERP-Fonds, on behalf of the
Austrian Federal Chancellery

15 June 2010 | Rome



INTERACT is co-financed by the European Regional Development Fund (ERDF) | European Territorial Cooperation



Reporting tasks of CA

- Applications for Payment (incl. statement of expenditure)
- Yearly Forecasts
- Reporting on withdrawals and recoveries (topic for today)



Reporting demands for withdrawals & recoveries

- Most relevant articles of the different SF-Regulations
 - Reg. (EC) No 1083/2006, art. 2, 61, 70, 98-102
 - Reg. (EC) No 1828/2006, art. 20, 27-36
(amended by Reg. (EC) No 846/2009)
 - Reg. (EC) No 1828/2006, Annex XI - forms for reporting
(amended by Reg. (EC) No 846/2009)



Definition for Irregularity / Recovery / Withdrawal

- Irregularity
(Reg. (EC) No 1083/2006, art. 2(7))
Any infringement of a provision of Community law resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the European Union by charging an unjustified item of expenditure to the general budget
(‘umbrella term for withdrawals & recoveries’)



- Withdrawal
Irregular expenditure which is immediately taken out of the statement of expenditure after detection
(before recovery is effected = repaid)
- Effected Recovery
Irregular expenditure which is deducted from the statement of expenditure only after repayment
(in Austria, in case of a serious irregularity the single project will be blocked for statement of expenditure until repayment)
- Pending Recovery
Irregular expenditure which is not yet repaid



Bodies responsible for reporting to the Commission

- Reporting to OLAF - Responsibility of the Member State (MS)
 - Reporting requirements for irregularities are defined in art. 28-31 of Reg. (EC) No 1828/2006 & No 846/2009 (initial reporting & derogations & follow up)
 - No reporting is necessary for amounts lower than the threshold of € 10,000.- (Reg. (EC) No 1828/2006 & No 846/2009, art. 36)
 - In general, this reporting is done by AA (Audit Authority); for ETC programmes by GoA (Group of Auditors) member of the MS concerned



No reporting is demanded for the following cases:

- Cases where the irregularity consists solely in the failure to execute (bankruptcy of the beneficiary)
- Cases where the beneficiary voluntarily informs MA or CA (before being detected by them), whether before or after the payment of the public contribution
- Cases which are detected and corrected by MA or CA before relevant expenditure was included in the statement of expenditure



- Reporting to DG Regio - Responsibility of CA
 - Reporting requirements are defined in art. 20 of Reg. (EC) No 1828/2006 & No 846/2009
 - Following reports are obligatory:
 - Report on withdrawals and recoveries deducted from statement of expenditure, submitted during the preceding year
 - Report on pending recoveries as at 31 Dec. of the preceding year
 - Report on irrecoverable amounts as at 31 Dec. of the preceding year
 - Reporting is required until the end of March of each year and has to be carried out via sfc2007



Withdrawals & Recoveries, deducted from statements of expenditure during the year 20..

	A) withdrawals¹				B) recoveries²			
a	b	c	d	e	f	g	h	i
Priority axis	Total amount of expenditure paid by beneficiaries withdrawn³	Corresponding public contribution withdrawn⁴	Total amount of expenditure withdrawn relating to irregularities reported under Art.28 (1) of Reg. No 1828/2006⁵	Amount of corresponding public contribution withdrawn relating to irregularities reported under Art.28 (1) of Reg. No 1828/2006⁶	Public contribution recovered⁷	Total amount of expenditure paid by beneficiaries⁸	Amount of public contribution recovered relating to irregularities reported under Art.28 (1) of Reg. No 1828/2006⁹	Total amount of expenditure relating to irregularities reported under Art.28(1)of Reg. No 1828/2006¹⁰
1								
...								
<i>Total</i>								



Remarks to this 1st table

- The decision to treat irregularities as withdrawals or as recoveries should be taken before first reporting period
- Pay attention that no amounts are reported double, as withdrawals and as recoveries
- Take care about the information given in the footnotes
- Simplification given by the amended Reg. No 846/2009
No need for splitting the amount of public contribution into EU-funding and nat. public funding



- Information concerning public contribution has to be reported only in case of public cost principle chosen
- Reason for different amounts in the columns d) + e) in relation to the columns b) + c) and in the columns h) + i) in relation to f) + g)
 - amounts without reporting requirements
 - amounts lower than the reporting threshold of € 10,000.-
- In column f) the effected/repaid amounts of public contribution (EU + nat. public funding) have to be declared



Pending recoveries as at 31.12.20..

a	b	c	d	e	f
Priority axis	Year of launch of recovery proceedings	Public contribution to be recovered ¹	Total amount of eligible expenditure paid by beneficiaries ²	Total amount of expenditure relating to irregularities to be recovered reported under Art.28 (1) of Reg. No 1828/2006³	Amount of public contribution relating to irregularities to be recovered reported under Art.28 (1) of Reg.. No 1828/2006 ⁴
1	2007				
	2008				
	...				
2	2007				
	2008				
	...				
3	2007				
	2008				
TOTAL					



Remarks to this 2nd table

- In case of choosing the 'reporting method' withdrawals no reporting of pending recoveries is required
- Pay attention on the different deadlines demanded in this 2nd table in comparison to the 1st table
- Information concerning real public contribution, column c) + f), has to be reported, no matter if public cost principle is chosen or not
- Regarding the reason for different amounts in column e) + f) in relation to column c) + d); see remarks to the 1st table



Remarks to this 3rd table

- In case of choosing the 'reporting method' withdrawals no reporting of pending recoveries is required
- Reporting on single project level (!) is obligatory, contrary to the other two tables
- Regarding column k), EU share will be calculated by applying the co-financing rate at the level of priority axis with reference to column e) or f), depending on the chosen public cost principle or total cost principle



Conclusions

- Reporting on irregularities - withdrawals / effected & pending recoveries / irrecoverable amounts - becomes more and more important
- Commission's view is important!
Reporting details are laid down in the EU Regulations
In addition, as long as amounts are not included in statements of expenditure, no reporting is necessary
- Tight cooperation between MA, CA and AA is necessary and may solve many problems in practice
In general CA and AA are responsible for the reporting, but contracting with the beneficiary is done by MA



- Recommendation of establishing a detailed monitoring on irregularities (within the monitoring system if possible)
 - all information needed for the reports should be stored in the programme-related monitoring system
 - esp. concerning the financial figures (pending, effected amounts), deadlines, default interest,...
 - in relation to the different types of irregularities
 - irregularities where no reporting to OLAF is required
 - corrections based on formal COM decision (not to be included)
 - corrections made for technical reasons or clerical mistakes
 -
 - ensure clear definition for the data fields in the monitoring system (together with AA & MA)



Monitoring of recoveries (in Austria)

- Debtors ledger is integrated in the monitoring system
- Data input for recoveries/repayments is performed on single project level (each project partner), similar to approval/payment
- All recoveries have to be monitored by MA/JTS, no matter if reporting to COM is needed or not
- CA supervises the deadlines by using the monitoring system as supporting tool
- Effected recoveries (accounted repayments) are deducted from eligible expenditure in the monitoring system
- Statement of expenditure is generated from monitoring system and checked with the accounting data

Thank you for your attention!

Elfriede Kober
Head of EU Affairs & International
Consulting
austria wirtschaftsservice | erp-fonds
Ungargasse 37, 1030 Wien
e.kober@awsg.at
www.awsg.at
