

Reasonable assurance of the Certifying Authority

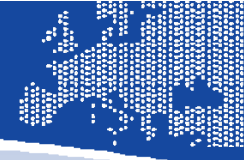
ETC 2007-2013 programmes
Interact seminar ROME

15.6.2010

Claude Tournier

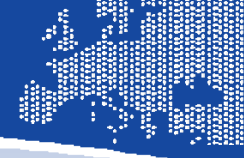
Deputy Head of Unit

DG REGIO J3



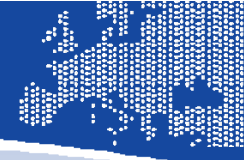
Content

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 - Experience from 2000-06
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 - Legal requirements and guidance on CA
 - The various work steps of the CA
 - The tables on withdrawals, recoveries and pending recoveries.
2. Commission's expectations
3. Challenges specific to ETC programmes



The role of the Certifying Authority

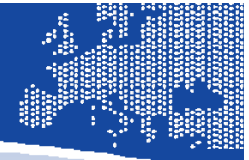
- Draw a statement of expenditure and payment claim ...
- Certify that expenditure complies
- Certify that it has received adequate information to certify (MA, FLC, AA...)
- Maintain accounting records of expenditure and of amounts recoverable, withdrawn
- Pay back to the Commission amounts recovered



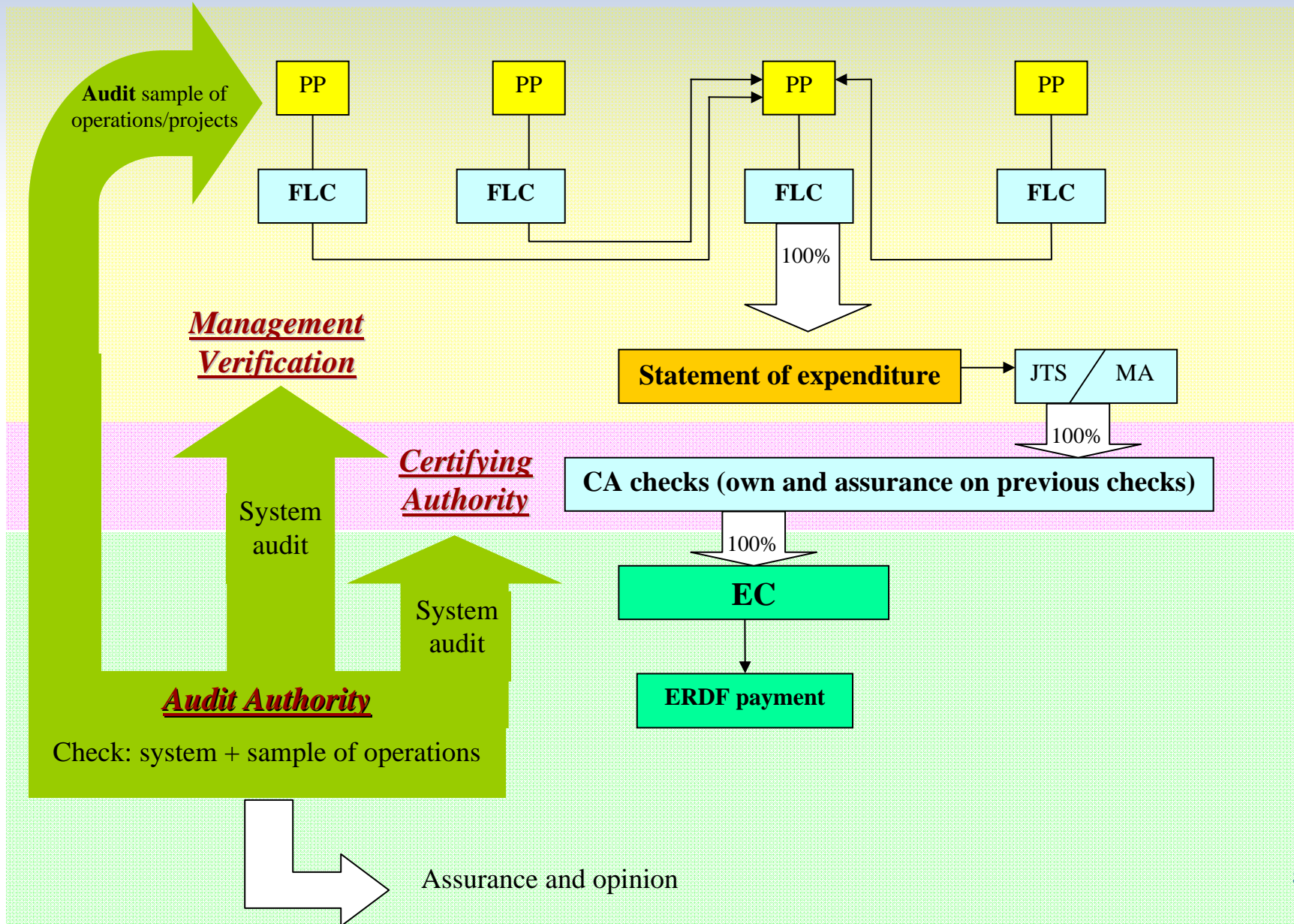
Experience from 2000-2006

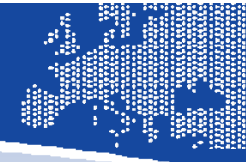
Some good functioning PAs, however:

- Some “blind” certifications by PAs (whole programme, reliance on MA without work/value added),
- Some certifications “blind” on the non-national part of the expenditure in INTERREG III,
- Insufficient coverage or quality of own checks,
- Insufficient information on FLC or on Audit results,
- No use made of the “power to say no” and of access to EU funding,
- Insufficient information on corrections and irregularities



The three pillars for assurance 2007-2013





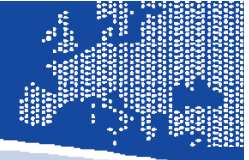
Legal requirements and guidance on CA

Art. 61 of Regulation 1083/2006 (slide 3)

Art. 20 of Regulation 1828/2006 Annexes X and XI

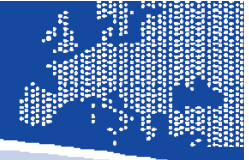
Guidance Document on the functions of the certifying authority for the 2007 – 2013 programming period

Guidance note to Certifying Authorities on reporting on withdrawn amounts, recovered amounts, amounts to be recovered and amounts considered irrecoverable, applicable to programming period 2007-2013 and the remainder of the 2000-2006 programming period (COCOF 10/0002/00/EN)



Latest regulatory update relating to the Certifying Authority

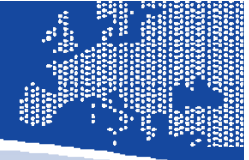
- Adoption of Commission Regulation (EC) No 846/2009 amending Commission Regulation (EC) No 1828/2006
- **Simplification and streamlining: one single annual statement**
 - amended Articles 14, **20**, 28 and 30 as well as **Annex XI**
 - the single annual statement covers withdrawals, recoveries, pending recoveries and irrecoverable amounts (3 tables in Annex XI)
 - data to be provided by 31 March annually



The various work steps of the CA

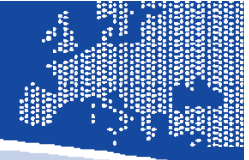
CA (to be completed by practitioners):

- Prepare certificate of (final) expenditure and payment claim
- Satisfy itself that all errors have been detected, treated satisfactorily and all recommendations followed
- Request more information and /or
- Carry out own verifications where necessary
- Summary table on irregularities



The tables in Annex XI provided as electronic versions in SFC2007

- 3 tables in Annex XI
 - table 1: withdrawals and recoveries
 - table 2: pending recoveries
 - table 3: irrecoverable amounts
- transmission through SFC2007
- screen-shots of **draft SFC2007 tables** in next three slides...



Distinction between withdrawal and recovery

- Withdrawal: funds can be used in other operations immediately
- Recovery: more protection, financially, if unable to recover the grant from the beneficiary
- Previously withdrawn amounts can not be re-certified to the Commission. In other words a withdrawal is considered definitive.
- Withdrawals and recoveries are mutually exclusive. E.g. a withdrawal should not later be classified as a recovery after a recovery has been effected since this would amount to double counting.

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System for Fund management in the European Community

2007-2013

Execution > Annual Recovery Statement > Edit Annual Recovery Statement

English (en)

Strategic Planning Programming Monitoring Execution Audit Evaluation Closure Utilities

Annual Recovery Statement

CCI: 2007SE16UPO003 Reporting Year: 2008 Status: Created
Title: New Train Station

Withdrawals and Recoveries Pending Recoveries Irrecoverable Amounts Documents In Charge

Resulting from MS Work Resulting from EC Work

Withdrawals and Recoveries for the Reporting Year, deducted from Statements of Expenditure

Priority	Withdrawals (1)				Recoveries (2)			
	Total amount of expenditure paid by beneficiaries withdrawn (3)	Corresponding public contribution withdrawn (4)	Total amount of expenditure withdrawn relating to irregularities (5)	Amount of corresponding public contribution withdrawn relating to irregularities (6)	Public contribution recovered (7)	Total amount of expenditure paid by beneficiaries (8)	Amount of public contribution recovered relating to irregularities (9)	Total amount of expenditure relating to irregularities (10)
1	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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(1) Part A) of the table (withdrawals) is completed relating to expenditure already declared to the Commission and which has been withdrawn from the programme following detection of the irregularity. In this case the tables 2 and 3 of this annex will not need to be completed.

(2) Part B) of the table (recoveries) is completed relating to expenditure which was left for the time being in the programme pending outcome of recovery proceedings and which has been deducted following recovery.

(3) This amount is the total amount of expenditure already declared to the Commission which was affected by irregularities and which has been withdrawn.

(4) This column has to be completed where the contribution of the Funds is calculated with reference to public eligible expenditure.

(5) This amount is the part of the amount in column b) which has been reported as irregular under the reporting procedures laid down in Article 28 of Regulation (EC) No 1828/2006.

(6) This column has to be completed where the contribution of the Funds is calculated with reference to public eligible expenditure.

(7) This is the amount of public contribution effectively recovered from the beneficiary.

(8) This amount is the amount of expenditure paid by the beneficiary corresponding to the public contribution in column f).

(9) This amount relates to the part of the amount in column f) which has been reported as irregular under the reporting procedures laid down in Article 28 of Regulation (EC) No 1828/2006.

(10) This amount relates to the part of the amount in column g) which has been reported as irregular under the procedures laid down in Article 28 of Regulation (EC) No 1828/2006.

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Done

Execution > Annual Recovery Statement > Edit Annual Recovery Statement

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System for Fund management in the European Community 2007-2013

Execution > Annual Recovery Statement > Edit Annual Recovery Statement

Strategic Planning Programming Monitoring Execution Audit Evaluation Closure Utilities

Annual Recovery Statement

CCI: 2007SE16UPO003 Reporting Year: 2008 Status: Created
Title: New Train Station

Withdrawals and Recoveries **Pending Recoveries** Irrecoverable Amounts Documents In Charge

Pending Recoveries as at 31/12 of the Reporting Year

Priority	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 (3)	Amount of public contribution to be recovered relating to irregularities (4)
1	2007	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	2008	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
...		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

(1) This is the public contribution subject to recovery proceedings at the level of the beneficiary.
 (2) This is the amount of the amount of expenditure paid by the beneficiary corresponding to the public contribution in column c).
 (3) This amount relates to the part of the amount in column d) which has been reported as irregular under the reporting procedures laid down in Article 28 of Regulation (EC) No 1828/2006.
 (4) This amount relates to the part of the amount in column c) which has been reported as irregular under the reporting procedures laid down in Article 28 of Regulation (EC) No 1828/2006.

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System for Fund management in the European Community 2007-2013

English (en) ▼

Execution > Annual Recovery Statement > Edit Annual Recovery Statement

Strategic Planning Programming Monitoring Execution Audit Evaluation Closure Utilities

Annual Recovery Statement

CCI: 2007SE16UPO003 Reporting Year: 2008 Status: Created
Title: New Train Station

Withdrawals and Recoveries Pending Recoveries Irrecoverable Amounts Documents In Charge

Irrecoverable Amounts as at 21/12 of the Reporting Year

Name of operation:

Priority axis:

Irregularity identification number (1): Year of launch of recovery proceedings:

Public contribution declared as irrecoverable (2): Total expenditure paid by beneficiaries declared as irrecoverable (3):

Date of last payment of public contribution to beneficiary: Date of establishment of irrecoverability:

Reason for irrecoverability:

Recovery measures taken including date of recovery order:

Indicate whether the Community share should be borne by the budget of the European Union (4):

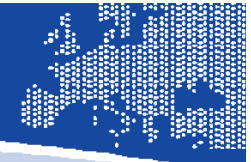
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Name of operation	Priority	Irregularity Id (1)	Year of launch of recovery	Public contribution declared as irrecoverable (2)	Total expenditure paid by beneficiaries declared as irrecoverable (3)	Date of last payment	Date of establishment of irrecoverability
Kormányzati Ellenőrzési Hivatal	1	A.123	2009	1,000,000.00	2,000,000.00		

(1) This is the reference number attributed to the irregularity or other identification referred to in Article 14(3) of Regulation (EC) No 1828/2006.
 (2) This is the amount of public contribution paid by the beneficiary for which it was established that recovery could not be carried out or for which recovery is not expected to take place.
 (3) This amount is the amount of expenditure paid by the beneficiary corresponding to the public contribution in column (e).
 (4) Community share is calculated by applying the co-financing rate at the level of the priority axis either with reference to column (e) or (f) pursuant to Article 53(1)(a) or (b) of Regulation (EC) No 1083/2006."

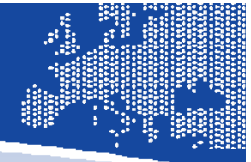
[Add a new Irrecoverable Amount](#)

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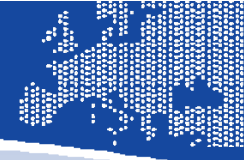
2 Commission's expectations

- Accuracy of Statements of Expenditure and of payment claims
- Timeliness of checks : first check and then declare to the Commission (no 'n+2' or year-end exception!)
- Completeness of reporting
- This contributes to reliability and assurance



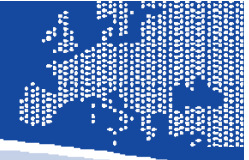
2 Commission's expectations

- Key requirement 1: Clear definition, allocation and separation of functions between and within the certifying authority / intermediate body/ies (art. 58 a), b), 59.2, 61 of R 1083 and art. 12 of R 1828)
- Key requirement 2: Adequate audit trail and computerised system (art. 61 b), e) of R 1083, art. 15 of R 1828)
- Key requirement 3: Adequate arrangements for the certification of expenditure to be reliable and soundly based (art. 61 b,) c), d) of R 1083)
- Key requirement 4: Satisfactory arrangements for keeping an account of amounts recoverable and for recovery of undue payments (art. 61 f) of R 1083 and art. 20.2 of R 1828)



3 Challenges specific to ETC programmes

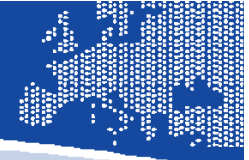
- How to get **assurance** from across the border?
 - Exchange of Working documents & Audit results
 - Agreed and standardised procedures, access to data
- Cooperation of Member States with Programme authorities
 - Key role of FLC : their function and results are the cornerstone of assurance: responsible = MS
 - Final responsibility of MS (Art. 17.3 of 1080/2006) versus role of Managing Authority and Certifying Authority (all the rest !)
 - CA to make use of results of audit work (AA + GoA)
- The key message: do not duplicate; ensure it was done properly!



3 Challenges specific to ETC programmes

The payment flow

- Art. 14 of R. 1080/2006: the CA in ETC programmes receives payments from the Commission and, as a rule, pays the LP
- Role of the LP: Art. 20 1 e) of R. 1080/2006: LP pays PP
- Who ensures and who checks that Art. 80 of R. 1083/2006 (beneficiaries are paid quickly & 100%) is complied with in your programme ?
- Use of the Euro: Art. 81.3 of R 1083/2006



3 Challenges specific to ETC programmes

The difficult cases: irregularities and corrections

Best case: detected on time before ERDF payment:

- reduce next payment.

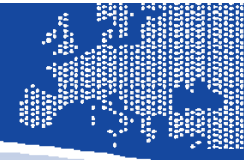
Other cases: detected by auditors (on declared expenditure), or during a final check, or ...

- Art. 17 of Reg. 1080/2006: the CA recovers from LP, if failure, then MS repays CA
- Recover by using the legal arrangements existing between actors

The time factor: when to obtain recovery

- from PP by LP (and why not by its MS if it has better means?),
- from LP by CA,
- from other MS by CA ?

The key message: get it signed before problems appear !



Thank you for your attention

Questions, comments?

Workshop