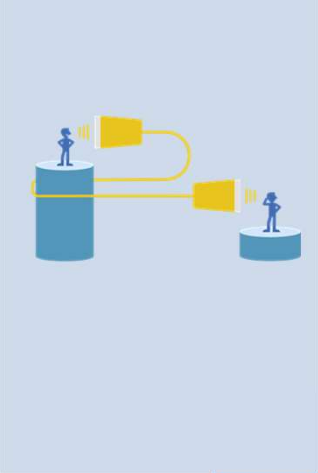



PRESENTATION



General updates

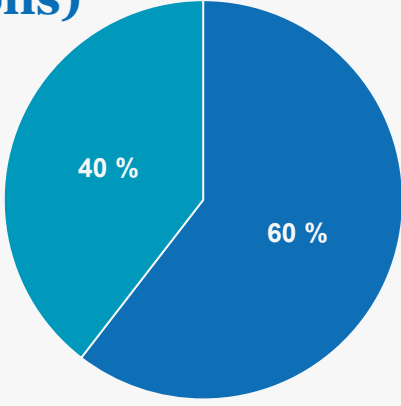


1 **la**

1

PRESENTATION

Accounting function (from registrations)



Category	Percentage
The accounting function is entrusted to a separate programme body (former CA)	60 %
The MA assumes the accounting function	40 %

- The accounting function is entrusted to a separate programme body (former CA)
- The MA assumes the accounting function

2 **la**

2

Methodological notes (1/2)



All methodological notes are out!

1. **MN on the assessment of the management and control system** (for AA's system audit) – 24.05.2023
2. **MN on the annual control report, audit opinion and treatment of errors + Annex IV - Audit findings (typology of findings)** – 26.07.2023
 - Typology of findings is used as basis in Jems
 - Roadmap to assurance package in 2021-2027 (updated version)

Methodological notes (2/2)

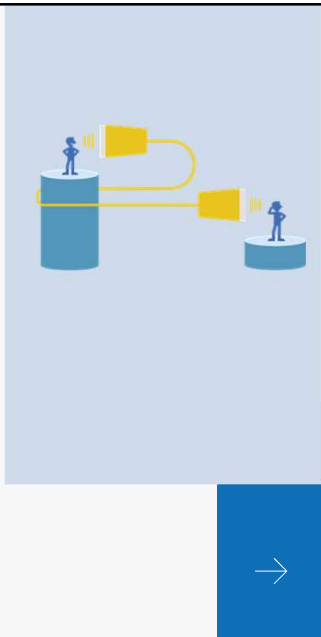


All methodological notes are out!

3. **MN on preparation, submission, examination and audit of accounts** – 25.08.2023
 - No MN on audit strategy is planned;
 - Withdrawals are treated in MN on accounts
4. **Reflection paper on the risk-based management verifications in 2021-2027** – 24.05.2023
 - HIT guidance on risk-based methodology

Tools for the System Audit, Audit Strategy, Audits of operations

1. MN for the assessment of the MCS in MS
2. Interreg System Audit Checklists:
 - Result of AA-MA-JS Working Group
 - KR 1 – KR 10 covered, especially important for you KR9 and KR10
 - The checklists contain example questions – inspiration for you
3. Audit of operation report template



**Progress with the
implementation of
2021-2027 and common
sample**

1st accounting year 1 January 2022 – 30 June 2023

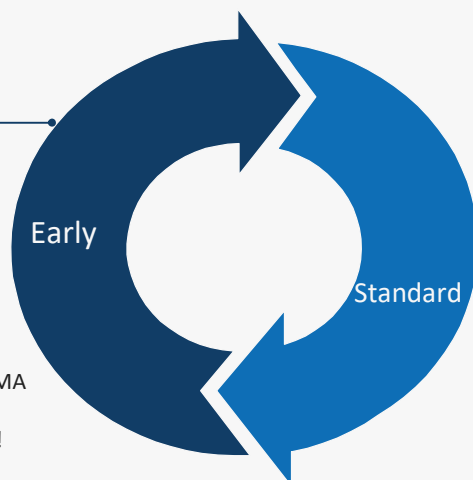
- All Interreg programmes approved (re-programming of 2021) in 2022
- Many calls launched (for regular, small-scale projects, SPF)
- No payment applications submitted to the EC in the 1st accounting year – no common sample drawn by the EC
 - But first experience in the next spring/ summer (2024) for many programmes

Submission of data – common sample

Early submission

- By 1st of July
- EC sends sample in 15 working days

Data submitted in SFC by MA or BAF or AA, but consistency check needed!







Standard submission


- By 1st of August
- EC sends sample by 1st of September

[Interact Q&A on Common sample and the data exchange template](#)

PRESENTATION

Sample

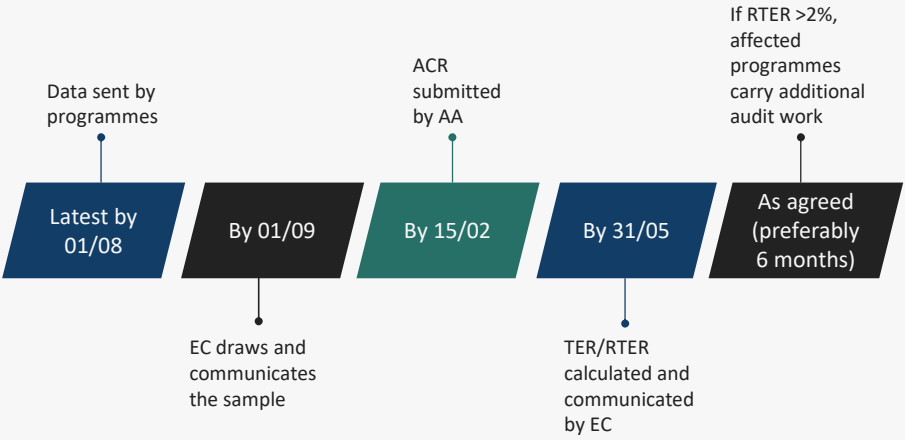
 <p>1. Drawn by the EC</p>	 <p>2. Sample unit: partner</p>
 <p>3. Equal probability selection (SRS)</p>	 <p>4. Minimum sample per programme:</p> <ul style="list-style-type: none"> - 3 for < 500 partners - 5 for ≥ 500 partners

9


9

PRESENTATION

Timeline




Data sent by programmes
Latest by 01/08

EC draws and communicates the sample
By 01/09

ACR submitted by AA
By 15/02

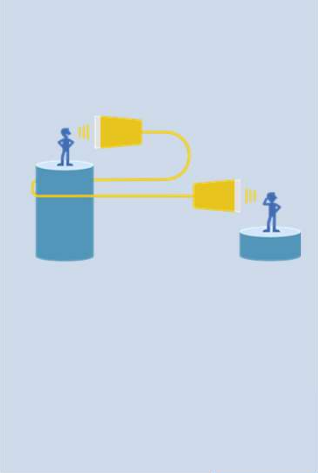
TER/RTER calculated and communicated by EC
By 31/05

As agreed (preferably 6 months)
If RTER >2%, affected programmes carry additional audit work


10


10

PRESENTATION



The accounts



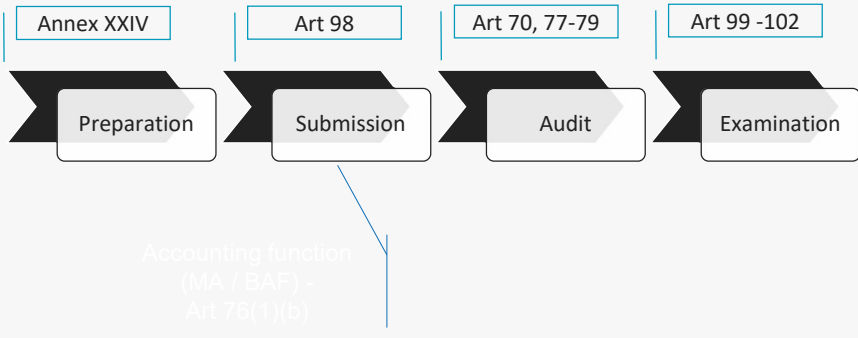
11 **la**

11

PRESENTATION

Accounts – processes

- **Four main processes** in relation to Accounts :



Annex XXIV | Art 98 | Art 70, 77-79 | Art 99 -102

Preparation | Submission | Audit | Examination

Accounting function (MA / BAF) - Art 76(1)(b)

12 **la** Source: Presentation by the Commission, Unit DAC7, Joint Audit Directorate for Cohesion at Technical Meeting, 15 June 2023

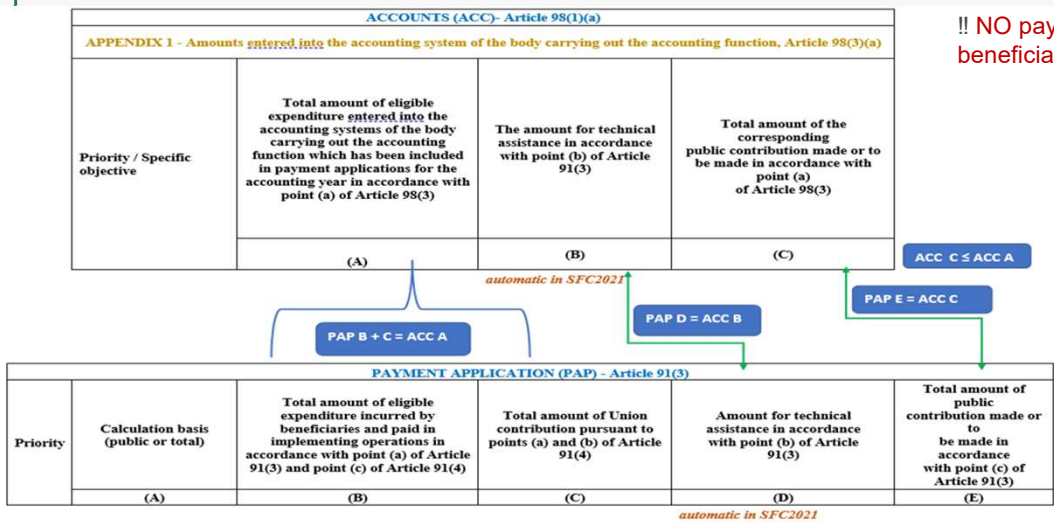
12

Preparation of Accounts

- Appendix 1 • Amounts entered into the accounting system of the body carrying out the accounting function
- Appendix 2 • Amounts withdrawn during the accounting year
- Appendix 3 (ex-Appendix 6) • Amounts of programme contributions paid to financial instruments
- Appendix 4 (ex-Appendix 8) • Reconciliation of expenditure
- Appendixes 5/6 (NEW!) • Information on expenditure linked to specific objectives for which enabling conditions are not fulfilled
- Appendix 7 • Advances paid in the context of State aid under Article 91(5)



Appendix 1 – Expenditure declared



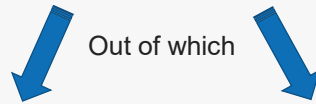
!! NO payments to beneficiaries



Appendix 2 – Withdrawals

Priority / Specific objective	Withdrawals	
	Total amount of expenditure included in payment applications (A)	Corresponding public contribution (B)
Priority (category of region)		
Split of amounts withdrawn during the accounting year by accounting year of declaration of the corresponding expenditure		
In relation to accounting year ending 30 June XX ... (total)		
Out of which amounts corrected as a result of AA audits		
Out of which accounts corrected as a result of EC and ECA audits and OLAF investigations		

• Withdrawals = corrections for irregular expenditure during the accounting year

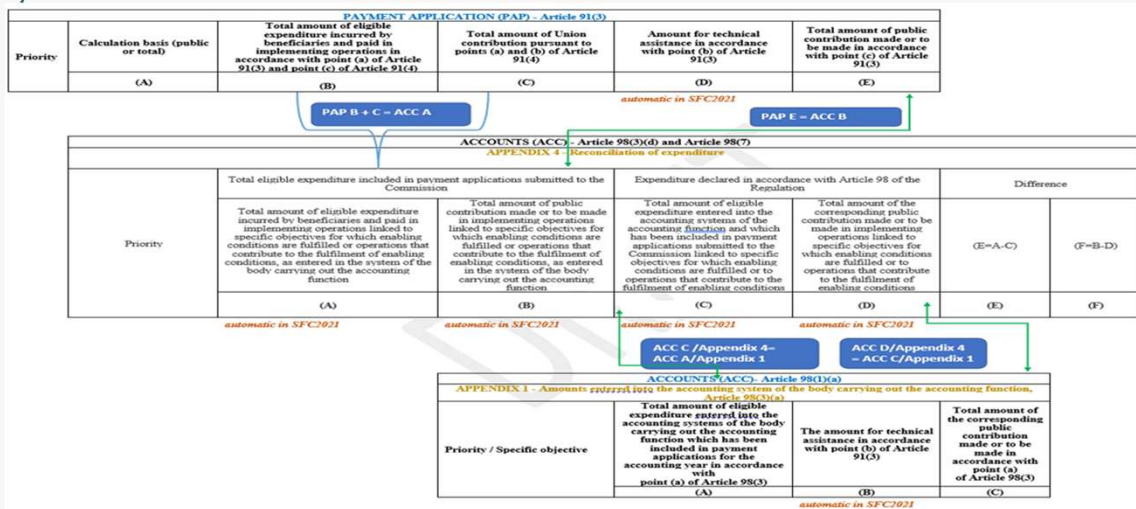


AA audits EC ECA OLAF

- Broken down per accounting year
- !! NO Recoveries (incl. Amounts be recovered, Irrecoverable amounts)

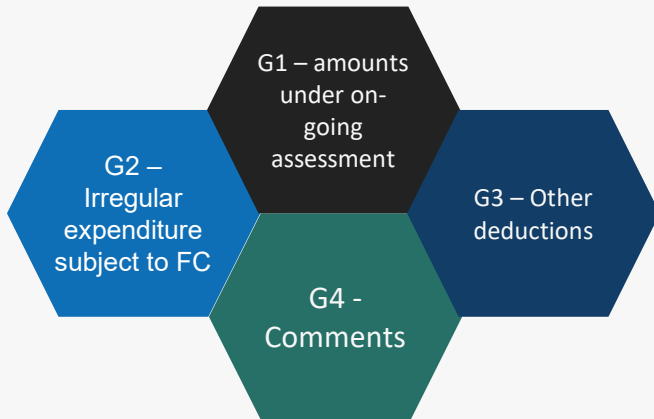


Appendix 4 – Mapping ACC and PAP



Appendix 4 – Reconciliation ACC and PAP

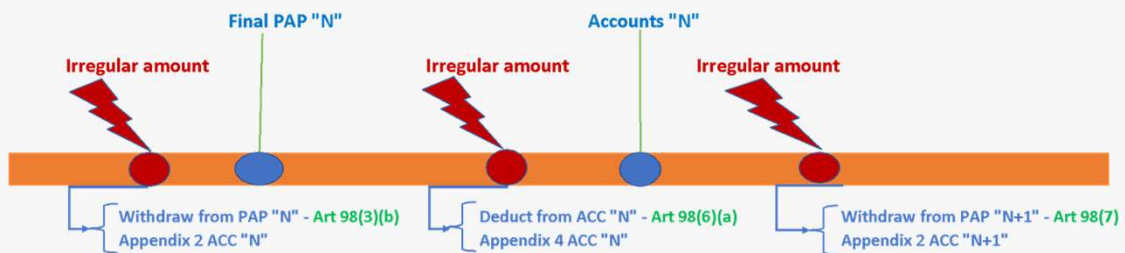
! NEW Explain differences col. E • Total amounts broken down per priority/specific objective



- Deductions from Accounts **ONLY** for the **current** accounting year
- **ONLY negative** differences (ACC < PAP)

Financial Corrections

• Timeline for applying Financial Corrections (FC) cf. Art 103 Definitive



• Other amounts deducted from the Accounts

- amounts under ongoing assessment – Art 98(6)(b) Temporary
- amounts to reduce the RER below 2% – Art 98(6)(c) Definitive

Art. 103 Corrections in Jems

Scenario	Action
Scenario 1 (irregularity below 250 EUR)	No correction in the accounts or payment applications
Scenario 2 (irregularity detected before 31 July)	Withdrawal in the following payment application Withdrawn in Appendix 2
Scenario 3 (irregularity detected after the submission of the last payment application, but before the submission of the accounts)	Reduce the expenditure presented in Appendix 1 Deducted in Appendix 4 (Col. G2 - Irregular expenditure subject to financial corrections)
Scenario 4 (irregularity is subject to an ongoing assessment at the time of submission of the accounts)	Reduce the expenditure presented in Appendix 1 Deducted in Appendix 4 (Col. G1 - Expenditure which is subject to an ongoing assessment)
Scenario 5 (irregularity detected after the submission of the accounts of the accounting year)	Financial corrections implemented via withdrawal in a payment application of the subsequent accounting year(s) Withdrawn in Appendix 2 N+1

Financial Corrections (ct'd)

Net Financial Corrections under Art 104(1)(b) CPR =>> reduce the support from Funds

Conditions:

- MS is informed of EC auditors' conclusions in a letter cf. Art 104(2)
- Irregular expenditure is contained in accepted accounts
- Irregularities have **not** been detected and reported by the MS

For **Interreg programmes** – corrections for all irregular expenditure (even < 250 EUR) – **Regulation (EU) 2021/1059**

Submission of Accounts

Deadline: 15 February – Art 98(1)

- **Extension possible until 1 March** (request + justification via **SFC2021**) - Art 98(2)

!!Key aspect: Cooperation AA – MA/BAF for internal deadlines

Special situations:

- **Non-submission of Accounts =>> PAP not admissible – Art 91(2)**
- **RER > 2% =>> ACC not admissible – Art 98(5), not applicable to Interreg**

Audit of Accounts – Examples

Appendix 1 Amounts in the accounting system

- Reconciliation ACC = PAP – Deductions
- Final PAP = PAPs + new expenditure – withdrawals cf. Appendix 2
- Tracing/Vouching PAP with incurred expenditure (sample based)

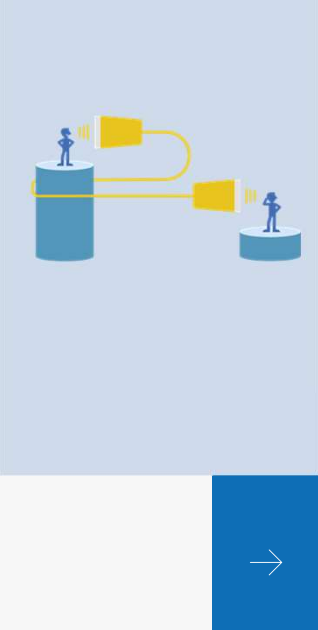
Appendix 2 Withdrawals

- Adequate split per accounting year
- FC in PAP from AA audits + other audits (EC, ECA) or OLAF investigations
- Check consistency of the amounts of FC in PAP with accounting records

Appendix 4 Reconciliation

- Check the split of differences in col. G1-G3 and comments in col. G4
- Ensure consistency with the ACR
- Check consistency with the MA/BAF records for FC, including amounts under ongoing assessment

PRESENTATION



Jems

23

