

Financial programme management in Jems

Focus on assurance package 2021-2027

Online, 31 January 2025

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Interact



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Interreg

Meeting objectives

- To connect the theory with practice
- To show how the concepts are implemented in SFC
- To show how the concepts are implemented in Jems
- As simple as possible (only necessary items)
- To understand the accounts logic
- Meeting open to MAs, BAFs, AAs



Housekeeping

- The meeting will be recorded
- Questions policy – after each section
- Questions in Slido: link in the chat, number, QR
- Put up your hand and speak
- Will have a short break in the middle
- First global picture then details



Agenda

01

Annual assurance cycle and assurance package

02

Common sample

03

Annual Control Report

04

Accounts and the rest of assurance package

05

JEMS modules

06

07

3rd accounting year 1 July 2023 – 30 June 2024

15 programmes submitted payment applications

Population for the common sample submitted by 1 July / 1 August 2024

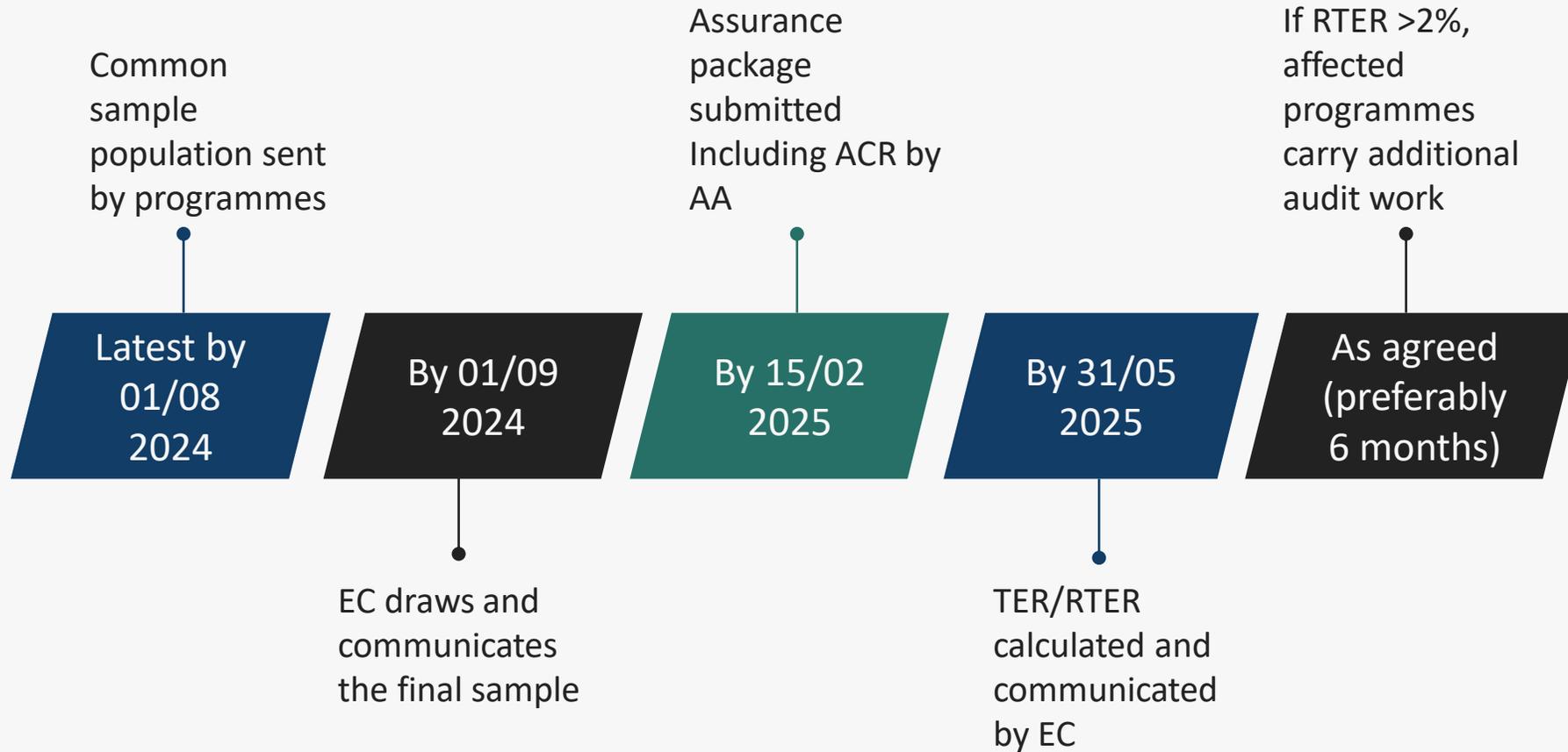
Assurance package to be submitted by 15 February 2025

EC evaluates and calculates TER/RTER by 31 May 2025

If RTER > 2%, affected programmes might carry out additional audit work



Timeline



Assurance package 2021-2027

1. **Accounts** (CPR Annex XIV) including
 2. **Management declaration** (CPR Annex XVIII)
 3. **Annual audit opinion** (CPR Annex XIX)
-
4. **Annual control report** (CPR Annex XX)
(Interreg common sample)

CPR Article 98 Content and submission of accounts

CPR Annex XVII Data to be recorded and stored electronically (Fields 124-130)

The screenshot shows a menu with the following items:

- Execution
 - Payment application (IJG)
 - Payment application (ETC)
 - Payment forecast (IJG)
 - Payment forecast (ETC)
 - Accounts (IJG)
 - Accounts (ETC)** (highlighted in pink)
 - Annual Accounts (IPARD III)
 - Financial management (dropdown arrow)
 - Debit note
 - Decommitment n+3
- Audit
 - National audit report (IJG ETC)
 - Annual control report (IJG ETC)** (highlighted in pink)
 - Scrutiny Control Plan (EAGF)
 - Scrutiny Report (EAGF)
 - Interreg common sample (dropdown arrow)
 - Interreg common sample
 - Interreg common sample (old)** (highlighted in orange)
 - EC audit report

A blue arrow points from the 'Annual control report' item to the 'Interreg common sample (old)' item.

ACR

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- General
 - Version information
 - Officials in charge
 - History
 - Documents**
 - Observations
 - Programmes covered

Documents annexed ⓘ

DOCUMENTS ANNEXED TO THIS VERSION + Add

Title	Document type	Document date	Local reference	Commission reference	Files	Sent date	Sent by	Actions
ACR	Other Member State document	08/02/2023			1			  

ATTACHED FILES + Add

Title	Type	Language	File / Upload	Action
ACR	Main	en. English	ACR.docx	 

Cancel Save Save & Send

[MN on the annual control report, audit opinion and treatment of errors](#) + Annex IV - Audit findings (typology of findings - used as a basis in Jems)

- Accounts 
 - Declarations
 - ERDF
 - Appendix 1
 - Appendix 2
 - Appendix 3
 - Appendix 4
 - Appendix 7
 - Annual control report**
 - Management declaration 
 - Audit opinion 
 - Introduction
 - Responsibilities
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ACR Annex 1

Results of system audits

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Annex 5

CC(s)	Fund(s)	Audited entity	Title of the audit	Date of final audit report	KR1	KR2	KR3	KR4	KR5	KR6	KR7	KR8	KR9	KR10	Overall assessment (Category)
					2		1	1	1	1	1	1	1		2
					1					1				1	1

ACR Annex 2

Results of audits of operations

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- General
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- Annex 5

CCI(s)	Funds	Amount in euros corresponding to the population from which the sample was drawn	Expenditure in reference to the accounting year audited for the random sample		Amount of irregular expenditure in random sample	Total error rate	Corrections implemented as a result of the total error rate	Residual total error rate	Other expenditure audited	Amount of irregular expenditure in other expenditure audited	
		(A)	Amount (B.1)	% (B.2)	(C)	(D)	(E)	(F)	(G)	(H)	
			++	++	++	0.00	0%	0.00	0%	0.00	0.00

ACR Annex 4

Audit findings

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- General
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- Annex 2
- Annex 3
- Annex 4
- Annex 5

Category	Sub-category	Fund	Cases of suspected fraud	Cases of gold-plating	Frequency (Number of cases)	Amount of the irregularities (in total costs and €)	Comments
14: Sound Financial Management	14.1. Non-compliance with the principle of sound financial management (e.g. poor project management, failure to comply with obligations assumed by the beneficiary, including failure to respect the deadlines for submitting documents, unused cash discounts/reductions).	ERDF	0	0	1	0.00	
Total			0	0	1	0.00	

Annex IV - Audit findings (typology of findings - used as a basis in Jems correction module)

Annual audit opinion

AUDIT OPINION

5. Opinion ⓘ

Unqualified Qualified Adverse Disclaimer of opinion

Cancel Save

1

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Annual audit opinion

Type of audit opinion	Element of the audit opinion and overall assurance				Corrective measures needed (either financial corrections or system/procedural improvements or both)
	Functioning of MCS (results of system audits confirmed or amended by results of audits of operations – TER or/and improvements to overcome deficiencies in the MCS)		Legality and Regularity of expenditure in the accounts ⁴²	Accounts ⁴³	
	Results of system audits	TER ⁴⁴ (results of audits of operations)	RER (TER mitigated by implemented financial corrections before submission of the accounts to the Commission)		
1- Unqualified	System in category 1 or 2	and TER ≤ 2%	and RER ≤ 2%	and adjustments to be made in the accounts ≤ 2%	Corrections of the individual errors in the sample
2 – Qualified (qualification with limited impact)	System in category 2	and/or 2% < TER < 5%	NA ⁴⁵	NA	Corrections of the individual errors in the sample + improvements to overcome any deficiencies in the MCS
3 - Qualified (qualification with significant impact)	System in category 3	and/or 5% ≤ TER ≤ 10%	and/or RER > 2% ⁴⁶	and/or adjustments to be made in the accounts > 2%	Extrapolated financial corrections to bring the RER to ≤ 2%, taking account of corrections already applied as a result of the AA's audits (including corrections of individual errors in the sample as accounts are inadmissible if RER is >2%) + improvements to overcome any deficiencies in the MCS
4 - Adverse	System in category 4	and/or TER > 10%	and/or RER > 2% ⁴⁷	and/or adjustments to be made in the accounts > 2%	+ implementation of the adjustments to be made in the accounts

Recommendations ACR

- ACRs should disclose the results of the audits of operations
- The results of the audits of operations should be also reported in the template in which AA received the sample
- The filled in template should be annexed to the ACR. This will allow the EC to compute an overall error rate for the Interreg programmes
- Additionally, if available, AA should include the follow up of the KR 11 audits as well as Early Preventive System Audits (EPSA) especially if the measures have been taken after the EC audits
- As stated in the regulations no opinion on legality and regularity must be issued and no TER must be calculated per programme

Accounts

- Accounts 
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Preparation of Accounts

Appendix 1	<ul style="list-style-type: none">• Amounts entered into the accounting system of the body carrying out the accounting function
Appendix 2	<ul style="list-style-type: none">• Amounts withdrawn during the accounting year
Appendix 3 (<i>ex-Appendix 6</i>)	<ul style="list-style-type: none">• Amounts of programme contributions paid to financial instruments
Appendix 4 (<i>ex-Appendix 8</i>)	<ul style="list-style-type: none">• Reconciliation of expenditure
Appendixes 5/6 (NEW!)	<ul style="list-style-type: none">• Information on expenditure linked to specific objectives for which enabling conditions are not fulfilled
Appendix 7	<ul style="list-style-type: none">• Advances paid in the context of State aid under Article 91(5)

You have the data for Appendix 1,2, and 4 in Jems!

Payment application (PAP)

Expenditure broken down by priority as entered into the accounts of the body carrying out the accounting function (Including programme contributions paid to financial instruments (Article 92 and advances paid in the context of State Aid (Article 91(5)))

This table shall not include expenditure linked to specific objectives for which enabling conditions are not fulfilled, with the exception of operations that contribute to the fulfilment of enabling conditions

Priority	Calculation basis (A)	Total amount of eligible expenditure (B)	Total amount of Union contribution (C)	Amount for technical assistance (D)	Total amount of public contribution made or to be made (E)
1	Public			0.00	
Grand total				0.00	

Real costs + SCOs
from programme-
beneficiary level

Total amount of Article
94 & 95

programme SCOs and
FNLC

5 programmes using
these SCOs:, Belgium-
the Netherlands,
Slovenia-Hungary,
Slovenia-Austria,
Slovenia-Croatia,
ESPON

Filled in for them only!

Calculated automatically
**Filled in by EC Front
Desk**

Always filled in!

SFC Versioning of
payment apps:
Per accounting year:

1.0

1.1

2.0

3.0

3.1

Appendix 1 – Expenditure declared

ACCOUNTS (ACC)- Article 98(1)(a)			
APPENDIX 1 - Amounts entered into the accounting system of the body carrying out the accounting function, Article 98(3)(a)			
Priority / Specific objective	Total amount of eligible expenditure entered into the accounting systems of the body carrying out the accounting function which has been included in payment applications for the accounting year in accordance with point (a) of Article 98(3)	The amount for technical assistance in accordance with point (b) of Article 91(3)	Total amount of the corresponding public contribution made or to be made in accordance with point (a) of Article 98(3)
	(A)	(B)	(C)

!! NO payments to beneficiaries

ACC C ≤ ACC A

automatic in SFC2021

PAP B + C = ACC A

PAP D = ACC B

PAP E = ACC C

PAYMENT APPLICATION (PAP) - Article 91(3)					
Priority	Calculation basis (public or total)	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in accordance with point (a) of Article 91(3) and point (c) of Article 91(4)	Total amount of Union contribution pursuant to points (a) and (b) of Article 91(4)	Amount for technical assistance in accordance with point (b) of Article 91(3)	Total amount of public contribution made or to be made in accordance with point (c) of Article 91(3)
	(A)	(B)	(C)	(D)	(E)

automatic in SFC2021

Appendix 1 – *Expenditure declared*

Appendix 1

Amounts entered into the accounting systems of the accounting function – point (a) of Article 98(3)

This table shall not include expenditure linked to specific objectives for which enabling conditions are not fulfilled, with the exception of operations that contribute to the fulfilment of enabling conditions

Priority	Total amount of eligible expenditure  (A)	The amount for technical assistance  (B)	Total amount of the corresponding public contribution made or to be made  (C)
1			
Grand total			

Irregularities

Irregularity means any breach of applicable law, resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the budget of the Union by charging unjustified expenditure to that budget;

Established irregularity when the costs have been claimed in the payment application to the EC

subject of a first written assessment by a competent authority, either administrative or judicial, -> irregularity has been committed

Reporting in CPR Annex XII + Handbook on requirement to report irregularities, COCOLAF/23-05-17/8.2/EN



Withdrawals and deductions in 2021-2027

Withdrawals financial corrections for irregular expenditure corrected (withdrawn) in the next payment application

Applicable to the current or previous accounting years

Deductions financial corrections for irregular expenditure corrected (deducted) in the accounts

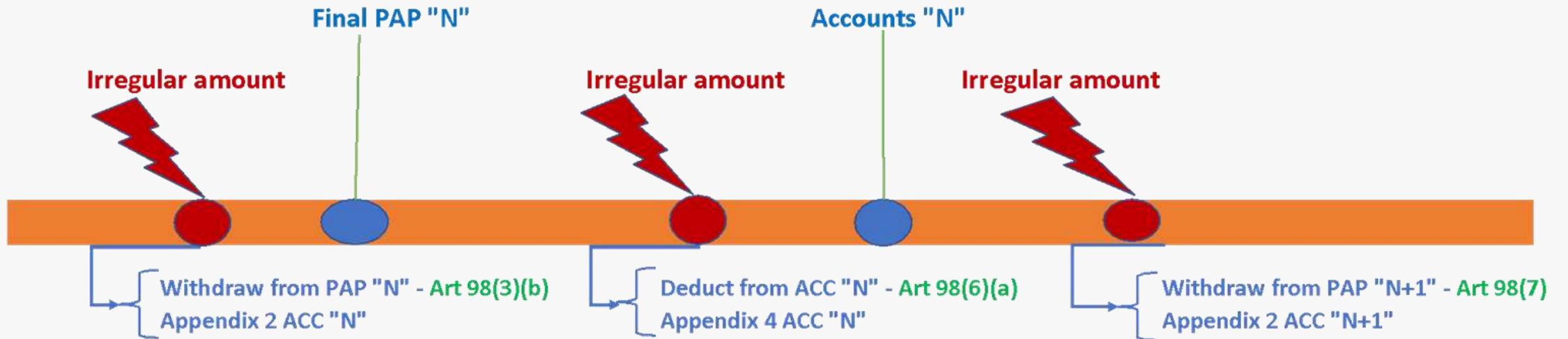
Applicable only to the current accounting year

Always negative amounts



Financial Corrections

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

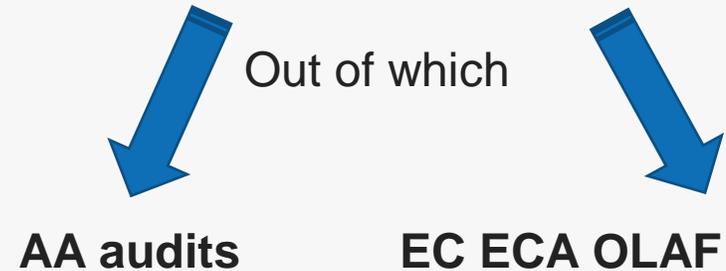


- Other amounts deducted from the Accounts
 - amounts under ongoing assessment – Art 98(6)(b) **Temporary**
 - amounts to reduce the RER below 2% – Art 98(6)(c) **Definitive**

Appendix 2 – Withdrawals

Priority / Specific objective	Withdrawals	
	Total amount of expenditure included in payment applications	Corresponding public contribution
	(A)	(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 EC and ECA audits and OLAF investigations		

- **Withdrawals** = corrections for irregular expenditure during the accounting year



- Broken down per accounting year
- **NO info on recoveries (incl. Amounts be recovered, Irrecoverable amounts)**
- Interreg Art. 52 Recoveries – MA recovers, but no information needs to be provided to the Commission!

Appendix 2 – Withdrawals

> ACCOUNTS ▶ ERDF

Appendix 2 📘

Amounts withdrawn during the accounting year – point (b) of Article 98(3) and Article 98(7)

Priority	Category of region	Withdrawals	
		Total amount of expenditure included in payment applications (A)	Corresponding public contribution (B)
1		0.00	0.00
Grand total		0.00	0.00
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 2024 (total)	0.00	0.00
	Out of which amounts corrected as a result of AA audits	0.00	0.00
	Out of which amounts corrected as a result of EC and ECA audits and OLAF investigations	0.00	0.00
	In relation to accounting year ending 30 June 2023 (total)	0.00	0.00
	Out of which amounts corrected as a result of AA audits	0.00	0.00
	Out of which amounts corrected as a result of EC and ECA audits and OLAF investigations	0.00	0.00
	In relation to accounting year ending 30 June 2022 (total)	0.00	0.00
	Out of which amounts corrected as a result of AA audits	0.00	0.00
	Out of which amounts corrected as a result of EC and ECA audits and OLAF investigations	0.00	0.00

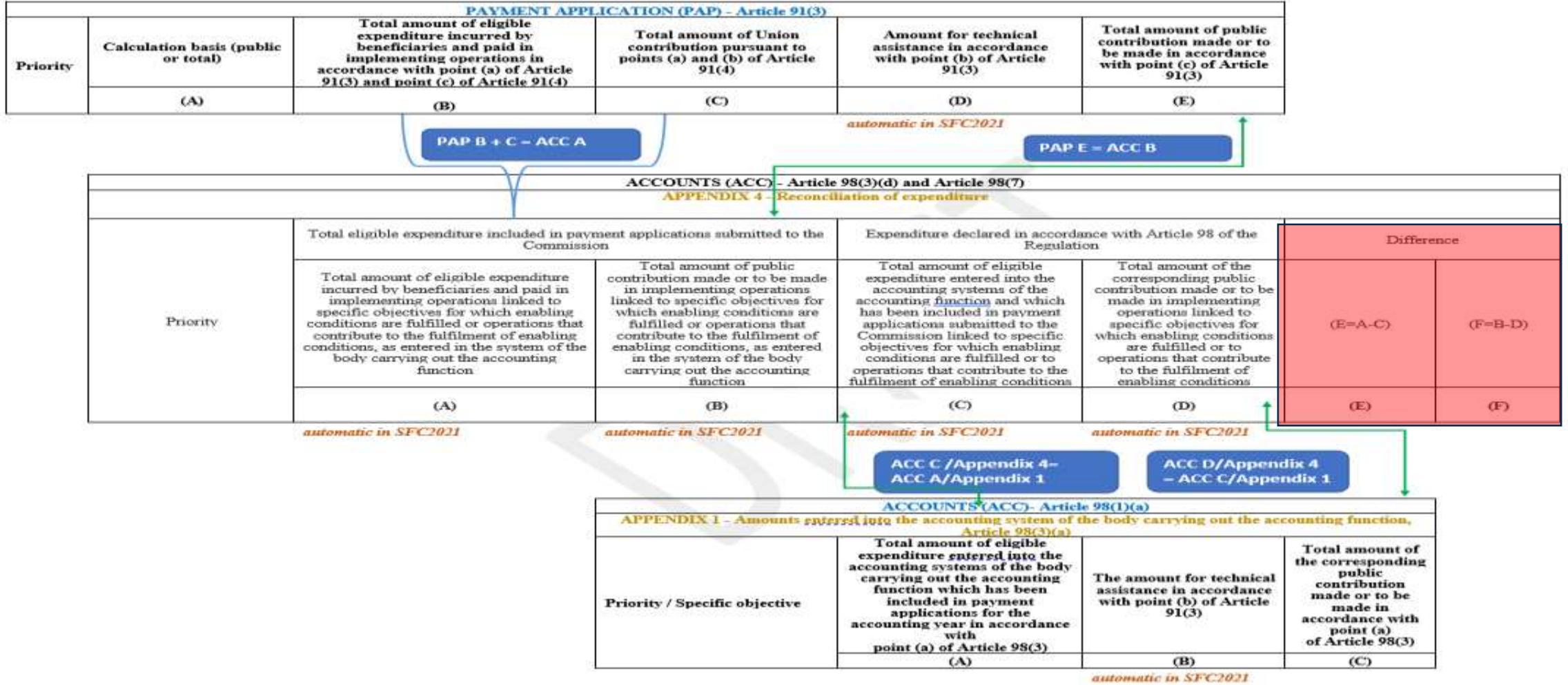
Clerical and technical mistakes

Corrections other than irregular expenditure (e.g. clerical or technical mistakes) implemented in the payment applications via withdrawals should not be disclosed in Appendix 2!

2 possibilities:

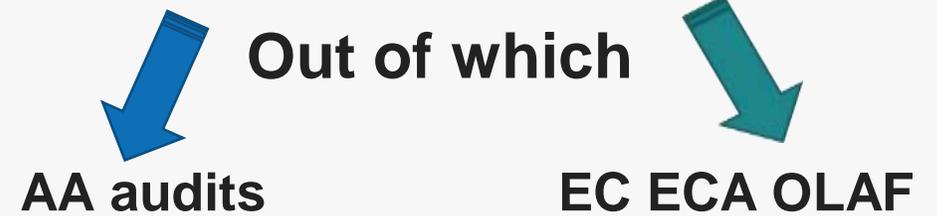
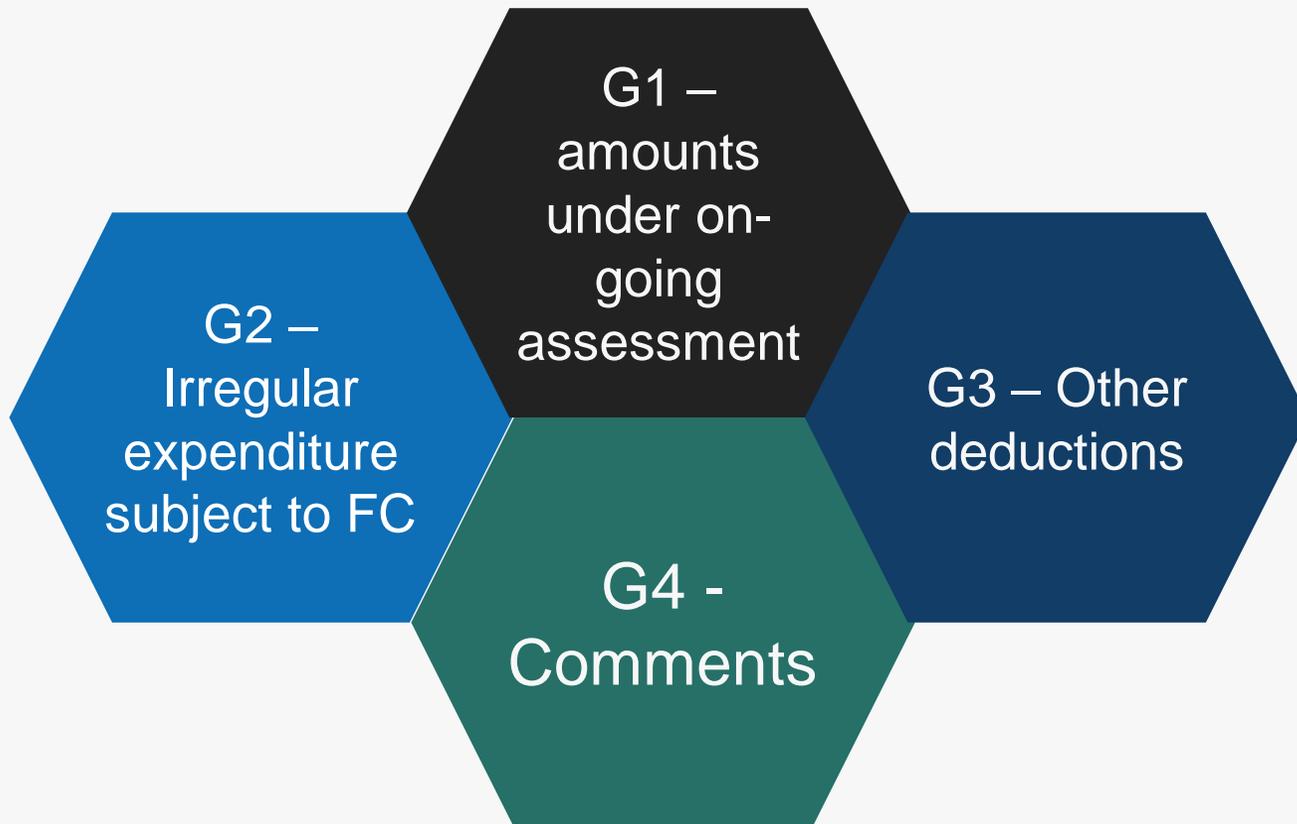
- 1) They are deducted from payment applications for the current accounting year. In this case, they will be automatically reflected in Appendix 1 of the Accounts (there is no need to reflect the withdrawal not related to irregularities in Appendix 2);
- 2) They are deducted directly from the accounts. In this case, they will have to be reflected in column G3 - Other deductions of Appendix 4.

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)

Appendix 4 – Mapping ACC and PAP

> ACCOUNTS > ERDF

Appendix 4

Reconciliation of expenditure - point (d) of Article 98(3) and Article 98(7)

Priority	Total eligible expenditure included in payment applications submitted to the Commission		Expenditure declared in accordance with Article 98 of the Regulation		Difference		Comments (obligatory in case of difference for each type of deduction in accordance with Article 98(6))			
	Total amount of eligible expenditure  (A)	Total amount of public contribution  (B)	Total amount of eligible expenditure  (C)	Total amount of the corresponding public contribution  (D)	(E=A-C)	(F=B-D)	Ongoing legality and regularity  (G1)	Financial corrections  (G2)	Other deductions (G3)	Comments (G4)
1					0.00	0.00				
Grand total					0.00	0.00				
Out of which amounts corrected in the current accounts as a result of AA audits										
Out of which amounts corrected in the current accounts as a result of EC and ECA audits and OLAF investigations										

Art. 103 Corrections in Jems

<u>Scenario</u>	<u>Action</u>
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

ACCOUNTS

Declarations 

The managing authority / the body carrying out the accounting function responsible for the programme hereby confirms that:

- (1) the accounts are complete, accurate and true;
- (2) the provisions in points (b) and (c) of Article 76(1) are respected.

Representing the managing authority / the body carrying out the accounting function *

Contact1

1

The managing authority responsible for the programme hereby confirms that:

- (1) the expenditure entered into the accounts complies with applicable law and is legal and regular;
- (2) the provisions in the Fund-specific Regulations, Article 63(5) of the Financial Regulation and in points (a) to (e) of Article 74(1) of this Regulation are respected;
- (3) the provisions in Article 82 with regard to the availability of documents are respected.

Representing the managing authority *

Contact1

2

Date: *Not signed yet*
e-Signature: *Not signed yet*

Cancel

Save

3

Accounts 

Declarations

ERDF

Appendix 1

Appendix 2

Appendix 3

Appendix 4

Appendix 7

Annual control report

Management declaration 

Audit opinion 

Introduction

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Scope limitation

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Emphasis of matter

MANAGEMENT DECLARATION 

I/We, the undersigned **Contact1, Presidente** ¹ Head of the managing authority for the programme **2021 TC16RFTN002 (Interreg VI-B) Atlantic Area**

based on the implementation of the **(Interreg VI-B) Atlantic Area** during the accounting year ended 30 June **2023**, based on my/our own judgment and on all information available to me/us at the date of the accounts submitted to the Commission, including the results from management verifications carried out in accordance with Article 74 of Regulation (EU) 2021/1060 of the European Parliament and of the Council and from audits in relation to the expenditure included in the payment applications submitted to the Commission in respect of the accounting year ended 30 June **2023**,

and taking into account my/our obligations under Regulation (EU) 2021/1060

hereby declare that:

(a) the information in the accounts is properly presented, complete and accurate in accordance with Article 98 of Regulation (EU) 2021/1060,

(b) the expenditure entered in the accounts complies with applicable law and was used for its intended purpose,

I/We confirm that irregularities identified in the final audit and control reports in relation to the accounting year have been appropriately treated in the accounts, in particular to comply with Article 98 for submitting accounts. I/We also confirm that expenditure which is subject to an ongoing assessment of its legality and regularity has been excluded from the accounts pending conclusion of the assessment, for possible inclusion in a payment application in a subsequent accounting year.

Furthermore, I/we confirm the reliability of data relating to indicators, milestones and the progress of the programme.

I/we also confirm that effective and proportionate anti-fraud measures are in place and that these take account of the risks identified in that respect.

Finally, I/we confirm that I/we am/are not aware of any undisclosed reputational matter related to the implementation of the programme.

Date: *Not signed yet*
 On behalf of: *Not signed yet*
 e-Signature: *Not signed yet*

Cancel

Save ²

Accounts 

Declarations

ERDF

Appendix 1

Appendix 2

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Annual control report

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Net financial corrections

In 2021-2027 all irregularities (irrespective of the amount) contained in accepted accounts (established irregularities), and which were not detected and reported first by the MS but are identified by EC or ECA audits or OLAF investigations will lead to **net financial corrections** (amounts cannot be reused) -> art. 104(1)(b)/CPR

Accounts, Annual Control Report Tools

Methodological notes, SFC guidance, common sample documents etc.

<https://www.interact.eu/finance-and-control/audit-and-control/audit>

<https://www.interact.eu/finance-and-control/audit-and-control/accounts>

Irregularities in 2021-2027

Irregularities to be reported

1. for an amount higher than EUR 10 000 in contribution from the Funds
2. have been the subject of a first written assessment by a competent authority, either administrative or judicial
3. give rise to the initiation of administrative or judicial proceedings at national level in order to establish the presence of fraud or other criminal offences (suspected fraud)
4. preceding a bankruptcy;
5. for which the Commission submits a written request for information to the Member State following the initial reporting from a Member State

Irregularities in 2021-2027

Irregularities not to be reported

1. for an amount lower than EUR 10 000 in contribution from the Funds, BUT if interlinked and total amount > EUR 10 000 have to be reported
2. Consist solely of failure to execute an operation included in the co-financed programme owing to the non-fraudulent bankruptcy
3. cases reported to MA / BAF by the beneficiary voluntarily and before detection by either authority, whether before or after the payment of the public contribution, BUT suspected fraud YES
4. cases which are detected and corrected by the managing authority before inclusion in a payment application submitted to the Commission, BUT suspected fraud YES

Irregularities in 2021-2027

Who reports?

The Member State in which the irregular expenditure is incurred by the beneficiary

and paid in implementing the operation shall be responsible for reporting

For programmes under the European territorial cooperation goal (Interreg), the reporting Member State shall inform the managing authority and the audit authority of the programme.



Irregularities in 2021-2027

Detailed rules for the reporting of irregularities

Report irregularities within two months following the end of each quarter from their detection or as soon as additional information on the reported irregularities becomes available.

Template for electronic reporting via the Irregularity Management System (IMS)

IMS access usually coordinated by national Anti-Fraud Coordination Service (AFCOS)

IMS used in 35 countries (EU+IPA)

Non fraudulent / fraudulent irregularities

The screenshot displays the OLAF AFIS PORTAL interface. At the top, there is a navigation bar with 'OLAF AFIS PORTAL' and 'AFIS Operations'. Below this, a blue bar contains 'AMS', 'IMS', and 'QUEST'. The main content area is green and features a 'REQUEST TO CREATE A CASE: 141' section with details like 'Reference number - OLAF: ANIR / PS / IR / 2017 / 141' and 'Programming period: 2014-2020'. A 'View history' button is present. Below this is a horizontal menu with 11 items: 1 Identification, 2 Personal data, 3 Operation - general, 4 Operation - Specific - Project, 5 Operation - Specific - Agriculture, 6 Irregularity, 7 Detection, 8 Amounts, 9 Recovery, 10 Sanctions, and 11 Comments. The 'Identification' section is expanded, showing input fields for '1.1 Fund', '1.2 Year', '1.3 Programming period' (with '2014-2020' selected), and '1.4 Reference number - national'. At the bottom, there are buttons for 'Save as draft', 'Finalise', 'Delete request', 'Export', and 'Cancel'.

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