

i) Risk assessment for both administrative and on-the-spot verifications

Key steps	Risk factors	Action
Inherent risk (define elements...)	<ul style="list-style-type: none"> i) Nature of the partnership (e.g., number of partners) ii) Nature of the partner (e.g., public/private, inexperienced, iii) Change of the partner during implementation 	<ul style="list-style-type: none"> i) Analysis of potential error sources for the project's financial report. ii) Assessment of the quality of the expenditure reported by the beneficiary.
Control risk (define elements...)	<ul style="list-style-type: none"> i) New person responsible for preparation of financial reports and applications for reimbursement ii) Quality of internal accounting/control of the partner iii) Complexity of the project, types of expenditures (e.g., public procurement) 	<ul style="list-style-type: none"> i) There is always the possibility of human errors or mistakes ii) Assessment based on experience
History of errors/irregularities/fraud)	<ul style="list-style-type: none"> i) ii) iii) 	
Key items ALWAYS controlled (should be fully (100%) verified)	<ul style="list-style-type: none"> i) Public Procurement (<3000 EUR <10000 EUR...) ii) Staff costs iii) 	
Items that are not considered risky	<ul style="list-style-type: none"> i) ii) iii) 	
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*To ensure equal treatment, and in consideration of the cooperation goal of Interreg programmes, risk assessments and decisions made by controllers should follow the same principles, regardless of the project/partner in questions or the country of the controller.

ii) Example of risk assessment for on-the-spot verifications

Risk factor #	Risk	Low risk (%) or (points)	Moderate risk (%) or (points)	High risk (%) or (points)
I	Budget of the partner			
II	The value reported (VR) / requested for verification	<30.000 EUR	30.000 EUR < VR < 125.000 EUR	>125.000 EUR
III	Budget categories reported (e.g., equipment; works...)	Staff costs, Office and administration, Travel and accommodation	External expertise and services, Equipment	Infrastructure and works
IV	Type of expenditure (e.g., type of public procurement procedure, supply, service, and works contracts)			
V	Quality of the expenditure reported (e.g., insufficient supporting documents...)			
VI	Quality of clarifications provided (e.g., consecutive requests for clarification of the same cost items...)			
VII	History/suspicion of /irregularities/fraud (e.g., suspicion of irregularity during the implementation of the project; irregularity confirmed in previous reports)			

