

Risk-based management verification in Interreg, Tallin

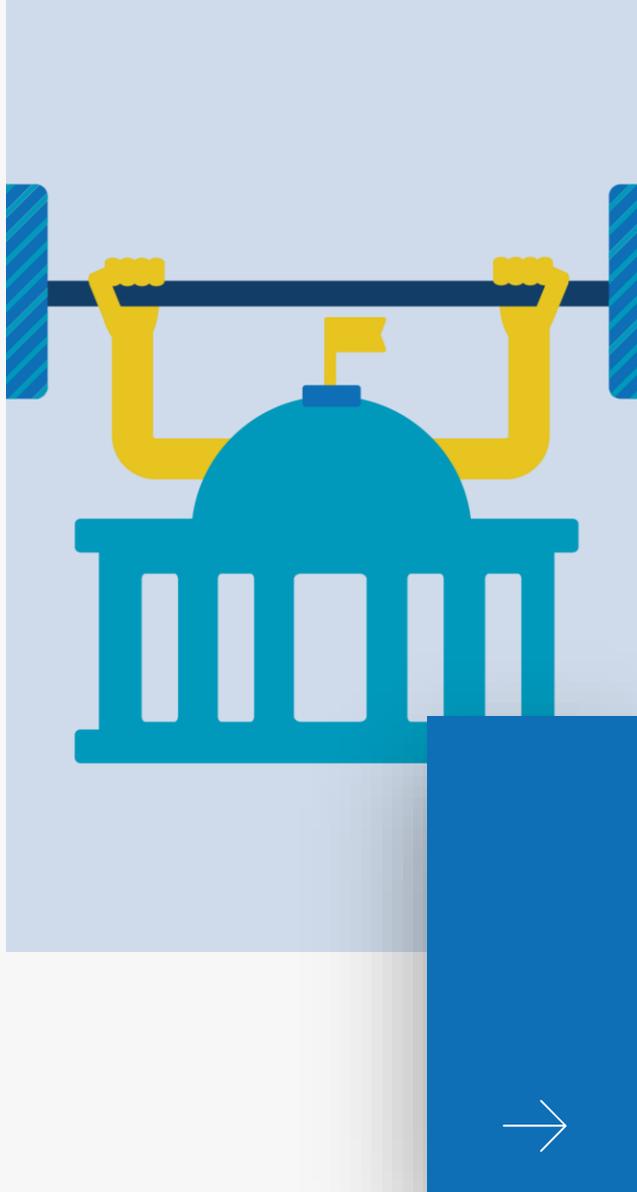
How we tackled the RBMV methodology in Interact programme.

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Interact



Co-funded by
the European Union
Interreg



Interact programme

A unique creature

Closed system

No calls for proposals

Sole beneficiaries (no project partners)

All beneficiaries with decades long experience

Let's make verifications simpler

Our approach



We heavily rely on Interact guidance and HIT methodology (do not want to reinvent the wheel)

We use Jems

One programme level methodology

National controllers perform the management verifications (AT, DK, ES, FI, SK)

Payment claim level

The extent of control – result of the risk assessment

The Timeline

2022

Gathering phase

Participation in events

Gathering information

January – April 2023

Writing phase

Analysing programme data

Writing the methodology

May - June 2023

Finalisation phase

Consulting MS hosting Interact beneficiaries

Consulting national controllers

Consulting Audit Authority

Issued on 30 June 2023

Risk assessment

Intro

Interact is very specific

Risk assessment reflects the nature of the programme

Pre-defined beneficiaries

Total error rate 2016-2023 is **0,04%**



Audits of operations

12 audits of operations

4 findings in total (incorrect budget lines, public procurement)



Irregularities and financial corrections

8 irregularities identified

by CA,AA and one self-declaration



Project monitoring and reporting

95 payment claims examined (TA excluded)

0,13% ineligible expenditure

43,75% exchange rate corrections, thereof

76,43% corrections related to travel and accommodation costs

Other risk factors

No risks identified on the level of project or beneficiary

All beneficiaries are public bodies

Long-term experience in implementing
Interact

Sufficient administrative capacity

Minimal error rate

...however risk exists because

High volume of staff costs in Interact

Public procurement findings

Mitigation measures

Use of SCOs

Off-the-shelf flat rates for:

Office and administrative costs (already in 2014-2020)

Travel and accommodation costs (new, optional for beneficiaries)

Use of Jems

Use to the maximum extent to assure accuracy of data and avoid administrative mistakes

Focus on prevention and training

Regular trainings for beneficiaries and controllers, tailor-made support

The methodology

Management verifications at the level of **each payment claim**:

Key-items verification



Public procurement

All amounts above EUR 10.000 excl. VAT

Procurement to be verified only once



Staff costs

First 2 progress reports – full check

Later new staff, significant changes, change in staff costs methodology



VAT

Beneficiaries have budget above EUR 5.000.000

The methodology/ continuation

On top of key items verification, the controller can select additional items, must **justify why**.



Professional judgement

Unusual or suspicious items

Items (or similar) where errors were identified



Random check

For beneficiaries not using flat rate for travel and accommodation



Extension of sample

If not sufficient quality of already verified documents

The methodology/ the rest



On-the-spot verifications

Audits of operations

When problems identified

When well underway



Duration of management verifications

3 months after the submission (as per regulation)



Review of the methodology

Every year in March

Life is good, but... the first verifications yet to come!

Grey is, young friend, all theory:

And green of life the golden tree.

Johann Wolfgang von Goethe

Faust pt. 1 (1808) 'Studierzimmer'



Thank you for your attention
Cooperation works