



**Interreg**  
North-West Europe



Co-funded by  
the European Union

# Risk based management verifications – after the methodology

Vienna, June 2024

Johanna März, Senior Audit and Control Officer

---

# Methodology timeline

First evaluation of programme data and establishing the methodology September 2021 to January 2022

Methodology approval March NTF 2022, confirmation by MC March 2023

Presentation of methodology in Turku June 2022 and the update of the technical struggles in June 2023

Provider change October 2023

---

# Methodology timeline

Interact Jems developement

NWE Jems development December 2023 – January 2024

Submission of call 1 reports to JS March 2024

Evaluation of call 1 reports still ongoing

---

# NWE methodology

**Partners with 40%:** 50% of expenditure checked in cost category staff in a random sample

## **Partners on real costs:**

Verification of key items (more than 10% of costs claimed). Random verification of 10 items per cost category covering a minimum of 10% of the items claimed.

Two step extension of sample in case of deficiencies

---

# Technical struggles

- What do we do with parked items? Are they part of the percentages or do they go on top?
  - Negative amounts? How are they taken into considerations for the calculated amounts?
  - For the key items do we do we do more than 10% or at least 10%?
  - Which order to sample? The parked ones and the high value first? Then the random ones?
  - Two step extension of the sample manual or automated?
-

# Trainings and seminars

- Approved projects seminar (mandatory for all partners)
  - Online reporting seminar for each call
  - NWE controller seminar
  - National controller seminars (DE, NL)
-

# Findings after round 1 of reporting (1/4)

- Beneficiaries struggle with the upload of documents
  - Specifically, the upload of payroll information like payslips, proof of payment, contracts and TAD
  - Partners refusing to provide information stating data protection
  - Private partners not understanding why they cannot use staff cost methods used in Horizon
  - Guidances and seminars don't bring the added value we had hoped for
-

# Findings after round 1 of reporting (2/4)

- JS struggles with checking supporting documents in different languages
  - The goal is to establish full audit trail through Jems as a lesson learned from the previous programme
  - What is enough to establish audit trail for staff?  
Extracts from bookkeeping as proof of payment?  
Salary slip
-

# Findings after round 1 of reporting (3/4)

- Guidance on beneficial owners, who is a beneficial owner for an NGO in Belgium or Germany?
  - New procedures require extensive training and internal guidance
  - Testing Jems in a real live environment shows areas of improvement
  - A lot of parking of expenditure, which delays the payment to partners giving a bad impression
-

# Findings after round 1 of reporting (4/4)

- Controller clarification rounds – how to ensure that we are getting feedback from them directly?
  - What to do when we do not understand on what basis the controller has performed the work because documentation is missing in Jems?
  - No difference between centralized and decentralized systems when it comes to comments
  - MS approbation bodies are reactive when shortcomings are presented
-

# Next steps

- Weekly meetings for the approved projects? The need to ask questions is bigger than anticipated
  - Further evaluation of controller cuts on content side
  - Making further improvements to Jems
  - Big analysis after September 2023 reports in order to check if methodology holds up
-

**Interreg**



**Co-funded by  
the European Union**

**North-West Europe**

**Thank you**

---