

Welcome to

The **network meeting** for Certifying Authorities and Accounting Function

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Online

Interact



Co-funded by
the European Union
Interreg

Agenda

01

**Welcome and
introduction**

02

**Programme
Closure for
2014-2020**

03

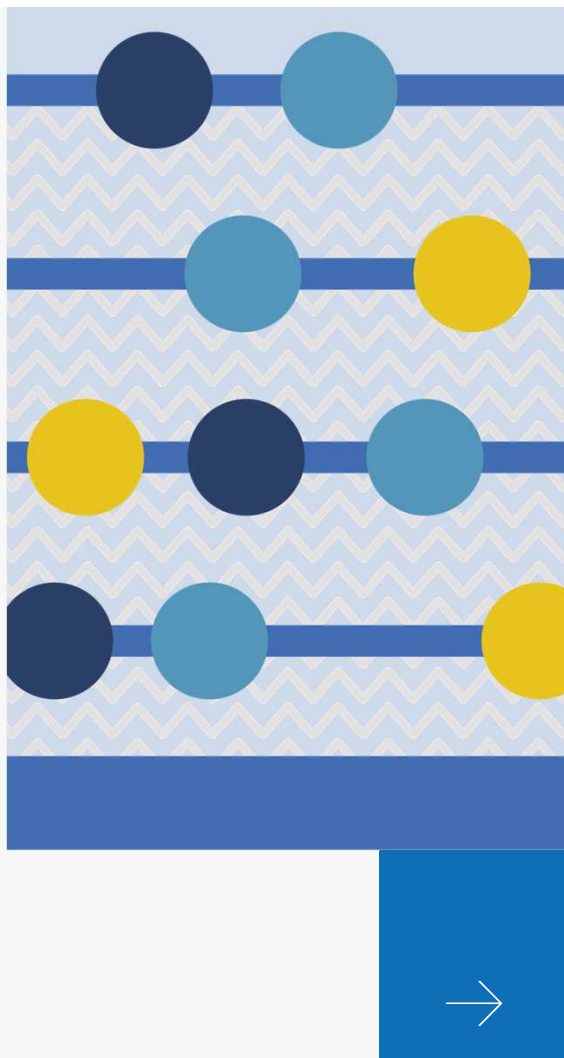
**Networking
activity**

04

**2021-2027
Implementation**

05

**Wrap up &
Closure**



Programme Closure

2014-2020

State of play

Updates

Final Balance & Article 129

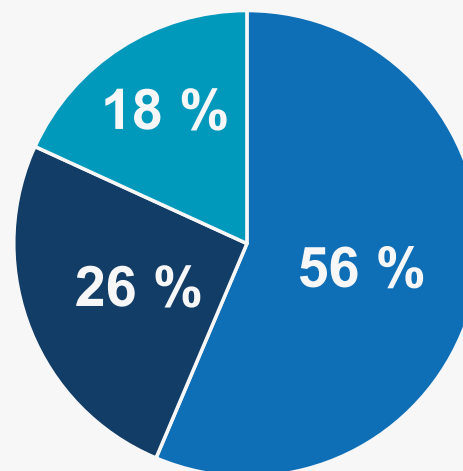
Timeline

State of play

from registrations for Programme Closure webinar, October 2024

Final spending rates estimated to be 90% - 102%, average 97,4%

Submission of final payment application



■ by July 31st 2024 ■ by end of 2024 ■ in 2025

Updates for closure of 2014-2020: Interest & Art 129 CPR

Interest on pre-financing

- The 2014-2020 CPR does not regulate the use of interest generated on pre-financing apart from its use in the context of financial instruments (Art 43 CPR).
- Interest generated by the pre-financing is considered as a national contribution and is recommended to be used for the programme concerned.
- There is neither need nor place to report it.

Art 129 CPR

- The amount of **public expenditure paid to the projects** must be at least equal to the Funds paid by the Commission to the Programme.
- **public expenditure paid to the projects = EU Funds, national funds and regional funds paid to projects** but not own co-financing of public partners
- No specific column where this can be checked → programme calculations essential to prove compliance.



Art 129 CPR & Calculation of Final Balance

verbally

Programme authorities must ensure that by the closure of the operational programme **the amount of public expenditure paid to the beneficiaries is at least equal to the contribution from the Funds paid by the Commission** to the Member State/Programme.

The CA must ensure that in its calculations for the final accounts, compliance with Article 129 of the CPR is respected. The AA is required to confirm the **assurance obtained for compliance with Article 129 of the CPR** in the final control report.

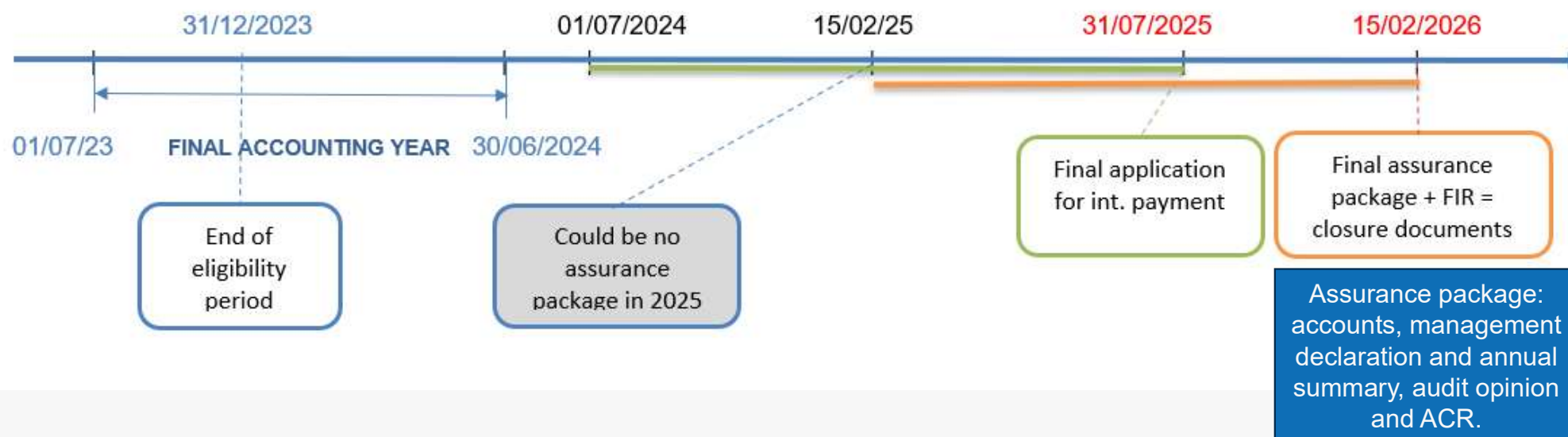
numbers

In the calculation **Public Declared** from Accounts (Appendix 1, Column B)

Closure documents

Timeline before submission

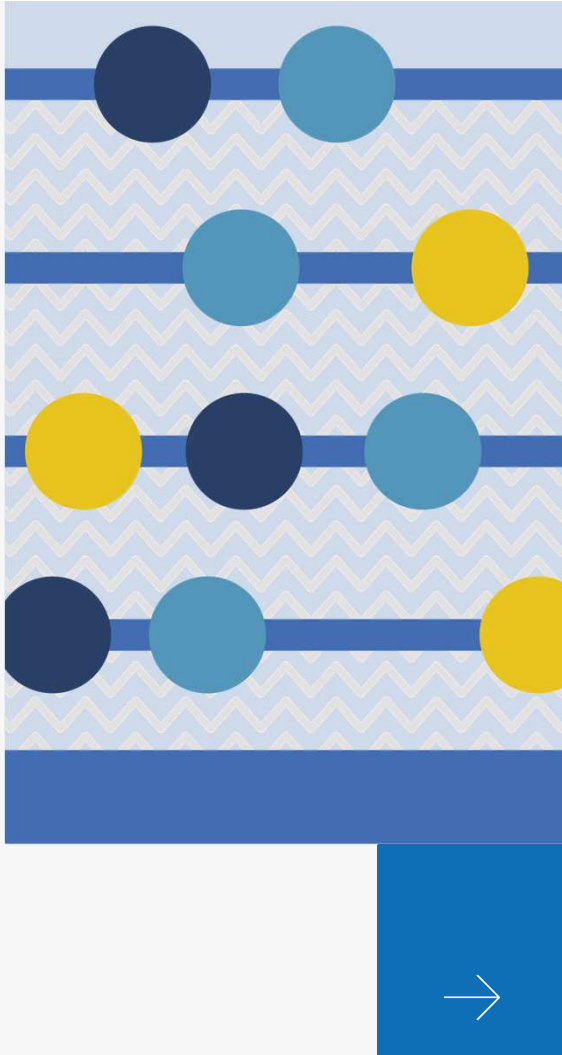
STEP amendment: extension by 12 months of the deadlines for final payment application and for closure documents



Closure documents

Timeline after submission





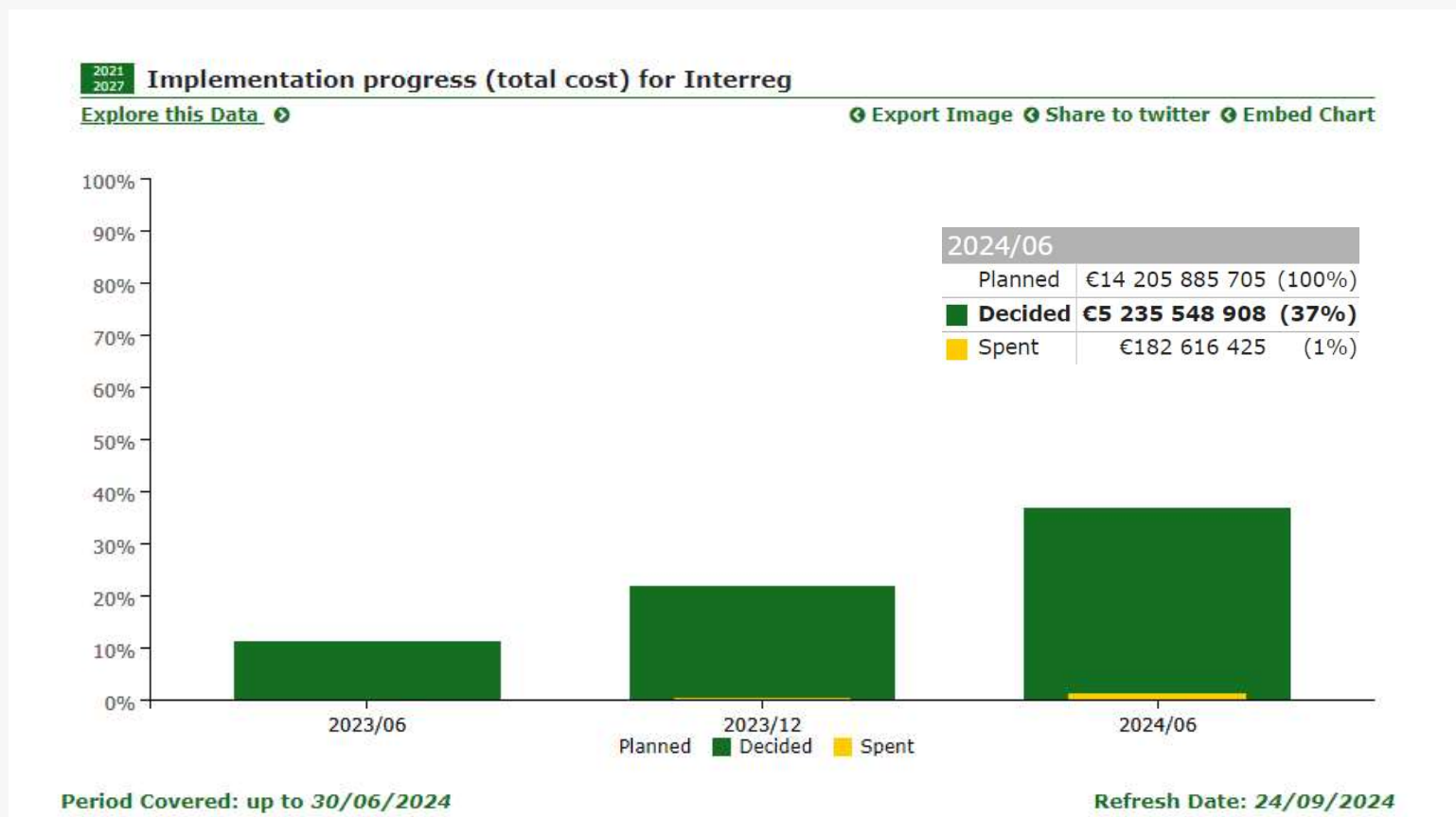
Implementation of 2021-2027

Implementation progress

Payment Applications

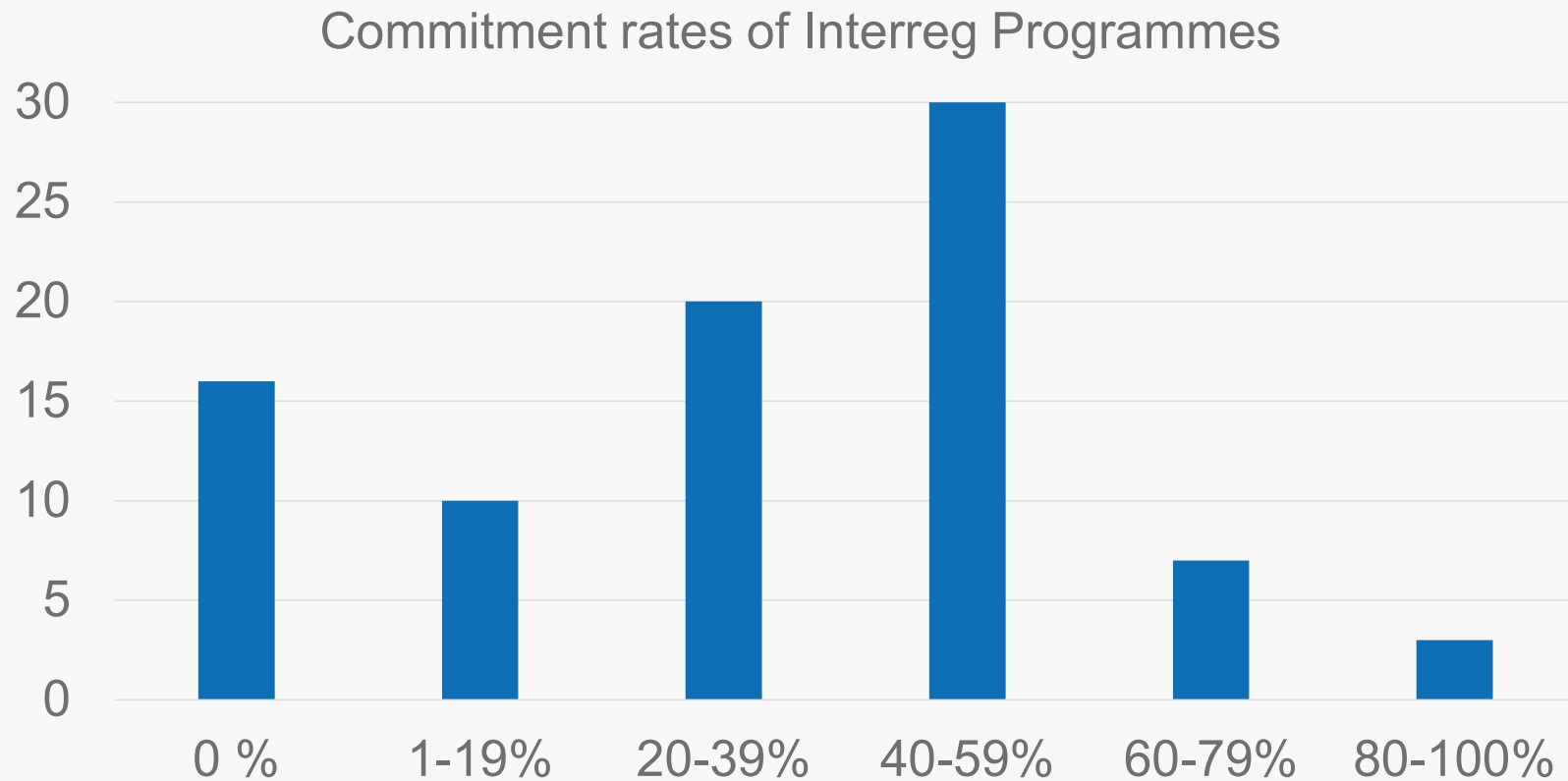
Common Sample & irregularities

Interreg Implementation progress



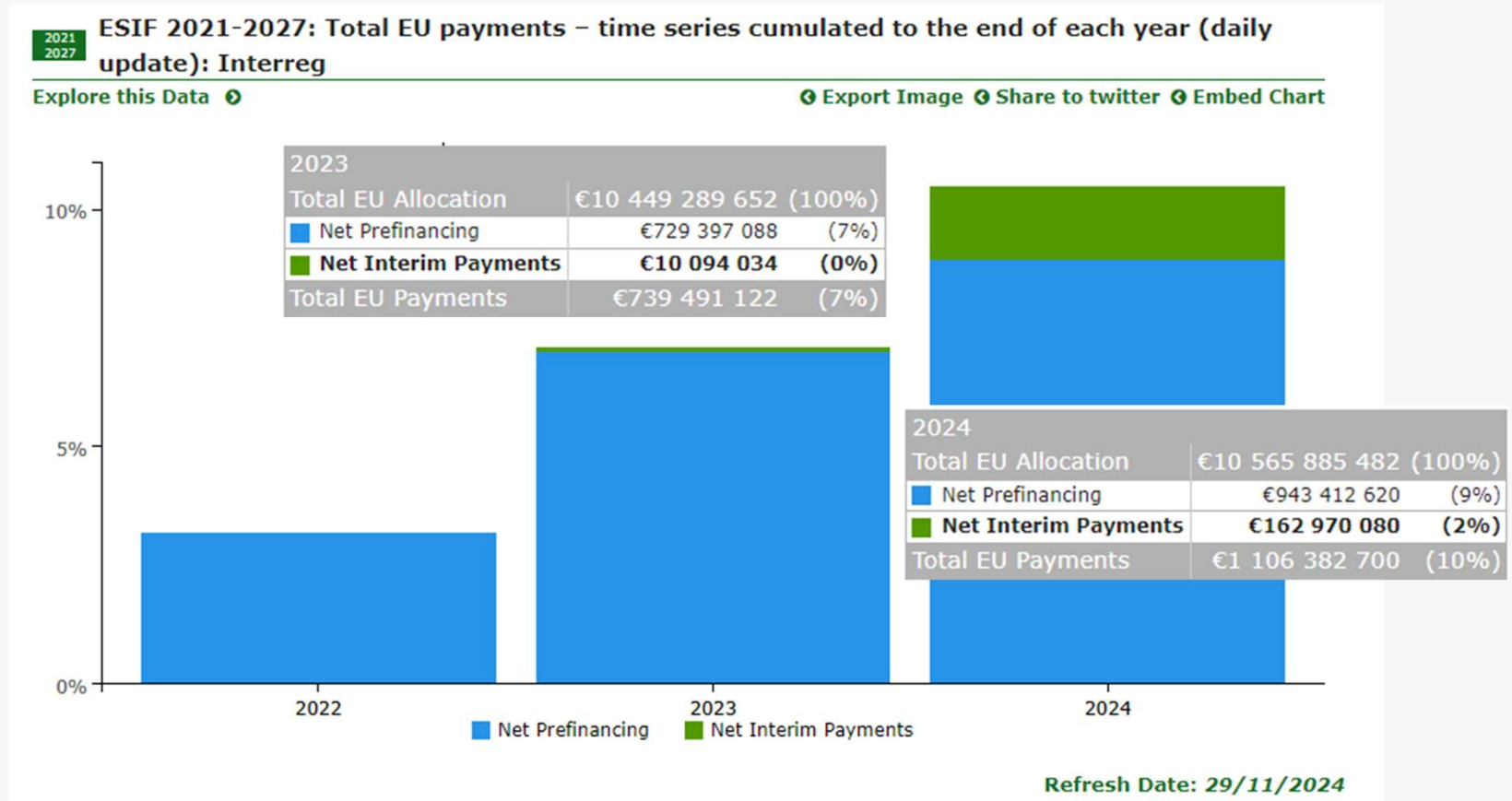
The data is cumulative, i.e. 2024 values included the finances implemented for 2023.
 Source: <https://cohesiondata.ec.europa.eu/funds/interreg/21-27#finance-implementation>

Interreg Implementation progress



From Transfer of Data up to end of September (October submission)

Interreg Net payments 2022-2024



This dataset presents the 2021-2027 cumulative history of EU payment transactions in annual timeseries.
 Source: <https://cohesiondata.ec.europa.eu/funds/interreg/21-27#eu-payments>

40 programmes with submitted payment applications

| Cross border 1/2 | Cross border 2/2 | Others |
|---|---|-------------------------------|
| Belgium-The Netherlands (Vlaanderen-Nederland) | Poland-Slovakia | Baltic Sea region |
| Germany-The Netherlands | Czechia-Poland | North Sea |
| Öresund-Kattegat-Skagerrak | South Baltic | Central Europe |
| Sweden-Finland-Norway (AURORA) | IPA Croatia-Bosnia and Herzegovina- Montenegro | Alpine Space |
| Central Baltic | IPA Hungary-Serbia | North West Europe |
| Austria-Germany/Bavaria | IPA Croatia Serbia | EURO MED |
| France-Italy (ALCOTRA) | Slovenia-Croatia | Northern Periphery and Arctic |
| Italy-Slovenia | IPA Romania-Serbia | Danube |
| Sweden-Norway | Romania-Bulgaria | Atlantic Area |
| Alpenrhein-Bodensee-Hochrhein | IPA Bulgaria-Serbia | Interreg Europe |
| Italy-Croatia | Austria-Hungary | Interact |
| Germany/Saxony-Czechia | France-Switzerland | ESPON 2030 |
| Estonia-Latvia | | Urbact IV |
| France-Germany-Switzerland (Upper Rhine) | | Océan Indien |

4th accounting year

1 July 2024 – 30 June 2025

System audits

Payment applications submitted

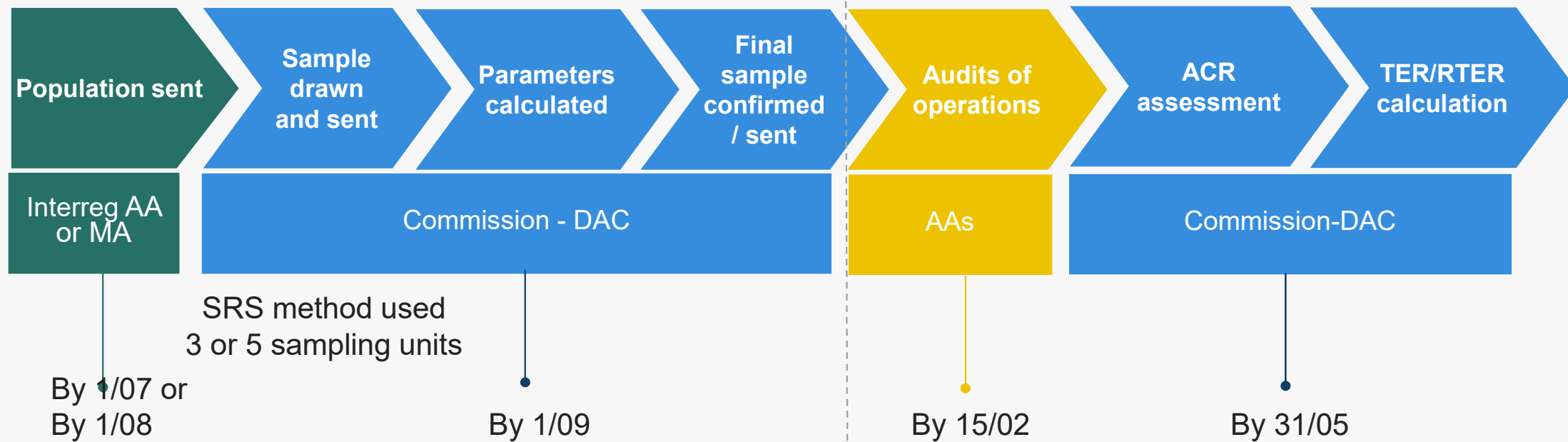
Data for the **common sample** to be submitted by 1 July / 1 August 2025

Assurance package for previous year to be submitted by 15 February 2025

(the accounts, management declaration, annual audit opinion and annual control report) – no annual summary



Common sample - process overview



In SFC2021, Interreg common sample module

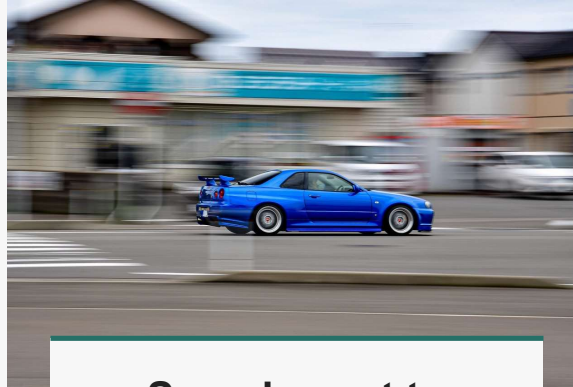
Feedback after 1st exercise



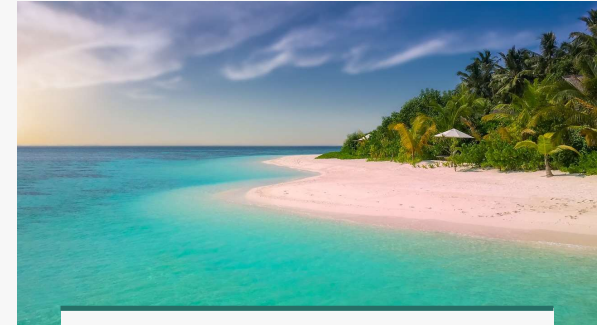
15 programmes

Early submission: 11

Standard submission: 4



**Sample sent to
programmes twice as
fast (on average, 7 vs
15 days)**



**Final sample
unchanged
Confirmed on 05/08**

Feedback for programme authorities

**Population to be
submitted early
By MA or AA**



**Template to be used,
all fields to be filled in**



**Reconciliation of
expenditure by AA –
no duplicate records**



**Audit of negative
amounts done
separately**

What's next?

Management
verifications
≠
Audits

- Based on sample sent by the Commission
- By the end of the year



**Audits of
operations carried
out by the AA**

**Audit results
communicated in
the ACR**

- Using Commission's template
- Sub-sample, selected statistically from all expenditure of the sampling unit; methodology to be described in the ACR

RBMV vs. Audits

- Risk assessment and methodology is subject to system audits and influenced by the results of audits of operations
- Audit of operation does not apply the same sampling methodology as RBMV



It is possible that an operation/payment claim/expenditure is not verified by MA but audited by AA

Error rates 2014-2020

| Reportable error rate | TER | RTER |
|-----------------------|-----|------|
| Up to 2% | 83 | 96 |
| Between 2% and 5% | 12 | 4 |
| Between 5% and 10% | 5 | 1 |
| Above 10% | 1 | |

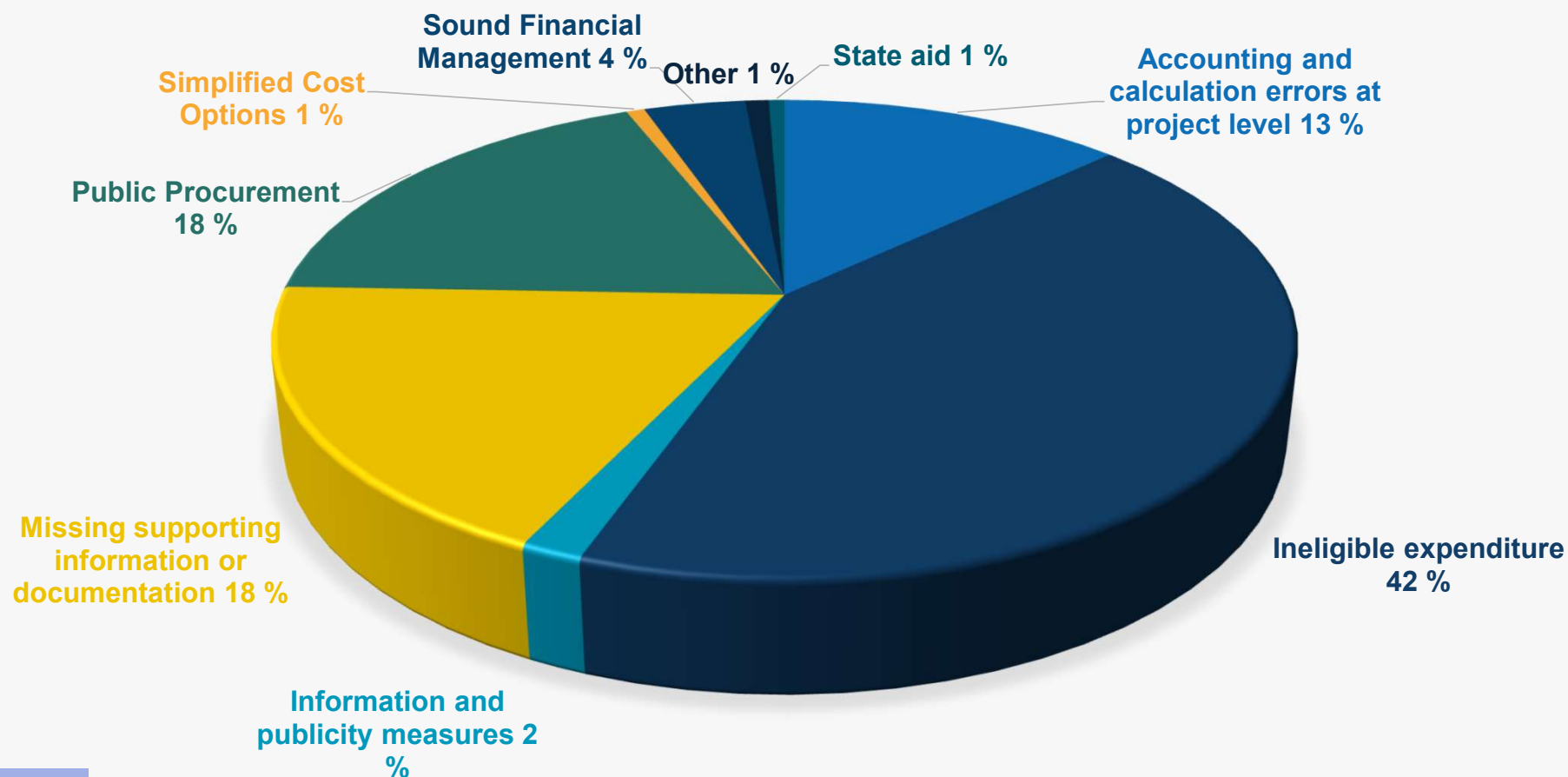
Average Interreg error rate

| 2020-2021 | 2021-2022 | 2022-2023 |
|-----------|-----------|-----------|
| 1.40% | 1.49% | 0.96% |

Type of irregularities (number) – comparison – acc. year 2022/2023

| Type | All | Interreg |
|--|-------|----------|
| Ineligible expenditure | 2,429 | 431 |
| Missing supporting information or documentation | 1,634 | 187 |
| Public Procurement | 1,100 | 187 |
| Sound Financial Management | 506 | 39 |
| Accounting and calculation errors at project level | 403 | 132 |
| Simplified Cost Options | 225 | 7 |
| Performance indicators | 177 | 6 |
| State aid | 143 | 6 |
| Information and publicity measures | 117 | 17 |
| Ineligible project | 53 | 2 |
| Financial instruments | 49 | - |
| Revenue Generating projects | 13 | 1 |
| Equal Opportunities / Non discrimination | 10 | - |
| Data protection | 4 | - |
| Total | 6,863 | 1,015 |

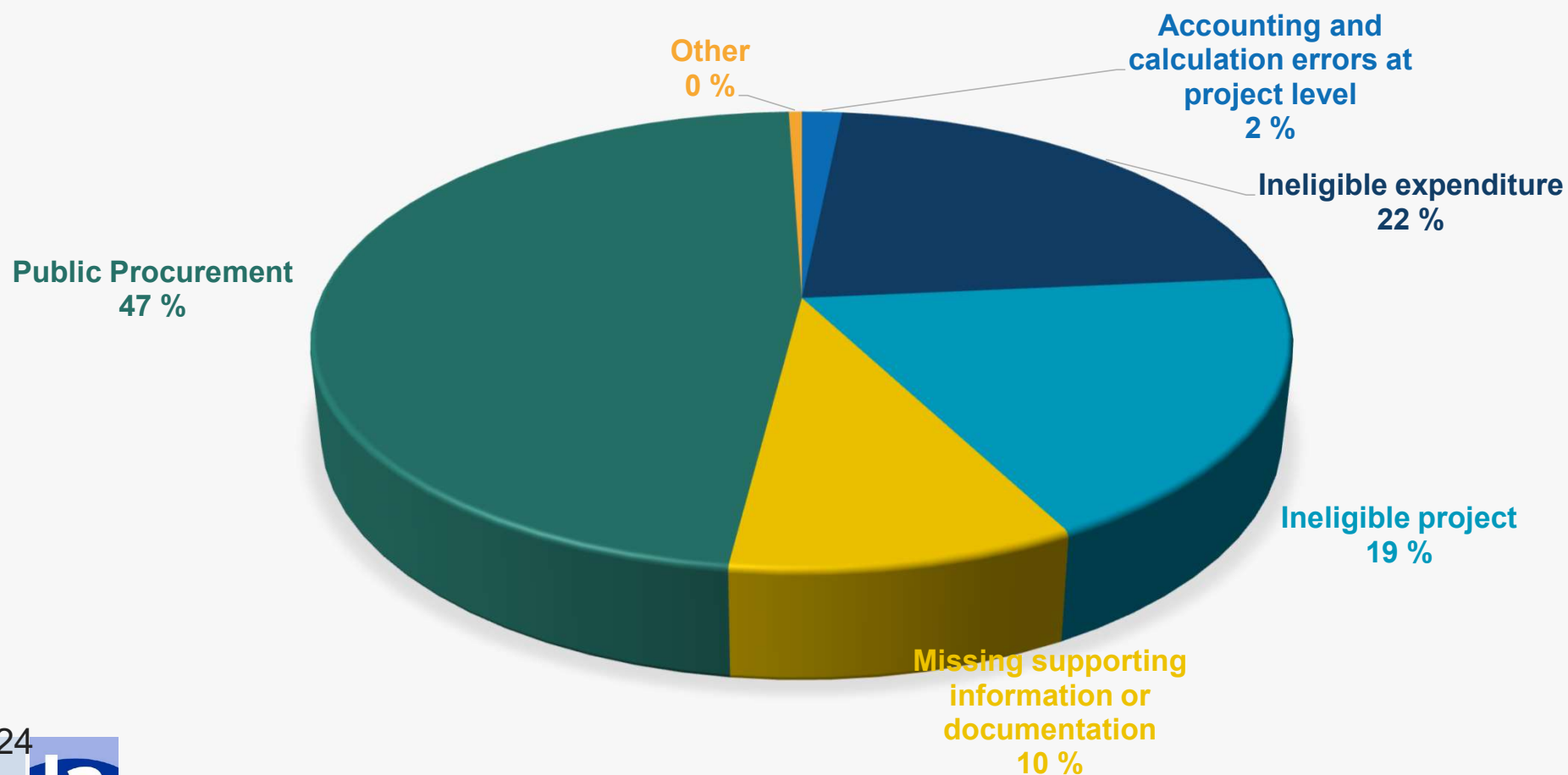
Type of irregularities (number) – Interreg - acc. year 2022/2023



Type of irregularities (amounts) – Interreg - acc. year 2022/2023

| Type | All | Interreg |
|--|----------------|--------------|
| Public Procurement | 141,183,697.19 | 3,291,205.70 |
| Ineligible expenditure | 41,774,822.70 | 1,521,197.28 |
| State aid | 25,990,351.75 | 1,614.22 |
| Missing supporting information or documentation | 21,388,566.92 | 669,136.35 |
| Ineligible project | 11,259,107.42 | 1,303,822.86 |
| Financial instruments | 6,877,854.61 | - |
| Accounting and calculation errors at project level | 2,456,719.98 | 109,518.97 |
| Simplified Cost Options | 1,706,731.76 | 6,658.77 |
| Sound Financial Management | 807,924.92 | 27,433.86 |
| Equal Opportunities / Non discrimination | 658,219.85 | - |
| Performance indicators | 73,011.14 | - |
| Information and publicity measures | 23,140.03 | 77.52 |
| Revenue Generating projects | 16,850.71 | 7.53 |
| Total | 254,216,998.98 | 6,930,673.06 |

Type of irregularities (amounts) – Interreg - acc. year 2022/2023



(Possible) double funding

1. The costs for accounting in an Interreg operation were declared as real costs even if the Programme used the 15% flat rate for indirect costs (covering also accounting).
2. The financial manager of an operation was simultaneously employed in two other projects, which lead to over declaration of hours worked and of expenditure declared.
3. The project approved in one programme was submitted as a proposal to another programme (use keep.eu, Index).



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

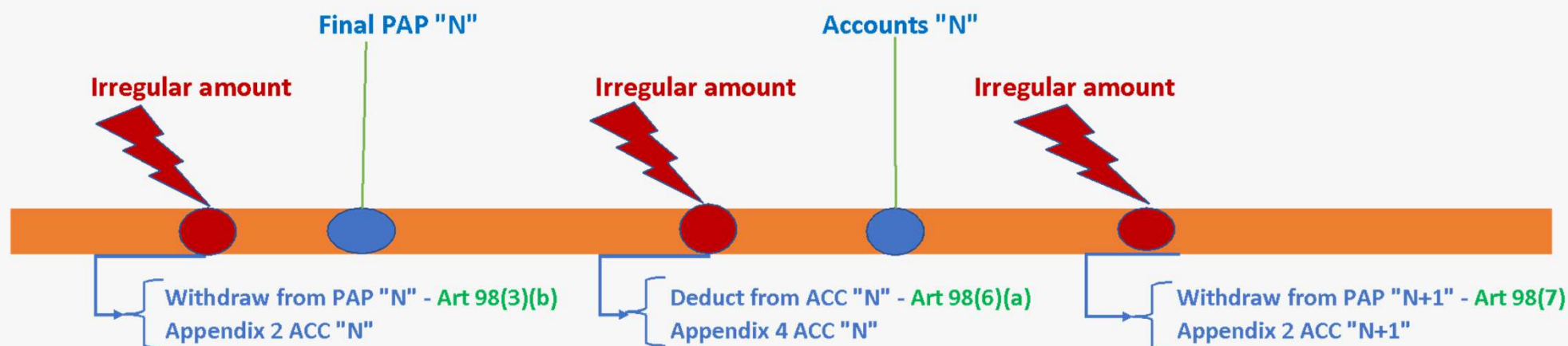
Applicable only to the current accounting year

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**

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

First 2021 -2027 irregularities are there:

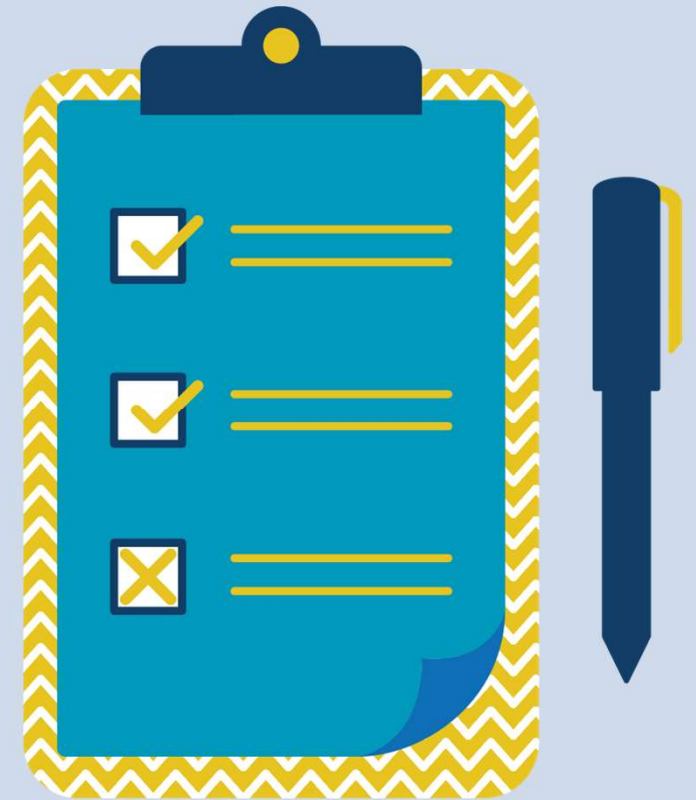
- Staff costs claimed both as a flat rate and real costs
- Accounting claimed as real costs even if the project used the 15% flat rate for indirect costs (covering also accounting)

Thank you for being here!

Your opinion matters to us.

Please take a few minutes to provide us with feedback to help us improve.

[Evaluation survey](#)



Cooperation works

Materials available on Interact website:

[Accounting Function](#)