Agenda

Management Verifications in Interreg

Article 74 CPR

(1) The managing authority shall:

(a) **<u>carry out management verifications</u>** […]

(b) Ensure […] that a beneficiary receives the amount due in full and no later than **<u>80 days</u>** from the submission of the payment claim by the beneficiary […]
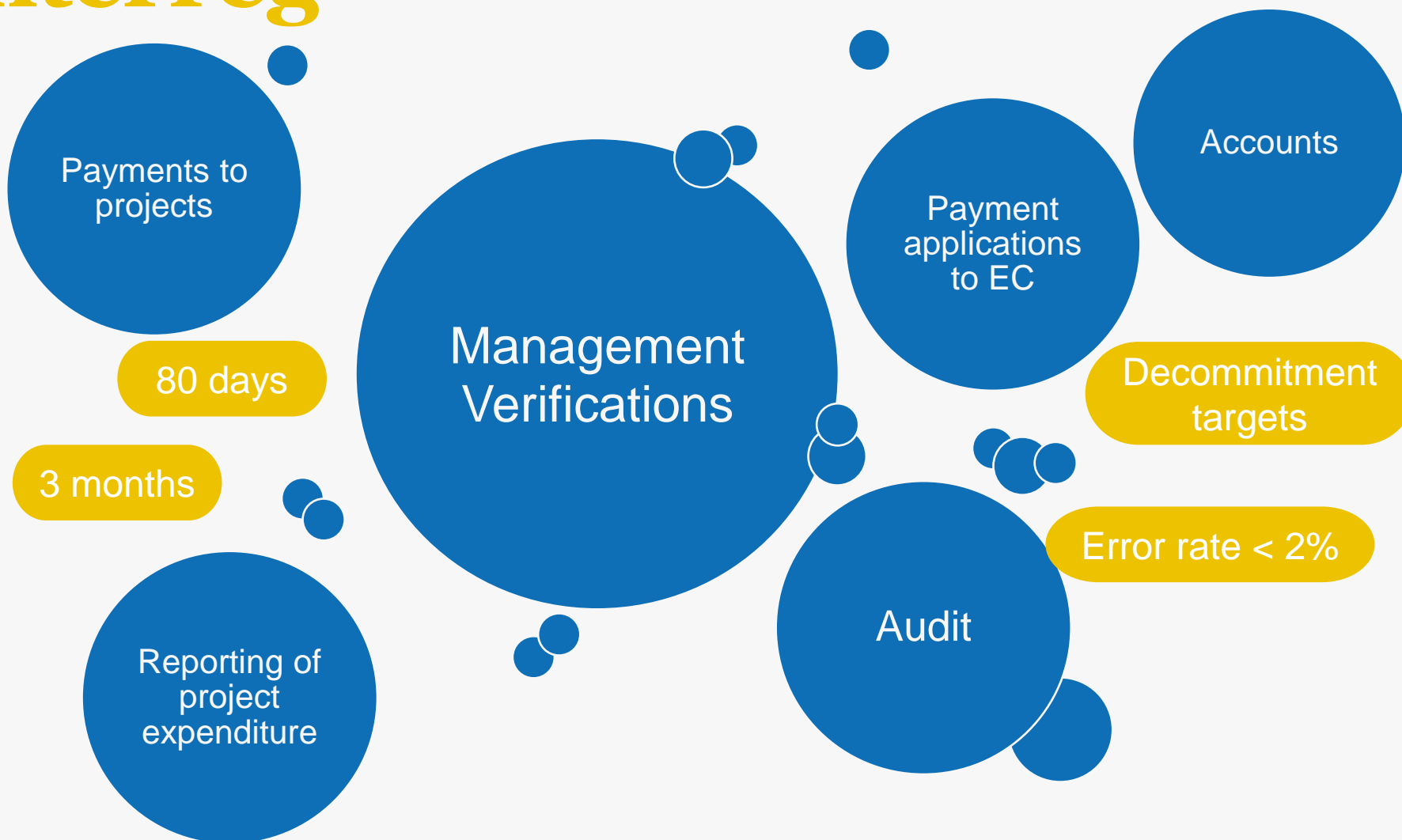
(2) Management verifications […] shall be **<u>risk-based and proportionate</u>** to the risks identified *ex ante* and in writing.
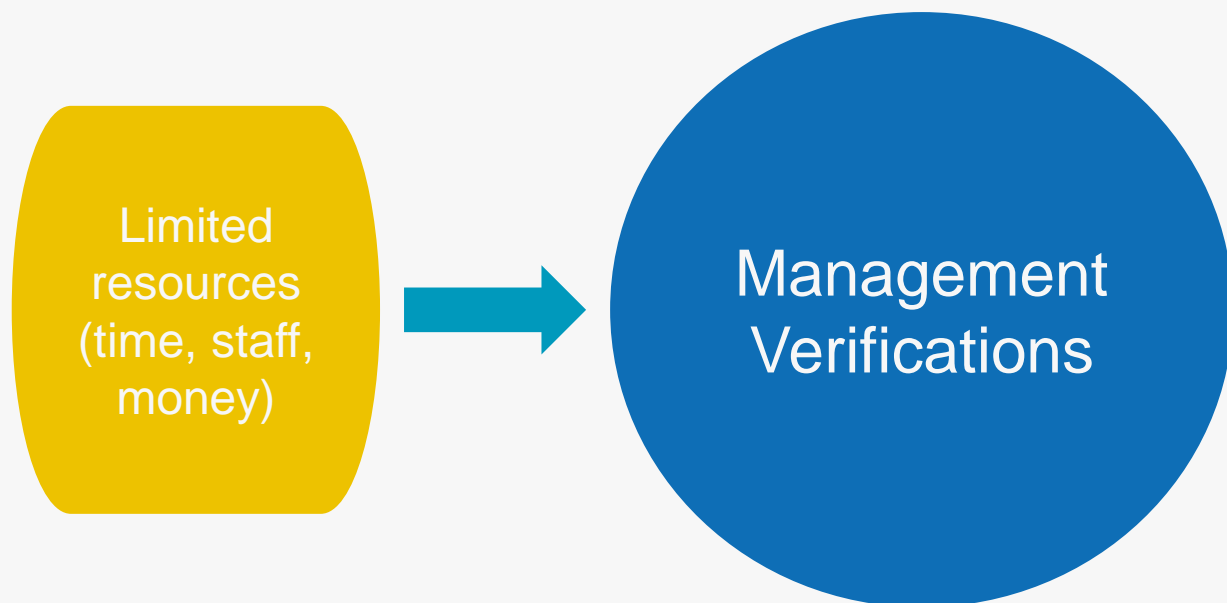
Article 46 Interreg Regulation

(3) […] the Member States […] may decide that management verifications […] are to be done through the identification **<u>by each Member State</u>** of […] ('**<u>the controller</u>**')

(6) Each Member State […] shall ensure that the expenditure of a beneficiary can be verified within **<u>a period of the three months</u>** of the submission of the documents by the beneficiary concerned.

Management Verifications in Interreg

Payments to projects

80 days

3 months

Reporting of project expenditure

Management Verifications

Payment applications to EC

Accounts

Decommitment targets

Error rate < 2%

Audit

Management Verifications in Interreg

Limited resources (time, staff, money) → Management Verifications

Management Verifications in Interreg
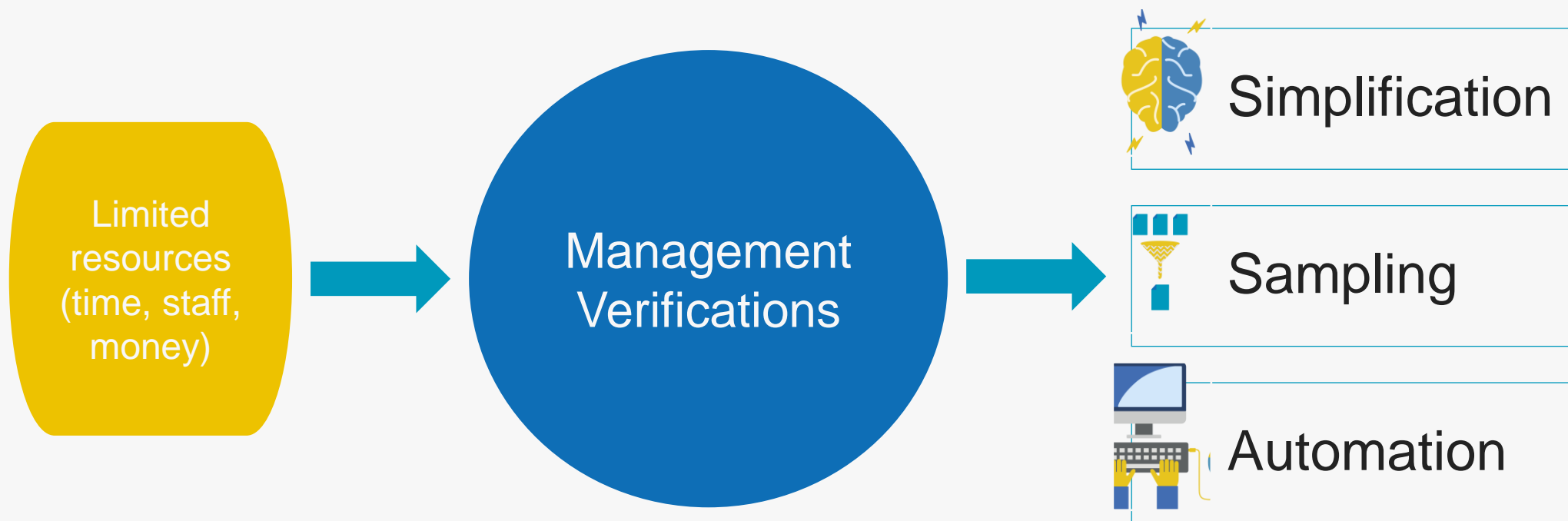
Simplification

Impact on resources:

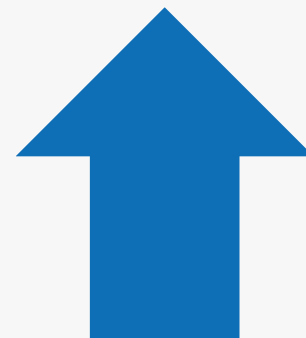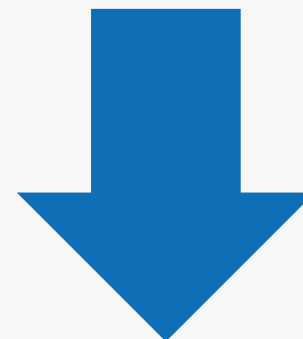**SCOs**
- „off-the-shelfs" established by the regulations
- established by the Interreg Programme
- „draft budget" established ex ante

Increased effort for establishing the SCOs

Reduced effort for reporting and management verifications

Risk-based Sampling

Impact on resources:

Selection of
- payment claims
- types of costs inside payment claims
- cost items inside payment claims
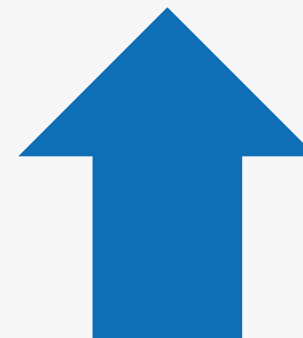
Increased effort for identifying risk factors and establishing a methodolgy

Reduced effort for management verifications and focus on risky areas

8

Automation

Impact on resources:

Using IT/AI tools to

- automate certain checks
  automated checks
- reducing/replacing human effort
- increasing efficiency and effectiveness
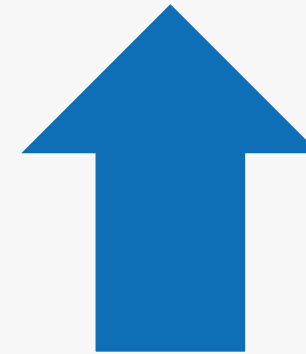
Increased effort for developing and verifying the tools

Reduced effort for management verifications and focus human checks on risky areas

CATE

Continuous Auditing based on Technological Evolution

- an AI-based solution for Management verifications and Audit

- co-owned by the Flemish Audit Authority and Deloitte Belgium

- for Interreg Flanders-Netherlands Programme

CATE – modules

CHECK

➢ Cost item level controls:
- Invoice data match (ID, date, amount, supplier…)
- Cost category
- ….

➢ Population level controls:
- Public procurement
- Double financing
- Fraud

➢ Every control is either automated or supports the human controller

RISK

➢ Risk aggregation
- Assess risk for cost items
- Provides risk score for each cost item

ASSURE

➢ Provides the required assurance
➢ Smart sampling to reach max of 2% errors with 95% confidence (configurable to your requirements)

CATE – product ownership

Flemish Audit Authority and Deloitte Belgium co-own the product.

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- Combining audit and grant expertise & technical/technological expertise

- Managing authority participates as implementation partner

CATE – benefits

Fully integrated tool to support the control and/or audit by:

- automating routine tasks of the verification process to reduce costs, increase efficiency lower the time between declaration and payment

- allowing to make judgements quickly based on identified patterns and relevant information

- reducing risks through CATE's risk-based approach and full population verification

- increasing trust and transparency through a consistent approach and unbiased information extraction

Management Verifications

Simplification	
Sampling	
Automation	

➡️
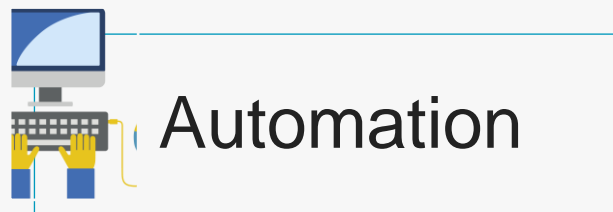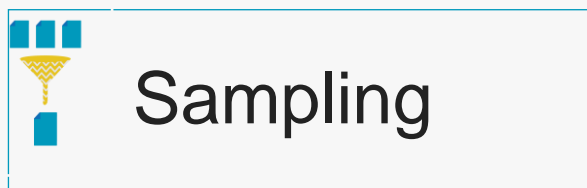
Reach

- sufficient assurance &

- an error rate < 2%

most efficiently and effectively

A warm-up exercise:

Please indicate where you are with your programme and provide dots on the flip-charts!
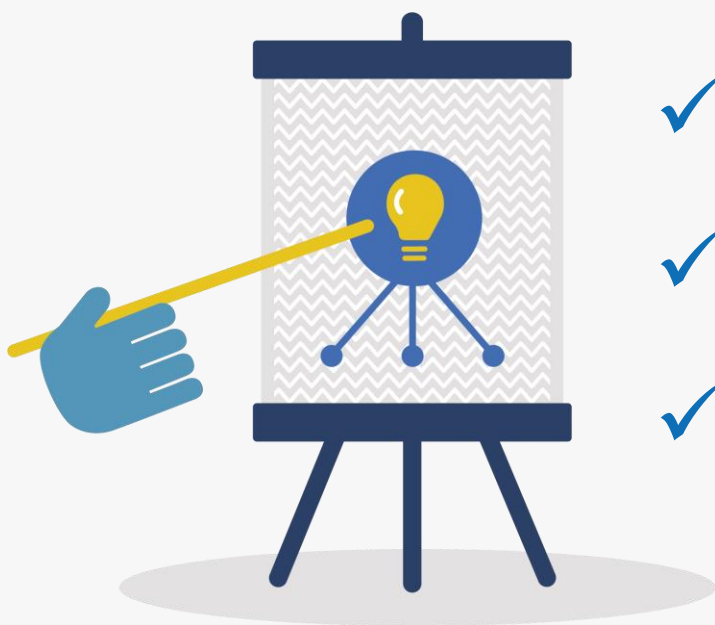
Risk-based Management Verifications

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Updates and status in Interreg

✓ **One of the objectives today**

✓ **Last event: Budapest, November 2024**

✓ **Continuous learning**

✓ **System audits & audits of operations ahead**

Why a solid RBMV is crucial?

✓ Detect ineligible expenditure in payment claims

✓ Avoid irregular expenditure in Accounts

✓ Prevent net financial corrections (Art 104(1)(b) CPR)

Issues detected in early (preventive) audits

- ✓ Risk assessment not adapted to the programme needs and not performed by MAs (controllers or the MS may prepare it, but the MA should review)

- ✓ Unclear risk assessments

- ✓ No mention of the previous experience

- ✓ Allocation of points not linked with past experience

- ✓ No flexibility

- ✓ 100 % management verifications (when not justified)

Updates from DG Regio TN network on simplification

State of play and next steps on Simplification

2. Relevant sub-topics and actions on simplification (2/2)

6. Risk-based management verifications	• Sharing outcomes of implementation and audit • How is RBMV applied to FNLC schemes • Dissemination of good (and not-so-good) practices on RBMV

- **Recommendation paper on Risk-Based Management Verifications - ESF transnational network on simplification.**

Updates from the working group on risk-based management verifications (DG Regio TN network on simplification)

- Joint working group (Regio+ESF) – first meeting February 2025

  - state of play of implementation of RBMV (from implemented methodologies/first results to designed without information on implementation)
  - draft case reports on RBMV practices (update April 25)
  - next steps (sharing experience, Commission support, thematic papers...)

Experience sharing:

Interreg Danube Region

- **Mirjana Arsenic Petrovic**

Interreg programmes managed by Slovenia

- **Laura Lajh Rauter (Interreg V-A Slovenia – Austria)**
- **Vesna Engelman (Interreg V-A Slovenia – Croatia)**

Break

Simplified approaches to Management Verifications

→

la

Experience sharing:

Interreg Baltic Sea Region

- **Marcin Kaczmarski**

World café with 4 different topics – you can change two times

How are you doing and what can be done better in this period? What can be done better in the future and how can we prepare for post27?

- Simplifications in MV (simplifying procedures for control and JS, SCOs,…)
- Updating RBMV methodologies (audit results, risk factors, sampling methodology,…)
- Correlating national and programme level RBMV methodologies
- Tools for MV (automated checks, automation of sampling,…)

Floor is open
for discussion

Needs for the future

- What are the topics in relation to MV that need further discussion?
- Do you need more opportunity to exchange with other Interreg Programmes?
- Do you need more opportunity to exchange with the EC?

Interact Academy Calendar 2025
Certified Trainings

Type	Title	September	October	November	December
Online	Interreg **programme introduction**	05/09 - 26/09			
	Interreg **management verifications**	22/09 - 20/10			
	Storytelling in Interreg		01/10 - 31/10		
	Interreg **project management**			10/11 - 05/12	
	Interreg **evaluation foundations**			13/11 - 12/12	
Online+ in-person training	**SCOs for practitioners**	15/09 - 28/11 ◆			

◆ In-person event on 26–27/11

Get more information at academy.interact.eu

Cooperation works

All materials will be available on:

Interact / Library