

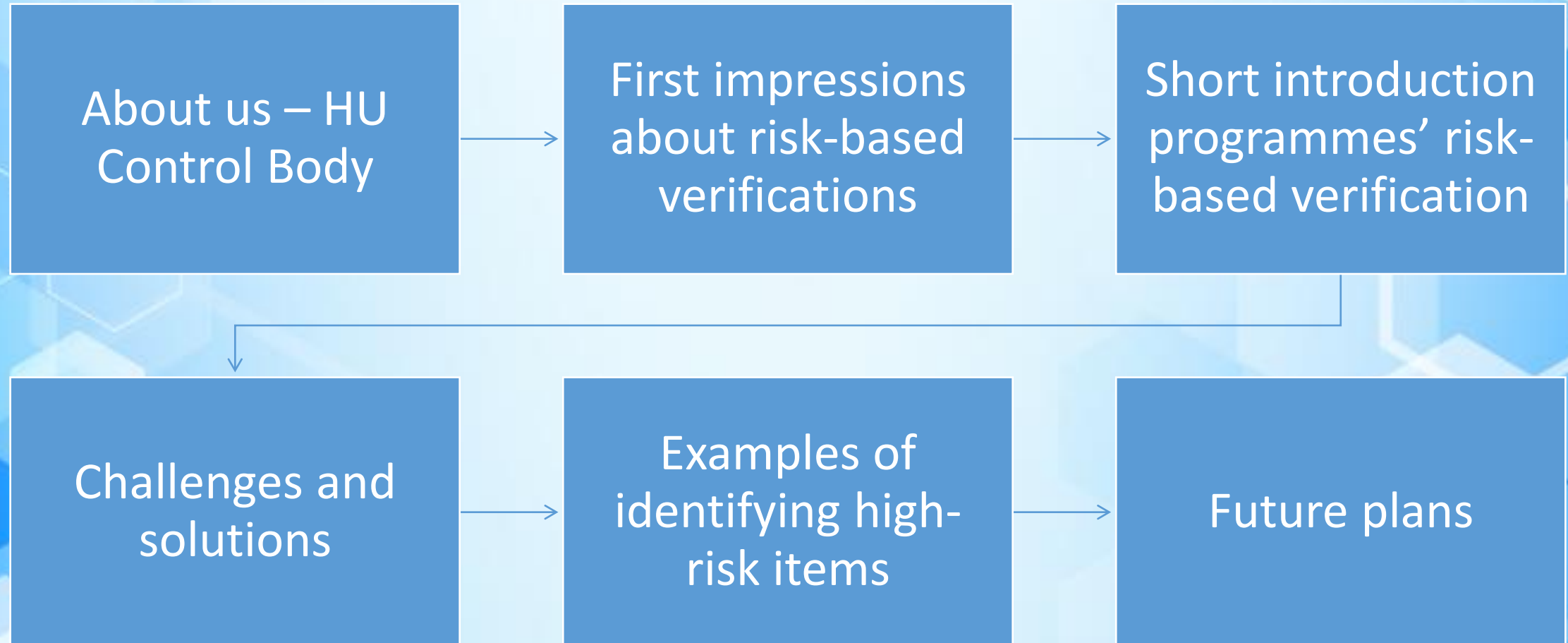


SZÉCHENYI
PROGRAMME OFFICE

Risk-based management verifications in Hungary

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First Level Controller

Introduction



First impressions

The verification process has been sped up

More time is available for high-risk items or for other projects.

Big changes compared to previous programming periods

We checked all costs in the previous periods.

There is less uncertainty about the correctness of the unselected items.

First challenges

Hard to create an appropriate and representative sample.

Identifying high-risk items.

Risk-based management verifications in different programmes

Central Europe Programme	Danube Region Programme	CBC programmes (HUSK, HUSRB, HUHR, HUSKROUA)
1st and 2nd reports are fully checked. After 2nd report only risk-based sampling.	1st and 2nd reports' staff costs are fully checked, in case of other cost category risk-based verification 3rd report: Only risk-based sampling.	First 2 reports – full check From 3rd report on (if no major deficiencies in the first 2 reports): risk-based sampling
Minimum of 10% of each cost category (not less than 2 items).	Minimum of 10% of each cost category (not less than 2 items).	Full check: all items concerned with public procurement, all procurements above 10 000 EUR Sampling: items below 10 000 EUR (+ staff costs (real cost)) – minimum 10% per cost category (not less than 2 items)
<u>High-risk items:</u> <ul style="list-style-type: none"> • New staff member • Substantial change in the percentage of time allocated for a staff member to the project • Procurement procedures above 10 000 euros • Investments and equipment related investments (regardless of the price) • Public procurement procedures 	<u>High-risk items:</u> <ul style="list-style-type: none"> • New staff member • Substantial change in the percentage of time allocated for a staff member to the project • In case of real cost travel and accomodation • Investments and equipment related investments (regardless of the price) • Procurement procedures above 10 000 euros • Public procurement procedures 	

Challenges and solutions

Identification of high-risk items

Risk-based verification so far:

- Follows and respects the programme level requirements.
- No more detailed specific national rules.
- Sample can be based on the controller's professional judgement.
- For example: We check the higher cost items, new experts, currencies outside from the Euro zone.

Challenges during sampling procedure:

- Check the full partner report or list of expenditures.
- Hard to find high-risk items in the „mass“.

Improving the identifications:

- Our solutions for sampling problem:
 - List of employees participating in the project
 - Market value declaration

List of employees participating in the project_1

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Lista a projektben résztvevő személyekről

Név	Időszak	Projektben betöltött pozíció (pl. projektmenedzser, pénzügyi menedzser, szakértő, stb.)	Projektben elvégzett feladatok az aktuális periódusban ¹	Projektre fordított munkaidő aránya az aktuális periódusban	Projektre fordított munkaidő aránya a mostanít megelőző periódusban	Teljes bruttó havi alapbér az aktuális periódusban ²	Teljes bruttó havi alapbér a mostanít megelőző periódusban
[REDACTED]	2024.10.01-2025.01.31	project communication manager	[REDACTED] added communicational expertise in Period 4 of the Procareful project. Based on the coordination and expectation of the project manager, she created a detailed Travel Kit PPT presentation for the consortium aimed at summarizing the basic transportation, accommodation and travel related information for the Budapest on-site meeting. The face-to-face meeting is scheduled for late March of 2025. [REDACTED] also supported the project management to research the proper information later visualized in the PPT. In addition, she supported the project management with the creation of the draft version of the agenda for the on-site meeting in Period 5.	10%	n/a	550.000 Ft till 2024.12.31, 6000.000 Ft from 2025.01.01	n/a

List of employees participating in the project_1

[REDACTED]	2024.08.01-2025.01.31.	internal expert	In period 4 of the Procareful project, [REDACTED] work centralized around to provide signatory support, especially for Activity 2.1 / D.2.1.3 Procareful Model Dissemination and review process of the Joint Controllership Agreement. [REDACTED] supervised the preparation of the Budapest on-site meeting agenda in Period 5 and supported the project management in creating relevant agenda points.	10%	30%	1.365.000 Ft	1.365.000 Ft
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Market value declaration

	Szerződő fél (akivel a hazai Partner a szerződést megkötötte/akitől a szolgáltatást/terméket megrendelte)	Szerződés/megrendelés tárgya	Szerződés/megrendelés ellenértéke (nettó)	A szerződés megkötésének/megrendelés időpontja
1.	[REDACTED]	Animaker Pro Plan(októbertől - márciusig)_kommunikációs anyagok készítése	79 USD/hó összesen 474 USD	2023.10.12.
2.	[REDACTED]	"Facilitation and coordination of stakeholder meetings"	9.900 EUR	2024.02.13.
3.	[REDACTED]	installáció készítés	215.000 Ft	2024.09.25.
4.	[REDACTED]	2025.01.21.Startlab_Catering	410.370 Ft	2025.01.16.
5.	[REDACTED] Kft.	2025.01.21.Startlab_Catering	49.576 Ft	2025.01.16.
6.	[REDACTED] Kft.	PP meeting_2025.03.04-06. Szombathely_terembérlet	339.200 Ft	2025.02.07.
7.	[REDACTED] 2025.01.21.Startlab_Catering	PP meeting_2025.03.04-06. Szombathely_catering	1.550.332 Ft	2025.02.21.
8.	[REDACTED]	PP meeting_2025.03.04-06. Szombathely_catering	267.201 Ft	2025.02.21.
9.	[REDACTED]	PP meeting_2025.03.04-06. Szombathely_Roll-up, nyakpánt, kártyatartó	44.120 Ft	2025.02.24.

Future plans



Continuous review of documents supporting risk analysis

Reaction to the partners advice.
Typical mistakes done by partners



Constant contact with JSs. Exchange of experience in personal and online meetings.



Application of the recommendations made by the second-level audit during the audit processes.

Thank you for your attention!

