



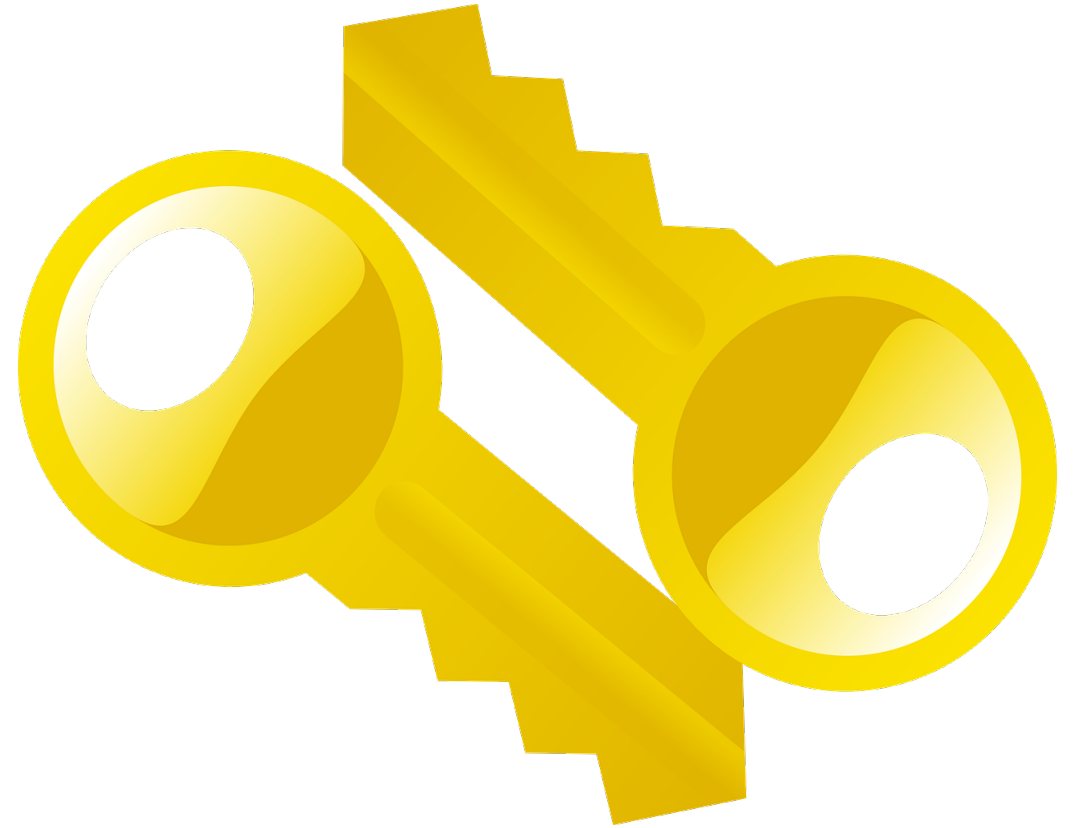
Double funding, conflict of interest, fraud

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AA's role

- Prevention - Assess the system, recommend improvements
- Detection - Identify risks and indicators, perform checks





Double funding



What is double funding?

An operation may receive support from one or more Funds or from one or more programmes and from other Union instruments. In such cases, expenditure declared in a payment application for one of the Funds shall not be declared for either of the following:

- (a) support from another Fund or Union instrument;
- (b) support from the same Fund under another programme.

Before we begin

- Is it double funding or double financing?
- Does it need to be more than 100%?
- Does it concern national funds?
- How do we deal with RRF & similar?
- How about VAT?



Multiple layers

- Project level
- Programme level
- National level
- Macro level (e.g. RRF)



Verification of measures to prevent

- Demarcation of activities (in the partnership agreement and in the programme)
- Demarcation of categories of costs
- IT tools
- Actions taken by the MA at selection and implementation (efficient?, checks?)
- Procedures in place (self-declarations?)
- Complaints?



How to detect?

- IT tools (e.g. Arachne, Kohesio, Compass)
- Publicity measures (on the spot)
- Accounting system
- Categories of costs
- Staff costs

Example 1



Costs declared twice + state aid
intensity exceeded

(1 beneficiary, several grants)

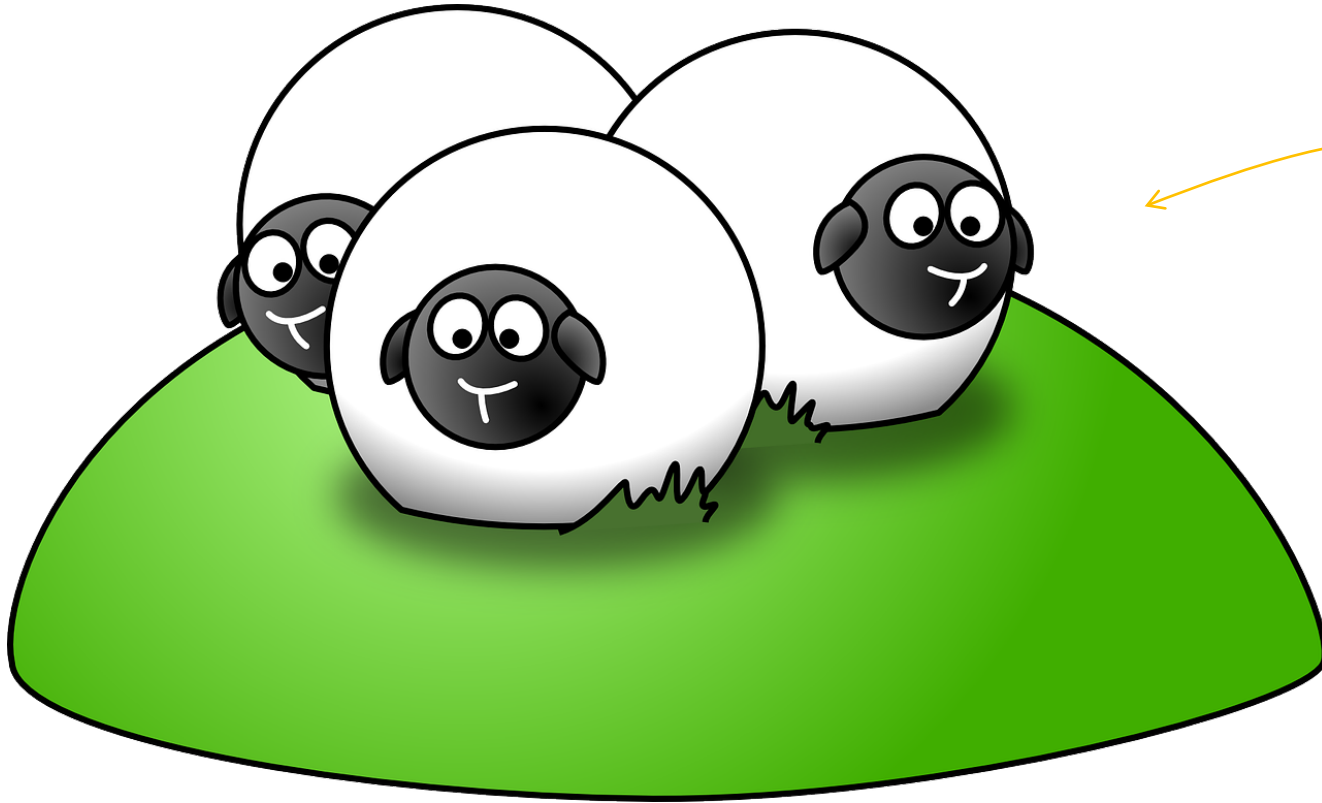
checks in IT tools

Example 2



Bike lane projects (1 ERDF and 1 EAFDR) → MA checks revealed the signs were double financed

Example 3

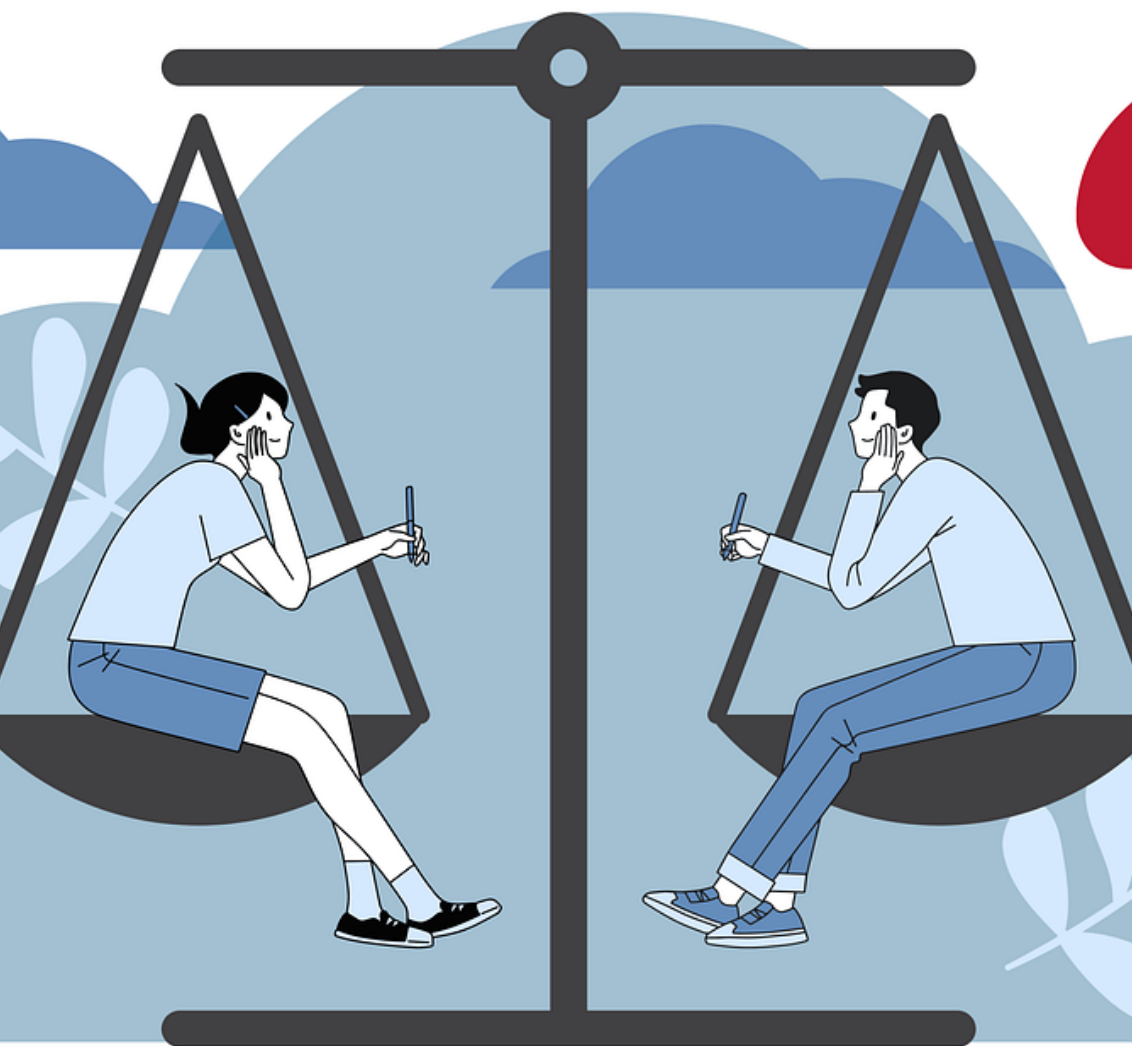


Financial manager
simoultaneously employed in 2
other projects

Example 4



Accounting services in an Interreg programme declared as real costs when the flat rate for indirect costs was used



Conflict of interests

What is conflict of interests?

Art 61 Financial Regulation

A conflict of interests* exists where the impartial and objective exercise of the functions of a person implementing the EU budget is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other direct or indirect personal interest.

*objectively perceived



Focus on prevention



**Awareness
raising**

**Declarations
on
impartiality**

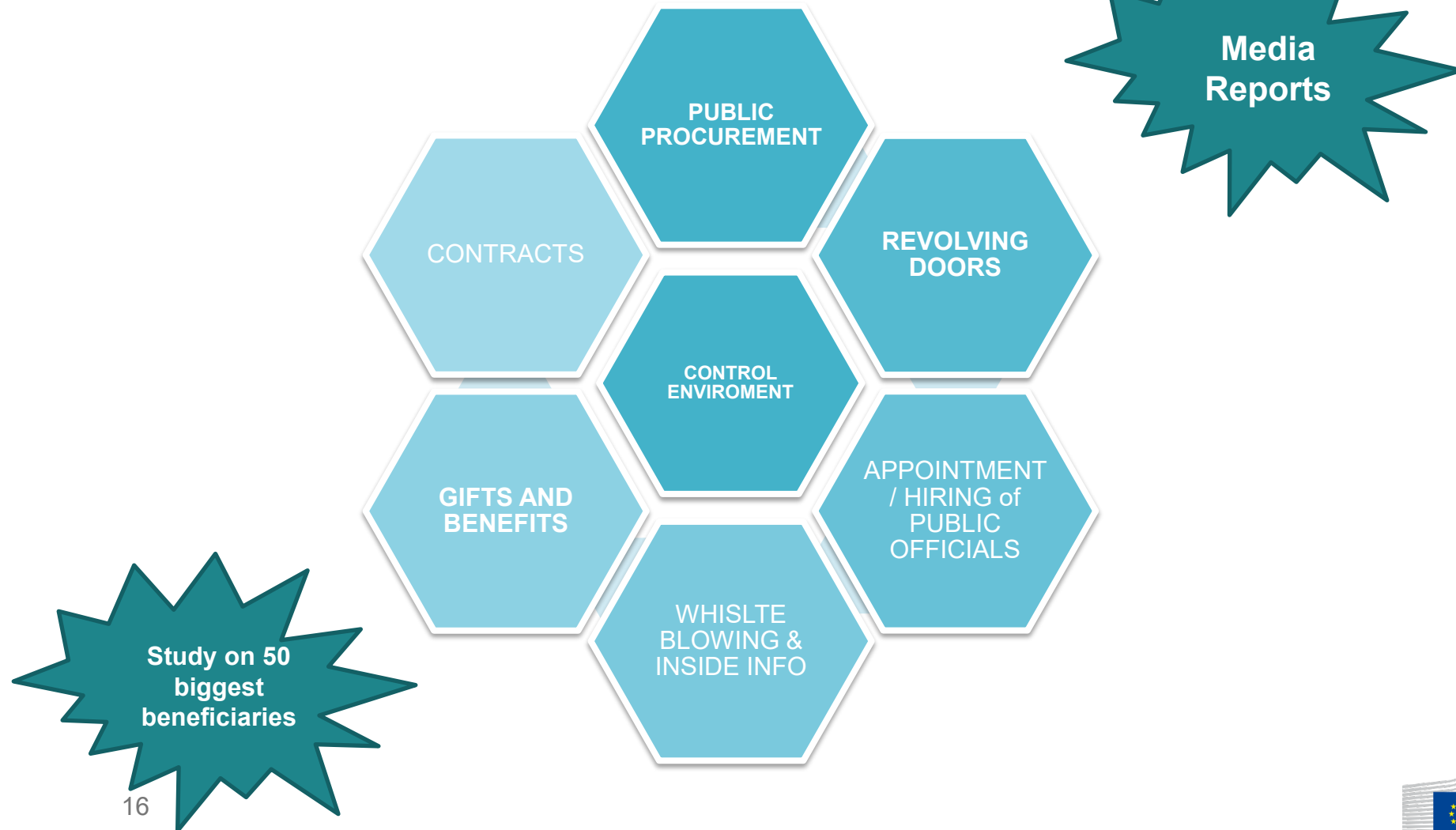
**Code of
conduct**

**Clear
procedures**

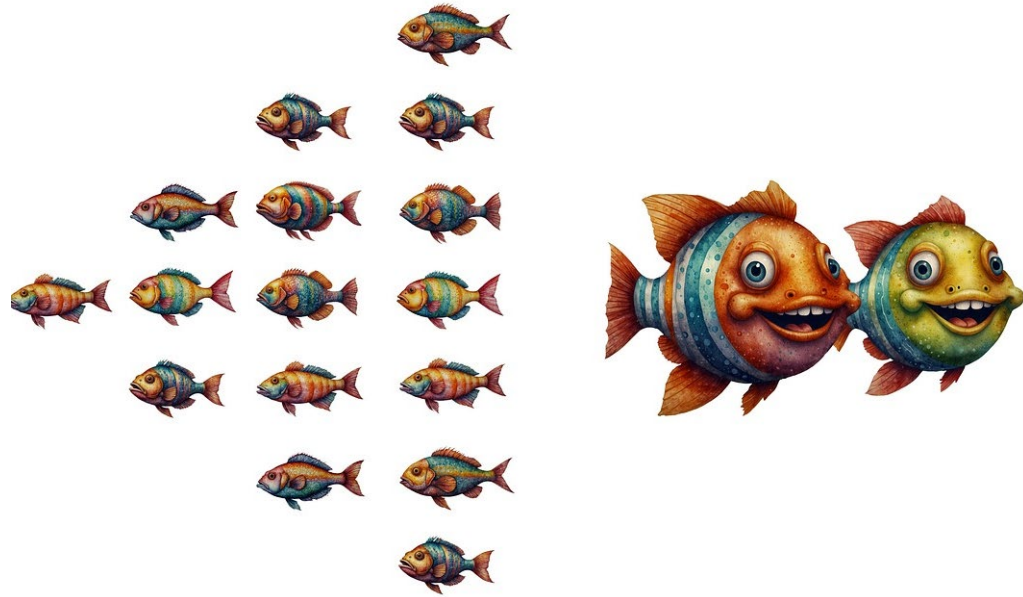
**Risk
indicators**

**Asset
disclosure**

Focus of DAC's audits on Col



How to detect?



Review largest private beneficiaries and focus on the riskiest ones

Obtain evidence that the high-risk areas and processes are addressed

Test declarations (e.g. ARACHNE)

Check complaints and whistle-blower reports

Use IT tools

Review media sources

Example 1



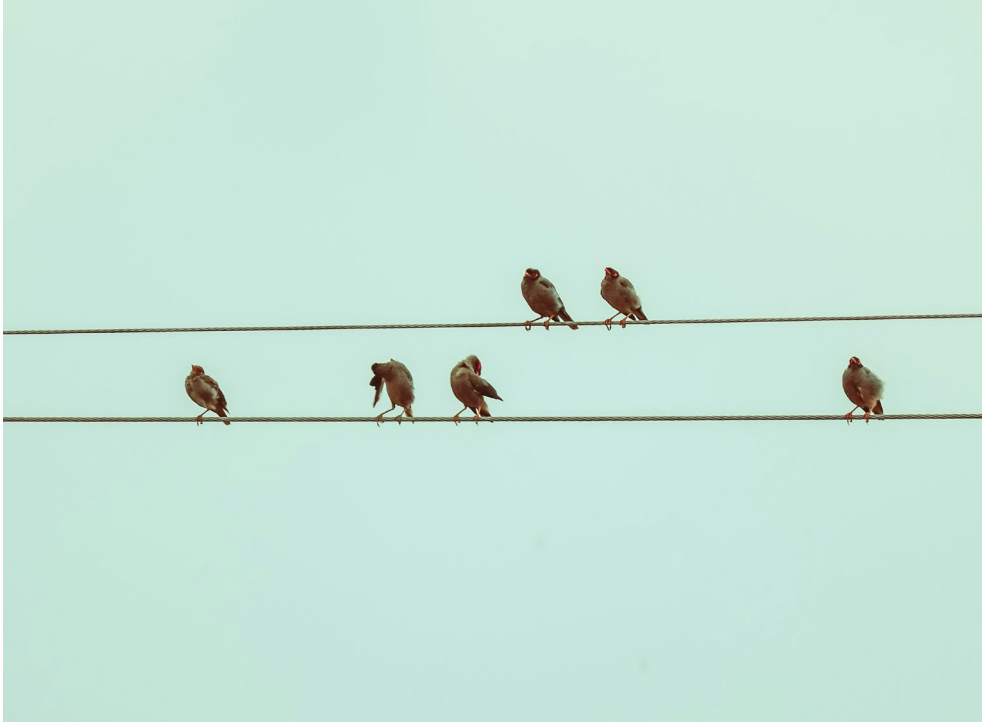
Selected researchers were found to have co-authored publications with members of the university's selection committee. No mitigating actions taken

Example 2




CEO of the beneficiary (body governed by public law) is the same person as the co-founder of the contractor. The contractor selected without competition.

Example 3



Contracting authority and the winning bidder are part of the same group. CEO of the group, part of the evaluation committee.



FRAUD

Anti-fraud measures

Verification of fraud risk assessment

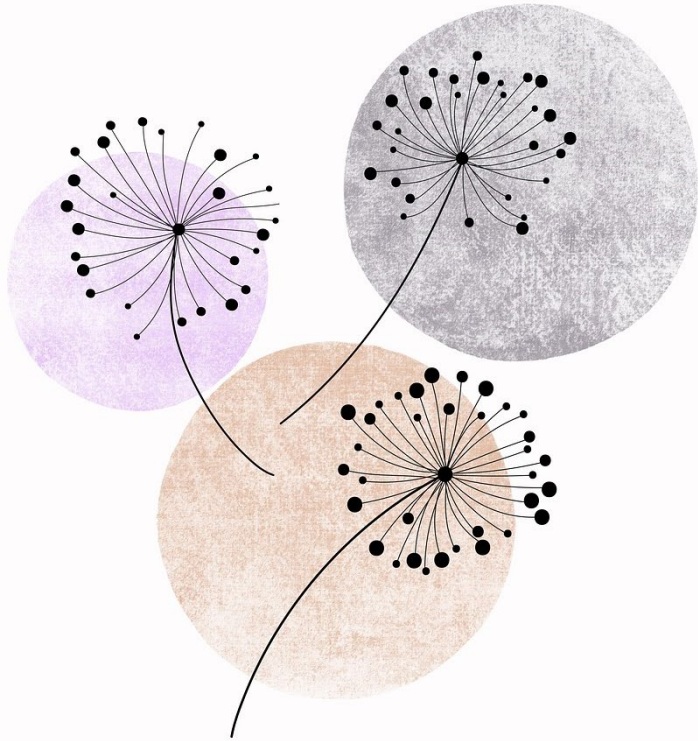
- Methodology used by MA
- Correct assessment of risk for the entire process (selection, implementation, procurement, certification)
- Knowledgeable and experienced fraud assessment team
- Use of sources of information such as audit reports, fraud reports
- Controls in place and reporting (at the level of the MA)
 - updated and tested



How to detect?

- Set-up red flags
- Use IT tools (e.g. Arachne)
- Corroborate self-declarations with information from other sources
- Check complaints, whistle-blower reports
- Cooperate with authorities in charge of fraud investigations

Example 1



Arachne not used despite mentioning it in the procedures

Public procurement not covered by the risk assessment

Example 2



No errors reported by the IB's temporary staff after verification of number of hours, despite recurrent errors in the past for the specific beneficiary. Errors of 20% found during audits. Verifications performed by IB not fully provided.

Example 3



Falsified invoice and false accountant declaration to prove compliance with incentive effect under State aid. Invoice and declaration in contradiction with bank statements.

Example 4



Urgent public procurement procedure (17 days to submit an offer) due to drought even though the needs were known for over a year. Only one bidder, offer with EUR 250 less than the estimated amount.

Thank you



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