

Practical implementation of RBMV

Interreg Programme Slovenia-Austria 2021 – 2027
Wrocław, 6th May 2026

Werner Piendl
Control Unit
Office of the Carinthian Government, Austria

Short introduction

- Control Unit for Interreg Slovenia-Austria and Italy-Austria projects
- 16 years of experience in controlling EU-funded programmes
- Part of a specialised team (3 controllers + 1 lead)
- Focus of the presentation: **Interreg VI-A Slovenia-Austria**

Short introduction

- ~ € 10.3 Mio. ERDF + ~ € 1.4 Mio. national co-financing
- 27 projects with 49 partners resulting in min. 285 partner reports
 - 33 PPs (~ 66 %) direct staff costs + flat rate financing
 - 16 PPs (~ 33 %) direct costs (external etc.)
- > 90 verified project reports so far

Agenda

- Framework & risk identification
- Desk-based verifications
 - Theory vs. reality: The “Revolt”
 - Expansion of scope
- On-the-spot verifications
- System audits
- Outlook

Risk identification and factors

- Slovenia is the MA for 3 cross-border programmes with Croatia, Hungary and Austria
- Workshops were held where also controllers were involved for identifying risks and their factors
- The MA issued an implementation manual covering the programme's risks and mitigation strategies

RISK IDENTIFICATION

Risks	Risks description
1. Products and services not delivered – ineligible project	Operation not completed and/or not functional
	Operation not compliant with initial plan (time, quantity, quality)
	Missing evidence for indicators
2. Laws and conditions of support not respected	Wrong application of PP procedures (artificial splitting and/or non-sufficient publicity)
	Not correctly recognised state aid
	Unlawful changes
	Missing documents (permits)
3. Ineligible expenditures and non-sufficient audit trail and accounting	Indirect costs declared as direct cost
	Wrong declaration % of staff costs
	Double-funding, missing documents
4. Simplified cost options conditions for payment not respected	Inflated staff costs
	Condition for support not respected: Activities, deliverables, outputs, results

**SCORING
OF THE
RISKS
AT
PARTNER
LEVEL**

No.	Risk criteria (RC)	Source of data
1	Staff with working time on the project (per person) <= 15%	JS: JEMS - manually
2	Number of operations run in parallel by partners (per ID/TAX number)	JS: self-declaration filled in by all PPs - manually
3	Change of contractor/sub-contractor(s)	NC: JEMS - manually
4	Are PP activities State aid/de-minimis relevant	JS: JEMS (check list for State aid/de-minimis) – manually
5	Did the PP activities become State aid/de-minimis relevant during past year	JS: JEMS (check list for State aid/de-minimis) - manually
6	Amount of financial errors detected by FLC on PP level in financial period 2014-2020 within the relevant programme	JS manually – Annual summary of controls background tables from eMS (history)
7	Amount of financial errors detected by NC on PP level in sampled expenditures in 2021-2027 within the relevant programme	JS manually – based on previous confirmed PP reports and errors detected - background tables from JEMS

**SCORING
OF THE
RISKS
AT
PARTNER
LEVEL**

No.	Risk criteria (RC)	Source of data
8	Number of staff per PP	JEMS - automatically – count staff rows
9	Use of the 40% staff cost flat rate	JEMS - automatically – flat rate 40% selected
10	Planned External services related to contract > 10.000 EUR	JEMS - automatically – any expenditure in total price per row exceeds 10.000 EUR
11	Planned Amount of external expenditures of smaller value (<10.000 EUR) exceeds 70% of total external expenditures	JEMS - automatically – sum of total cost in rows below 10.000 exceeds 70% of total external expenditures in category
12	Planned Equipment related to contract > 10.000 EUR	JEMS - automatically – any expenditure in total price per row exceeds 10.000 EUR

**SCORING
OF THE
RISKS
AT
PARTNER
LEVEL**

No.	Risk criteria (RC)	Source of data
13	Planned amount of equipment expenditures of smaller value (<10.000 EUR) exceeds 70% of total equipment expenditures	JEMS - automatically – sum of total cost in rows below 10.000 exceeds 70% of total equipment expenditures in category
14	Existence of investments in infrastructure	JEMS - automatically – row infrastructure and works exists
15	Duration of the activities (in reporting periods)	JEMS - automatically – end period minus start period
16	Underspensing	JEMS - automatically – realization per partner budget till reporting minus planned partner budget till planned reporting > 0
17	% of underspensing	JEMS - automatically – realization per partner budget till reporting minus planned partner budget till planned reporting > 0
18	Professional judgement	JS: manually



LEVEL OF
RISK

PARTNER
LEVEL

Score	0-7	8-20	21 or more
Risk	low	medium	high

**FREQUENCY
AND
COVERAGE**

**PARTNER
LEVEL**

Frequency and Coverage – partner level			
Level of risks on partner level/ checks	low	medium	high
Desk based: Frequency	At each report		
Desk based: Coverage/Expenditures including those checked 100% (Costs) up to the L/M/H risk	min 35% of total costs declared in PP report	min 50% of total costs declared in PP report	min 75% of total costs declared in PP report
OTS: Frequency/ Number of project partners to be checked according to the level of risk	5%	15%	30%
OTS: Coverage (What to check?)	In line with the OTS checklist		

WHAT TO CHECK at PARTNER LEVEL?

100% mandatory checks are obligatory in the cost categories:

- External services (related to planned contract value above 40.000 EUR)
- Equipment (related to planned contract value above 40.000 EUR)
- Infrastructure and works

No checks are foreseen for the flat rates of the cost categories:

- Office and administrative costs
- Travel and accommodation
- Other costs

Desk-based verifications

The beginning

- MA performs the risk scoring for PPs; however, the specific scores remain confidential
- Programme guidance defines the framework for RMBV and its implementation in Jems
- Sample is automatically drawn by Jems
- The established risk criteria are effective as the system accurately identifies high-risk items

Desk-based verifications

The beginning

- Initially, MA was reluctant to allow for sample extensions beyond the automated selection
- However, objective findings justified the need for Professional Judgement and sample extension

Desk-based verifications

The “Revolt”

- The purchase of a „climate neutral vehicle“ was an actual Diesel car - the car was in the sample and was deemed ineligible due to non-compliance with the approved application form. Ancillary items (winter tyres) were not in the sample (consistency error)

Desk-based verifications

The “Revolt”

- Tax-free inflation compensation bonuses were paid at the end of the year and were fully claimed within the project although it began mid-year (systemic error)
- Staff costs calculations included accruals (amounts not (yet) paid – systemic error)
- Costs were not booked to the cost centre in the claimed amount (general eligibility provision)

Desk-based verifications

The Extension of scope

- While the MA initially focused only on the automated sample, many essential supporting documents were found to be missing in subsequent reports and had to be submitted retroactively when drawn from the system.
- Since the AA selects a different sample than the automated system, any missing documentation could lead to formal irregularities or financial corrections.

Desk-based verifications

The Extension of scope

- General compliance checks were introduced to verify the existence of minimum required documentation for every single expenditure item – but the focus is still on the drawn sample by the system.
- Comparative analysis of staff costs across reporting periods – identifying significant fluctuations

Desk-based verifications

The Extension of scope

- Monitoring staff turnover and changes in fixed percentages (personnel allocation)
- Parked items are not automatically re-selected, requiring manual intervention
- These checks are where Professional Judgement becomes vital

On the spot verifications

- Sample is drawn by the MA
- partner list is submitted to the controllers and they have to perform the OTSC till 30th June next year
- Common checklist for OTSC exists, an internal extended checklist is used but this information is then included in the Jems checklist.

On the spot verifications

Findings

- OTSC of a project with 40 % flat rate for other costs: The activities, progress and expenditure were on a low level – check was done together with the RB (regional body) which reprimanded the PP because of their co-financing and interest in the project.

On the spot verifications

Findings

- Not correct implementation of the account separation which is necessary for state-aid projects (economical/non economical) – random error for another project of the PP which was not subject for the OTSC

On the spot verifications

Problems

- partners chosen have no or only minor findings (risk approach should find the risky ones)
- Projects selected too early in the implementation cycle (i.e. projects have investments planned but haven't been implemented yet or are postponed)
- partners with multiple projects were chosen but the project with flat rates was the objective of the OTSC

System audits

- MA was system audited incl. the method of the RBMV – grade 2
- Control Unit Carinthia is being system audited at the moment – but no feedback by Audit Body so far - first Control Unit in Austria to be audited

Use of AI?

- Internal AI system – not Gemini, ChatGPT...
GDPR!!!
- Potential applications:
 - Calculation of staff costs
 - Support for legal issues (e.g. public procurement)
 - Screening for Col
 - Analysing documents for manipulation (pot. fraud)
- Risk: Hallucinations



Questions?

Thank you for your attention!