

Controllers workshop

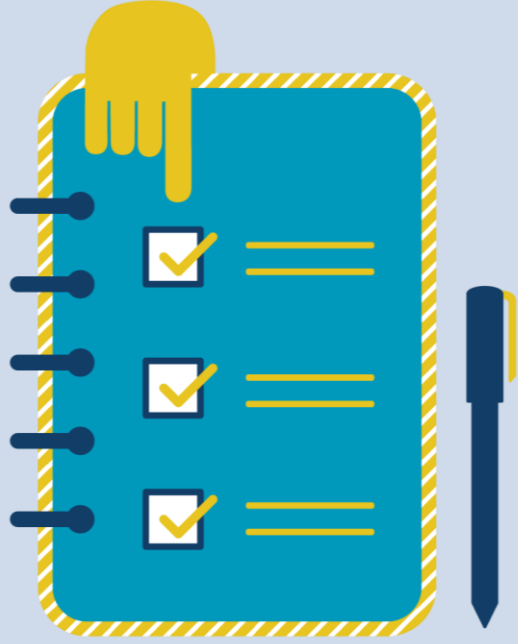
Post 2027

Alexandra Kulmer, Jasmina Lukic / Interact / 06.05.2026

Interact



Co-funded by
the European Union
Interreg



Post 2027 regulatory framework

Three Blocks

Horizontal Regulations

MFF Regulation

Performance Regulation (*new*)

The “Plan” Regulation (NRP Regulation)

European fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security (equivalent of 21-27 CPR)

Fund-specific Regulations

European Fund for Regional Development including for European Territorial Cooperation (Interreg) and the Cohesion Fund (equivalent of 21-27 ERDF – Cohesion Fund Regulation)

+Commission Implementing Act(s) – the **Interreg Plan** (not published yet)

Interreg Plan



General Part (ERDF Art. 9(1))

The Commission shall adopt an implementing act setting out:

- the list of Interreg Plan chapters, including the respective chapter areas and the indicative allocation from the Fund
- detailed arrangements covering the specific implementation modalities of Interreg to ensure a consistent approach



Second part

Summary chapters

One chapter = One Interreg Programme

Design & Roles



Interreg 4 strands (Art. 7(1) ERDF)



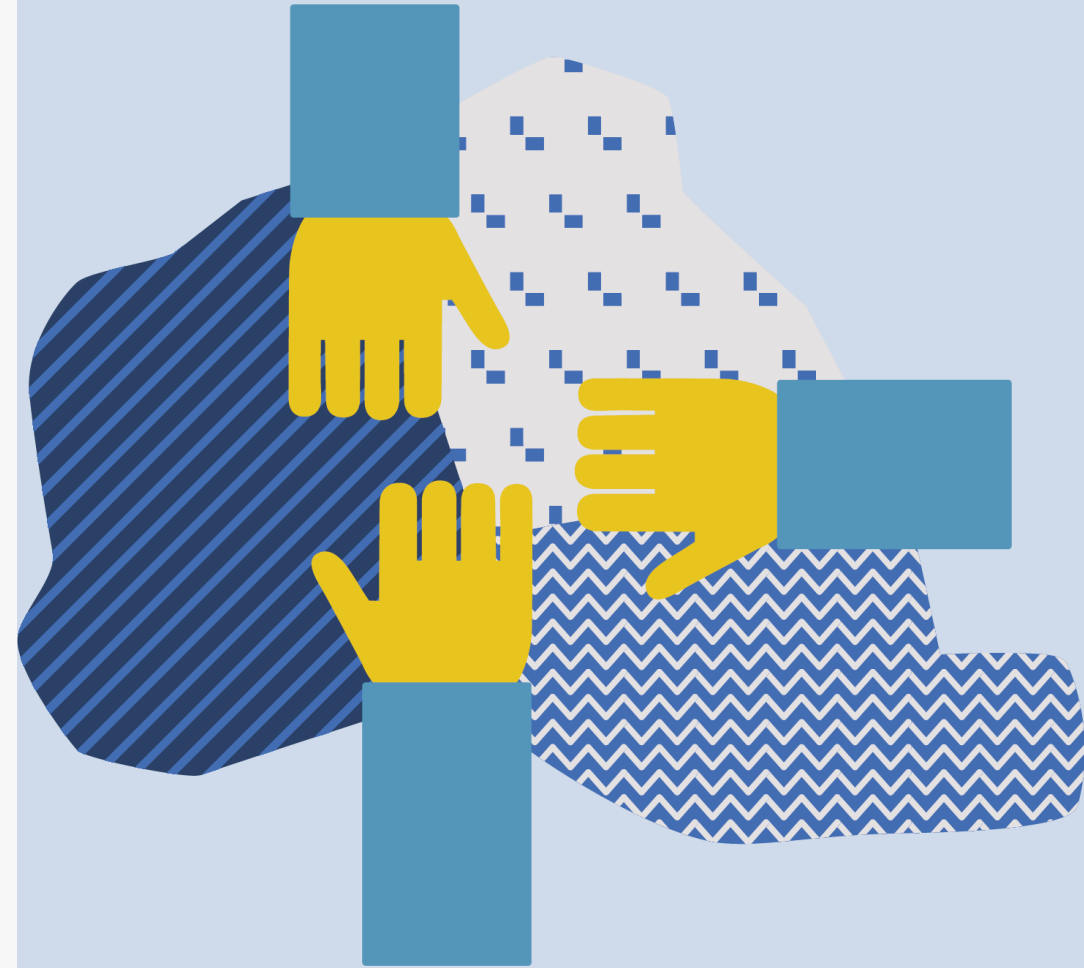
Partnership requirements (Art. 6 NRP)



Expectations that current programmes will continue in the next period

Design & Roles

- Managing Authority, Joint Secretariat and Audit Authority for each chapter (Art 10(1) and (4) ERDF)
- Group of Auditors per chapter (Art. 10(5) ERDF)
- No separate accounting function
- Monitoring Committee per chapter
- National Authorities not mentioned (but should be included in the Interreg Plan)



General & Interreg specific objectives

- 5 General Objectives (Art. 2 NRP)
-> European Regional Development Fund and Cohesion Fund (Art. 2(1)(a))
- Specific Objectives (Art. 3 NRP) + 3 Interreg-specific objectives (Art. 7(4) ERDF):
 - ✓ Better cooperation governance
 - ✓ A safer and more secure Europe
 - ✓ More resilient regions bordering Russia, Belarus, and Ukraine
- No thematic concentration – programmes can choose what they want to focus on



Performance based approach (PBA)

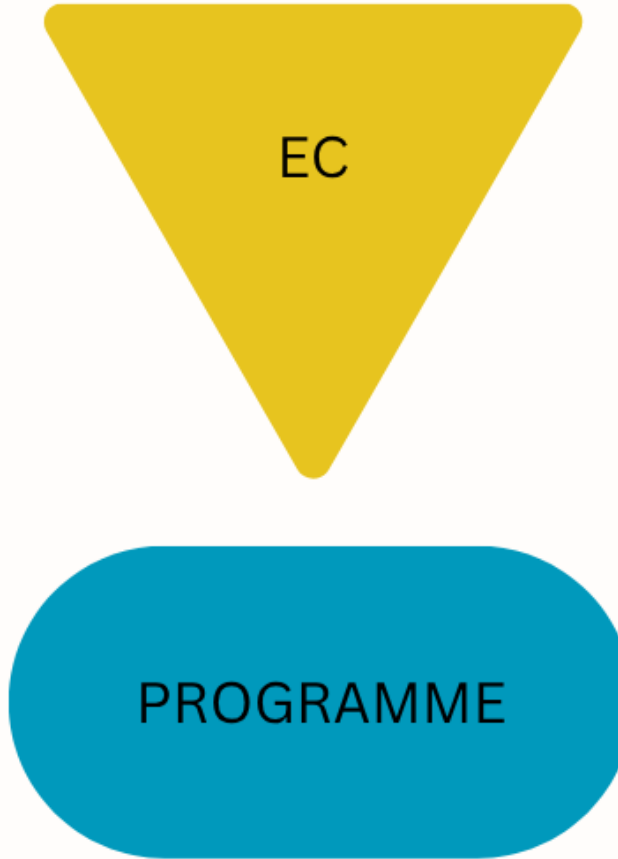
- Relationship with Commission based on performance
- PBA = system of reimbursement
 - linked to meeting pre-agreed milestones and targets (***not on expenditures***)
 - with pre-defined monetary value



Performance based approach (PBA)

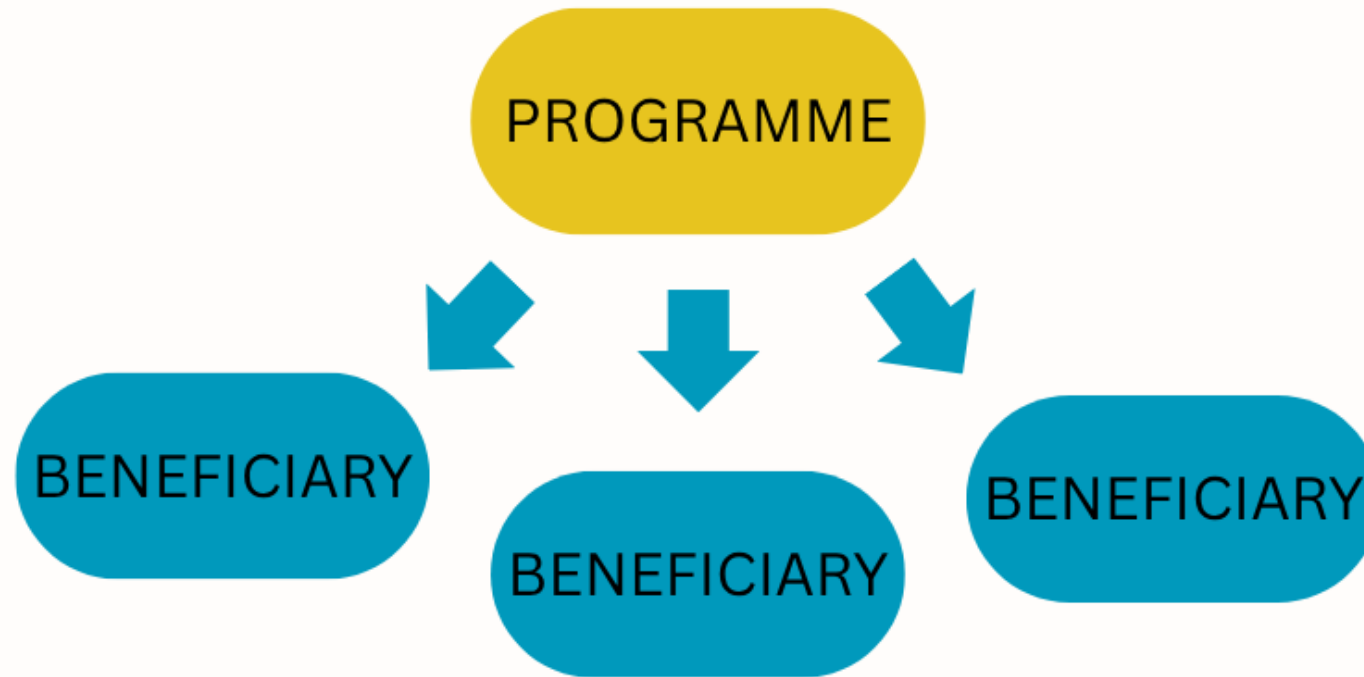
- Definition of **measures** and the list of envisaged **milestones and targets** in the chapter (Art. 8(3)(c) ERDF)
- Total **estimated costs of measures** to be set out (Art. 8(3)(d) ERDF)
- Define how management verifications will be performed and by whom

P-BA on upper level - obligatory

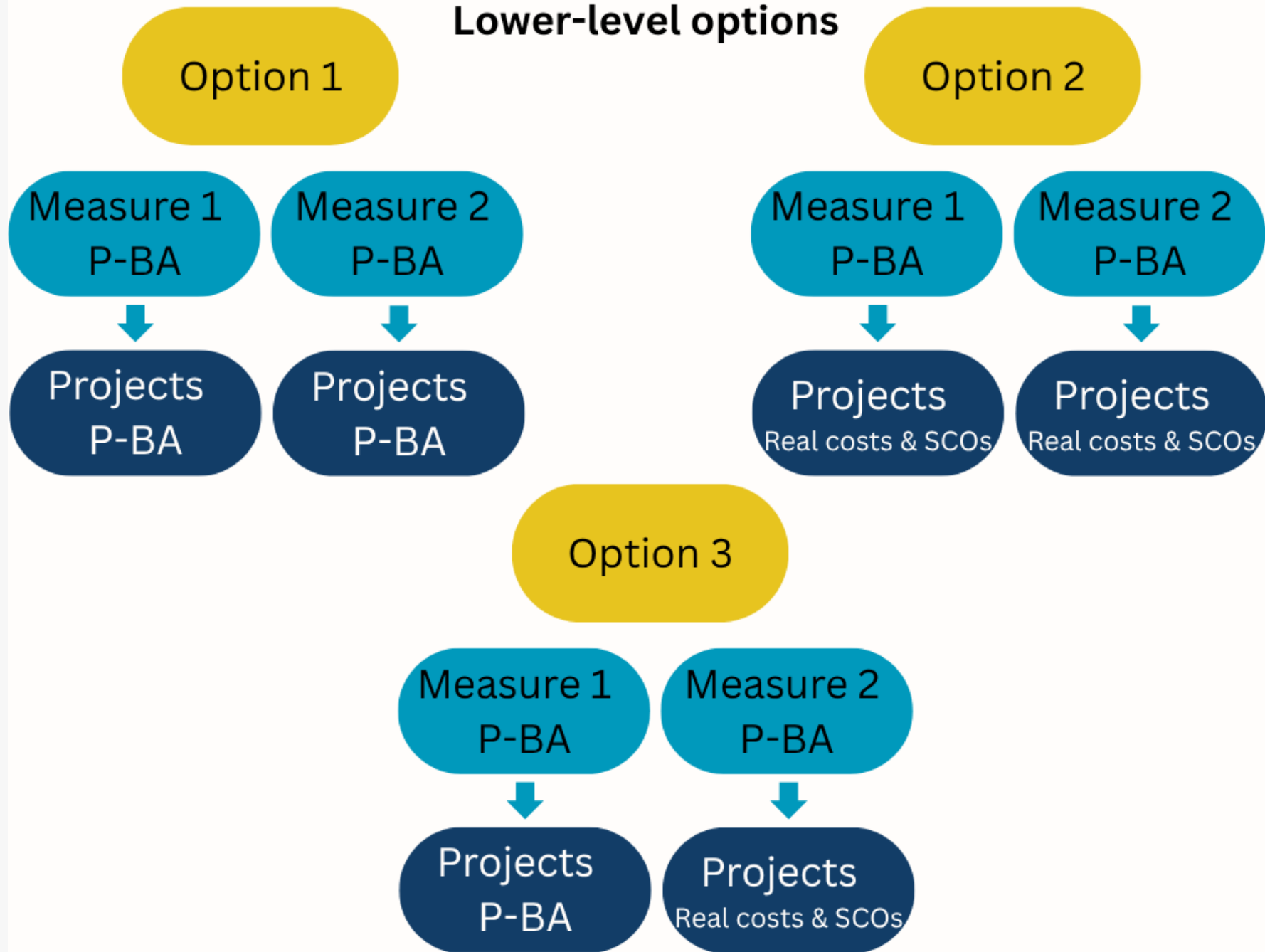




P-BA on lower level - optional



Lower-level options



Monitoring and reporting



- The Commission will monitor the progress of implementation of the programmes and activities financed by the budget
- To assess the progress towards achieving the set objectives, using performance indicators
- Reporting in SFC2028
- Publishing in Single Gateway (single portal tool for all funds)
- Monitoring systems required (Article 51(h), Article 58(k) NRP)
- Monitoring committee – examines the progress in implementation of measures

What is NOT in the draft regulations



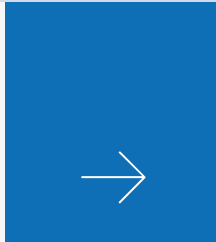
Eligibility rules and cost categories



Off-the-shelf SCOs



Methods to establish programme specific SCOs



The management and control system post 2027

NRP Regulation

Article 4 Definitions

(2) 'applicable law'

means Union law and the national law directly relating to its application

(35) 'irregularity'

means any breach of applicable law, which has, or would have, the effect of prejudicing the budget of the Union by receiving **unjustified reimbursement based on milestones, targets and outputs to that budget**;



Article 2(31) CPR

*'irregularity' means any breach of applicable law, resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the budget of the Union by **charging unjustified expenditure to that budget***

NRP Regulation

Article 51(1)(b)

Functions of the Managing Authority

(b) carrying out management verifications to ensure the fulfilment of the milestones and targets set out in the Plan and the effective use of funds in compliance with applicable law; for the purposes of drawing up the management declaration, the managing authority is not expected to verify the underlying costs of the operations;



Article 74(1) CPR

a) carry out management verifications to verify that the co-financed products and services have been delivered, that the operation complies with applicable law, the programme and the conditions for support of the operation, and:

NRP Regulation

Article 51(2)

Functions of the Managing Authority

2. Management verifications referred to paragraph 1, point (b) shall be risk-based and proportionate to the risks identified ex ante and in writing.



Article 74(2) CPR

Management verifications referred to in point (a) of the first subparagraph of paragraph 1 shall be risk-based and proportionate to the risks identified ex ante and in writing.

NRP Regulation

Article 51(1)(c)

Functions of the Managing Authority

(c) applying effective and proportionate measures and procedures, taking into account the risks identified, to prevent, detect, and correct irregularities, including fraud, corruption, conflict of interests, and double-funding and ensure compliance of the underlying operations with applicable law, in accordance with the relevant key requirements set out in Annex IV [key requirements];

NRP Regulation

Article 51(3)

Functions of the Managing Authority

Management verifications shall include administrative verifications in respect of payment claims made by beneficiaries and on-the-spot verifications of operations. Those verifications shall be carried out before submission of the annual assurance package in accordance with Article 59.



Article 74(2) CPR

Management verifications shall include administrative verifications in respect of payment claims made by beneficiaries and on-the-spot verifications of operations. Those verifications shall be carried out before submission of the accounts in accordance with Article 98.

NRP Regulation

Article 53(1)

Functions of the Audit Authority

The audit authority shall be responsible for carrying out audits on the fulfilment of milestones and targets, and system audits in order to provide assurance to the Commission regarding the effective functioning of the management and control systems, including whether the management and control systems ensure the legality and regularity of the underlying transactions and the effective and timely protection of the financial interests of the Union. The audits shall provide assurance on the effective use of funds in compliance with the applicable law.

Article 77(1) CPR



The audit authority shall be responsible for carrying out system audits, audits on operations and audits of accounts in order to provide independent assurance to the Commission regarding the effective functioning of the management and control systems and the legality and regularity of the expenditure included in the accounts submitted to the Commission.

NRP Regulation

Article 53(4)

Functions of the Audit Authority

The audit authority is not expected to verify the underlying costs of the operations for the purpose of its audit work.

NRP Regulation

Article 58(1)

Responsibilities of Member States

The Member States shall take appropriate measures to protect the financial interests of the Union and to ensure that the use of funds in the implementation of the Plans complies with the **applicable law, including applicable public procurement and State aid rules**. They shall in particular ensure the prevention, detection, correction and reporting of irregularities, including fraud, corruption and conflicts of interest.

NRP Regulation

Article 58(2)

Responsibilities of Member States

- a) establish **effective and efficient management and control systems** for their Plans in accordance with the key requirements set out in Annex IV and ensure their proper functioning in accordance with the principle of **sound financial management**;
- b) ensure and regularly check that the support provided has been properly used to achieve the established milestones and targets or outputs and take all the appropriate actions to ensure that the use of funds in the implementation of the Plans complies with **applicable law**;
- c) take appropriate measures to **prevent, detect and correct irregularities including fraud, corruption, conflicts of interest**, including the use of data mining tools;
- d) apply **corrective measures** where the applicable law is not respected;
- e) ensure the **avoidance of double funding from the Union budget**, and take immediate measure to correct any situation of double funding [...]

NRP Regulation

Article 59 (1)

Submission of the annual assurance package by the Member States

- a) Implementation progress (Annex IX) **(No more accounts!)**
- b) Summary of the audits
- c) Management declaration (Annex XII)
- d) Annual audit opinion (Annex XIII)

NRP Regulation – Annex XII

Template for the management declaration

Signing the management declaration is a function of the Managing Authority (Art. 51(1)(k))
 Declaration includes that

- (a) The **funds were properly used in accordance with the applicable law** with a view to achieving the objectives established in the National and Regional Partnership Plan.
- (b) ...that the **audit trail for the measures concerned is in place**.
- (c) The management and control systems in place function properly, ensure the legality and regularity of the underlying transactions and give the necessary assurances that the **funds were managed in accordance with all applicable rules**, including on prevention, detection, correction, reporting and follow-up of irregularities including **conflicts of interests, corruption, double funding and fraud prevention**, in accordance with the principle of sound financial management and in compliance with the **applicable law, [including applicable public procurement and State aid rules]**.

NRP Regulation – Annex XIII

Template for the audit opinion

Drawing up the audit opinion is a function of the Audit Authority (Art. 53(2)(a))

Audit opinion includes that

1. the data entered in the payment application(s) [...] is **complete, accurate and reliable**.
2. the management and control system put in place functions properly and ensure the effective and timely protection of the financial interests of the Union and the legality and regularity of the **underlying transactions**.
3. the use of the funds is **compliant with the applicable law**.

ERDF Regulation

Article 10(3)

Functions of authorities responsible for the Interreg Plan chapter and the monitoring committee

The Member State and, where applicable, the non-Member State participating in the Interreg Plan chapter, may decide that management verifications referred to in Article XX [function of the managing authority] of Regulation (EU) [NRP Regulation] are to be done through the identification by each Member State of a body or person responsible for such verification in its territory. The Commission may lay down further requirements to be met by such bodies or persons in the implementing act provided for in Article 9(1) [approval and amendment of the Interreg Plan].



Article 46(3) Interreg

ERDF Regulation

Article 10(5)

Functions of authorities responsible for the Interreg Plan chapter and the monitoring committee

In addition to the rules laid down in Article 52 [functions of the audit authority] of Regulation (EU) [NRP Regulation], for the purpose of the Interreg Plan chapters, where the audit authority does not have the authorisation to carry out its tasks in the whole territory covered by a cooperation programme, it shall be assisted by a group of auditors composed of a representative from each Member State and, where applicable, non-Member States participating in the Interreg programme. Each Member State and, where applicable, non-Member State shall be responsible for audits carried out on its territory.



Article 48(1) Interreg

Programming – summary of the main steps

1. Ex ante determination of the costs, EU contribution and intervention fields

An ex-ante cost estimate for each of the measures included in the chapter, together with an indication of:

- the associated level of EU contribution, (taking into consideration the minimum contribution rate for Interreg set out in Article 20 NRPP)
- the corresponding intervention field(s) and result indicator based on Annex I of the Performance Regulation .

2. Definition of milestones, targets, outputs and pay-out values

Individual milestone(s) and target(s) associated to each measure, along with their indicative timeline for completion.

- The list of output indicators provided in Annex I of the Performance Regulation for the corresponding intervention field(s) should be used as reference for the final targets or may also serve for the definition of interim targets.
- The pay-out values will be defined based on the EU financial contribution to the underlying measure

3. Verification mechanisms

- for each milestone and target : description of the document(s)/system that will be used to verify their achievement, how management verifications will be carried out and how the audit trail will be ensured.



ERDF Regulation – annex

Template for the Interreg plan chapter

3. Financing and costs

For each measure:

(b) Verification of the achievement of milestones and targets

Measure ID	Milestones/ targets	Describe what document(s)/system will be used to verify the achievement of the result or condition (and where relevant, each of the intermediate deliverables); Describe how management verifications (including on-the-spot) will be carried out; Describe what arrangements will be made to collect and store relevant data/ documents.	Measure ID
		[2 000]	[1 000]

2021-2027 Financing not linked to costs

Appendix 2 (Article 95 CPR)



10. Verification of the achievement of the result or condition (and where relevant, the intermediate deliverables):

- describe what document(s)/system will be used to verify the achievement of the result or condition (and where relevant, each of the intermediate deliverables);
- describe how management verifications (including on-the-spot) will be carried out, and by whom;
- describe what arrangements will be made to collect and store relevant data/documents.

ERDF Regulation – annex

Template for the Interreg plan chapter

4. Arrangements for the implementation of the chapter

(a) Arrangements for the effective monitoring and implementation of the chapter

Text field [3 000]

(b) Arrangements and systems to ensure a regular, effective and efficient use of EU resources, in compliance with sound financial management and the protection of the financial interests of the Union in line with Article XX [Responsibilities of Member States for the Interreg chapter];

Text field [3 000]

(c) Chapter authorities

Chapter Authority	Name of the Institution [500]	Contact name [200]
Managing Authority		
Audit Authority		

(d) Summary of the consultation process conducted for the preparation of the chapter and the role of partners in implementation, monitoring and evaluation

Text field [2 000]

EN

EN

(e) Description of the apportionment of liabilities among the participating Member States and, where applicable, non-Member States, in the event of financial corrections imposed by the managing authority or the Commission

Text field [2 000]



**...from other sources,
discussions on the
proposals**

- for information and inspiration

DG Regio TN network on simplification Meeting in Dublin

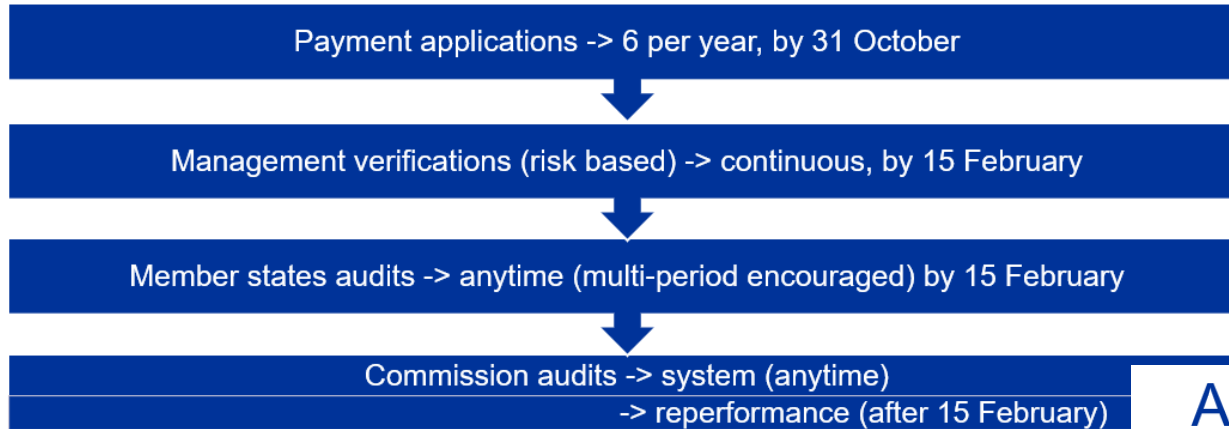
Assurance building blocks



DG Regio TN network on simplification

Meeting in Dublin

TIMELINE



Assurance package

Managing Authority(ies):

- Management declaration
- Report on progress (Plan)

Audit Authority(ies):

- Audit opinion
- Audit summary (former annual control report)

DG Regio TN network on simplification

Meeting in Dublin

Costs

- Cost verifications are not expected to be made for the purposes of verifying the fulfillment of milestones or targets.
- Supporting documents, including invoices, should be checked proportionately, in line with the audit and control system set up by the Member State / region, to verify compliance with the applicable law.
- In other words, while the verification of underlying costs is not required for the objective-based delivery model, cost related information might still need to be used for audit purposes, such as invoices and accounting records as supporting evidence to carry out checks on the compliance with applicable law (e.g. absence of double funding, compliance with public procurement procedures and State aid rules).

9



ECA Opinion 09/26

Managing authorities (Article 51)

105 Managing authorities will remain responsible for selecting operations and carrying out management verifications¹⁰³. These verifications should cover both the fulfilment of milestones and targets and the use of funds in compliance with the applicable law through administrative verifications of beneficiaries’ payment claims and on-the-spot verifications. **However, the proposal does not specify the scope of verifications, which may lead to insufficient and inconsistent control practices amongst member states.**

106 The proposal provides for risk-based management verifications¹⁰⁴, but it is not sufficiently clear whether such verifications would be applied to confirm the fulfilment of milestones

and targets, the compliance of underlying operations with applicable law, or both. The regulation should clarify that **managing authorities should verify the fulfilment of all milestones and targets under their responsibility, while risk-based management verifications may be applied only at the level of underlying operations that contribute to those milestones and targets.**

Verification of underlying costs (Article 50 and 53)

113 The proposal continues to use previous terminology such as “underlying costs” and “underlying transactions”. In a delivery model based on the fulfilment of milestones and targets, **the exact meaning of these terms should be clarified.**

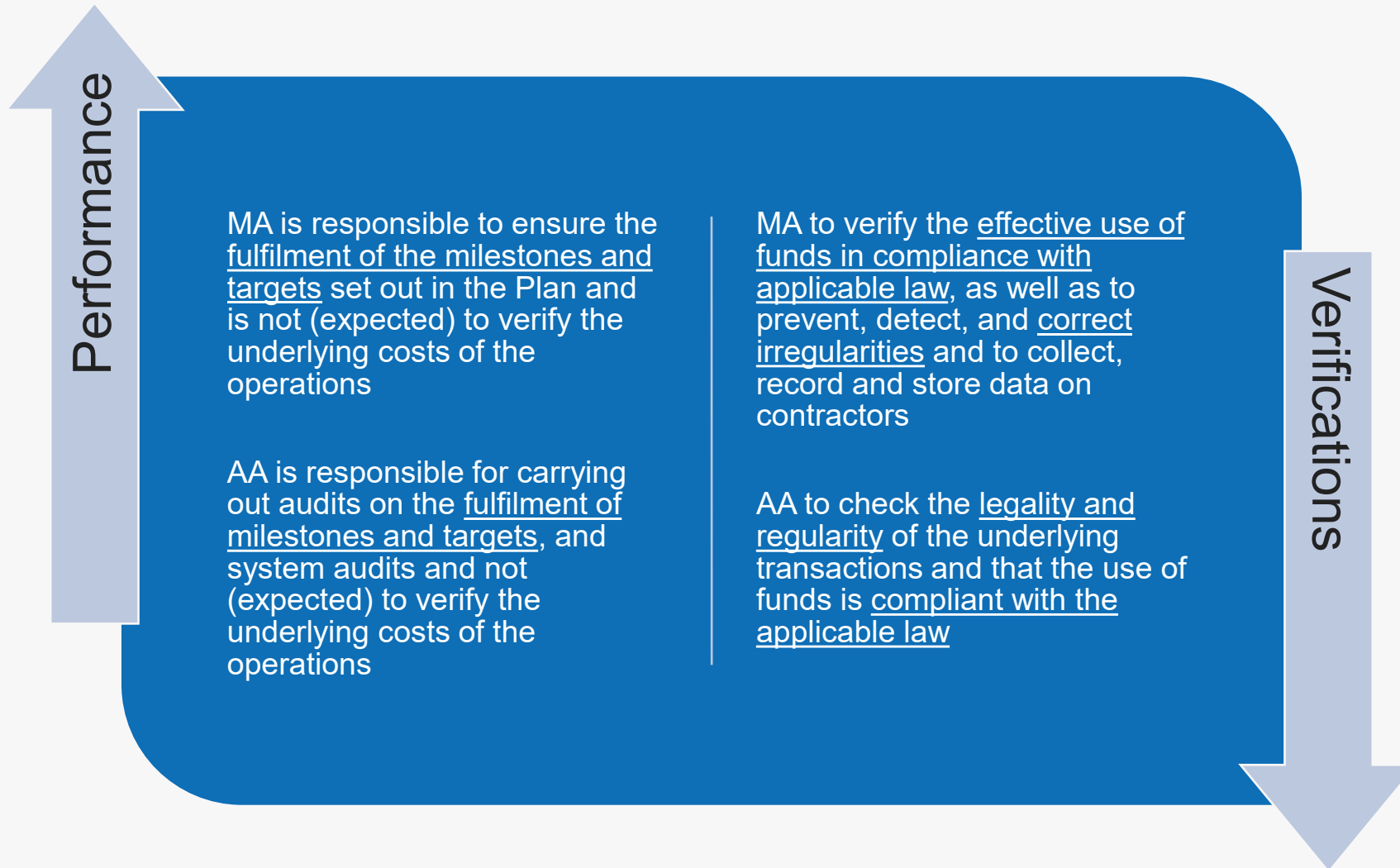
114 The proposal provides that managing and audit authorities will not be “expected to” verify the underlying costs of the operations¹⁰⁸. It is unclear what “underlying costs” means. Moreover, member states’ management and control systems usually do include checks on costs incurred by beneficiaries. Checking underlying cost may still be necessary in order to respect EU and national law. **The Commission, managing authorities and audit authorities**

¹⁰⁷ *Ibid.*, Article 49(5).

¹⁰⁸ *Ibid.*, Articles 51(1)(b) and 53(4).

should verify the underlying costs incurred to ensure compliance with EU and national law, especially as regards public procurement, state aid, and the avoidance of fraud, corruption, conflict of interest and double funding.

The control and audit paradox



Cooperation works

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Publisher

Interact Programme

Date updated

06 May 2026

Primary knowledge area

Management verifications

Author(s)

Alexandra Kulmer, Jasmina Lukic

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