



# Interreg

## Latvija-Lietuva

European Regional Development Fund



EUROPEAN UNION

# Annual accounts

21 March 2018, Florence, Italy



## Briefly about programme

- Programme approved on 30 November, 2015;
- 51,6 million EUR allocated for projects, 3,3 million – for technical assistance;
- 1st Call for Proposals – 41 project contracted for 20,8 million EUR;
- 1 direct award project contracted for 9 million EUR;
- 2nd Call for Proposals - 48 projects selected by Monitoring Committee for 18,7 million EUR.



Claimed from EC till 13.02.2018	ERDF	Total
Projects	36 392	42 814
Technical Assistance	587 562	753 284
<b>Total</b>	<b>623 954</b>	<b>796 098</b>

## Planned Annual accounts preparation and submission in 2018

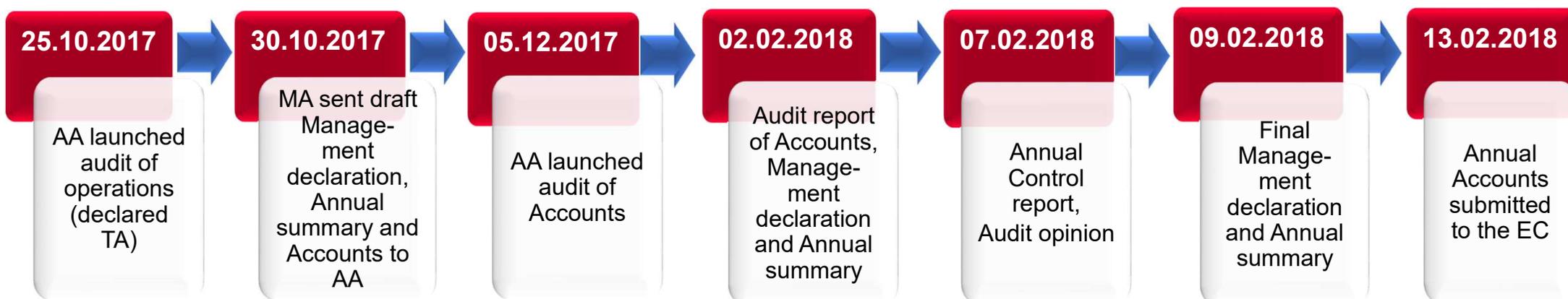
**Along with the Management declaration, Annual summary, Accounts and Audit opinion till 15 February to the EC should be submitted also the Annual Control Report.**

**Preparation and submission process of Management declaration, Annual summary and Accounts is described in the Description of the Management and Control Systems:**

- ▶ till 31 December – MA electronically sends draft Management declaration, Annual summary and Accounts to AA;
- ▶ till 31 January - AA sends its draft opinion on submitted documents to the MA for harmonisation;
- ▶ till 10 February – MA updates (if necessary based on the AA draft opinion), approves and submits Management declaration, Annual summary and Accounts to the AA and AA issues opinion;
- ▶ Till 15 February – MA sends Management declaration, Annual summary and Accounts to the EC.

## Factual Annual accounts preparation and submission in 2018

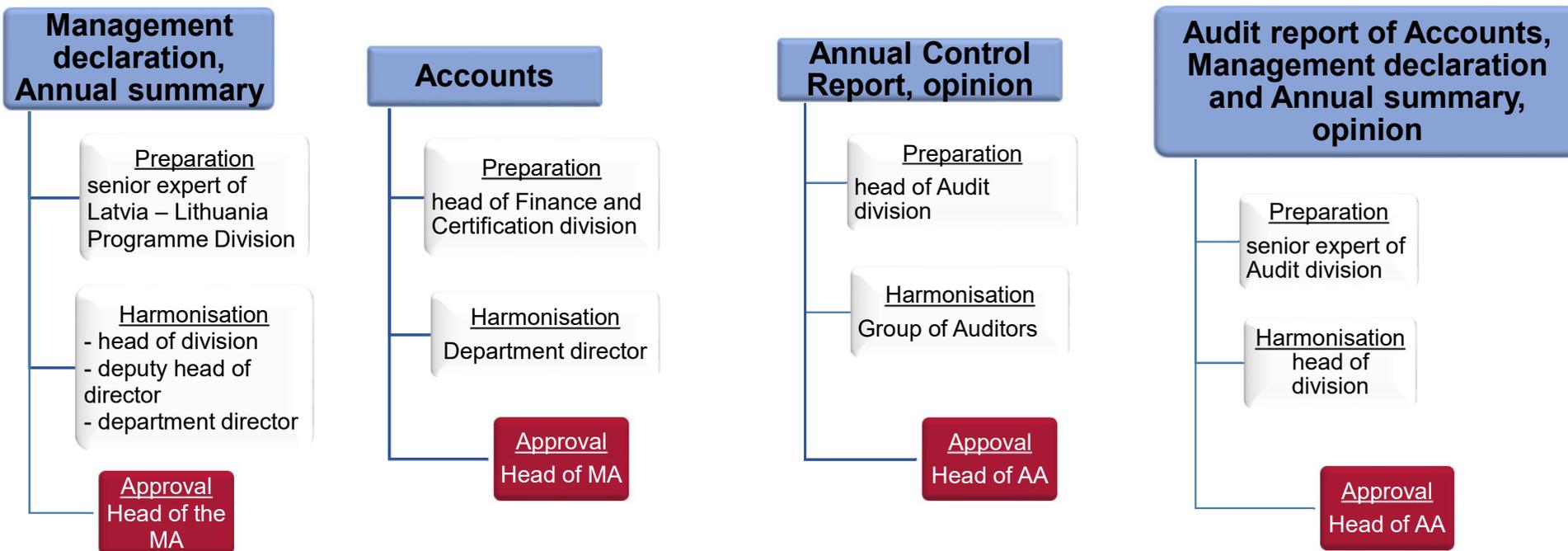
Actually the process of Annual accounts preparation was as follows:



# Human resources dealing with Annual accounts submitted in 2018

## Development Instruments Department

## Audit Department



### **In what we were successful:**

- Close cooperation among employees from all 3 divisions and mutual support;
- Regular exchange of prepared draft documents ensured matching information and terminology.

### **Main challenge:**

- Interdependency of MA and AA during preparation of Annual summary and Annual Control Report, Annual accounts submission via SFC2014.

### **Planned improvements for the next Annual accounts' submission:**

- Sending a draft Management declaration, Annual summary and Accounts to the AA in the beginning of August;
- Approval of Annual Control Report before Audit report of Accounts, Management declaration and Annual summary is approved.

### Section A, Annual Summary

- ▶ What should be indicated within column «Type of audits» in the table under section A of «Guidance for Member States on the Management declaration and Annual summary» if cross references to Annual Control Report are given:
  - titles of all system audits, numbers and acronyms of all audited projects under audits of operations;
  - total number of system audits and total number of audits of operations;
  - nothing should be indicated.
  
- ▶ Do MAs from other programmes use cross referencing to Annual Control Reports or rather chose writing requested information in the Annual summaries?

### Section B and C, Annual Summary

- ▶ In the tables of sections B and C are requested main results and types of detected errors, but corrective actions asked for irregularities depending on their nature. For what corrective actions should be indicated? What means error type «ineligible projects» in the table of section B?
- ▶ What are other programmes actions for ensuring quality of Financial Control work (any monitoring/tools)?
- ▶ What deadlines are used for preparation of Management declaration, Annual summary, Accounts, Annual Control Report and opinion, Audit report of Accounts, Management declaration and Annual summary and opinion?

### Reconciliation of data among the systems, Accounts

- All the programmes should use electronic monitoring systems. For Latvia-Lithuania Programme data on payments are stored in eMS (eMS is developed by INTERACT).
- When calculating ERDF to be paid to the Lead Partners, eMS is using rounding.
- When certified expenditures are claimed to the Commission, SFC2014 for ERDF calculation does not use rounding, but the full co-financing rate with 10 digits after comma (as indicated in the Operational Programme).
- As a result there are discrepancies between paid and certified ERDF amounts. Due to rounding the difference is usually very insignificant (*euro cents*). How do you reconcile accounts, any experience in similar situations?

### Questions from AA

- ▶ In case if MA performs functions of the CA and there is no separate accounting system for the CA (CDR, Art.29 (4)) is it acceptable that CA uses Excel data base with manually entered data and MA accounting system.
- ▶ What are the main risks and/ or is it acceptable when the accounting system and information system (eMS) are separate and not automatically linked?



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# Thank you for your attention!

