

CA network meeting

22/March/2018

Florence, Italy

Minutes

Introduction

Interact welcomed the participants and confirmed agreements made during annual accounts meeting held the previous day on the content of Appendixes to Annex 11 to be checked with the EC and published at the CA community.

Irregularities – how does it work?

Who does what?

In majority of programmes, CA has access to all information regarding irregularities in the e-monitoring system, in some programmes the same typology of errors is used by all the authorities. All CAs cooperate closely with MAs, in some cases MA communicates directly with beneficiaries about recoveries.

In programmes where the CA is merged with MA the cooperation is even closer, all the decisions about irregularities are taken together.

Generated interest

The majority of programmes collects interest from the late repayment by beneficiaries, in some cases a need to add additional interest is caused by national legislation on the breach of the financial discipline.

Some programmes do not ask for the interest as it will be deducted from the next project payment claim and no delays are foreseen. The treatment of the closed projects cases will still have to be prepared.

The use of interest generated by the programme resources deposited in the bank is always decided by the programme Monitoring Committee; it may serve as a buffer for liquidity shortages.

Irregularities below 250 EUR

It seems that there are many, sometimes contradictory opinions about how to use this option. Programmes agree that the amounts do not have to be recovered from projects but it

remains unclear if and how they need to be reported/communicated/reimbursed to the Commission. The programmes implement the following practices:

- Some will not use this option as too complicated for bigger programmes and bigger projects (many partners, many MSs)
- Some only use it for closed projects and for ongoing ones recover by reducing next payments
- In some cases the MA wants to apply the option and AA does not agree to use it, as according to AA it has to be taken into account when calculating error rate and the CA would have to withdraw it from the Commission
- Some consider this amount as eligible, so it should not influence the error rate.

It was agreed that programmes will share their methods of implementation of below 250 EUR and Interact will consult the EC on the intentioned method to apply this option.

Irregularities – how do you report them?

The participants discussed scenarios of reporting irregularities prepared by Interact based on “Guidance for member states on amounts withdrawn, recovered, to be recovered and irrecoverable amounts”. During discussions on the scenario 2, the importance of column G of the appendix 8 to the annex VII of CIR 1011/2014 was underlined as it serves for recalculation of the error rate for the accounting year.

In case of scenario 3 if the finding is recognised very close to the end of the accounting year it is not possible to correct it during this accounting year, but it can be corrected within next payment claim.

The partner bankruptcy case, as the amount would be immediately irrecoverable, was discussed, as no option of reporting amounts as irrecoverable right away seems to be explicitly mentioned in the guidance.

Some CAs already had experience with such cases and if the irregularity is found by programme AA it can be charged from the EC budget, however if it is Commission auditors’ finding in such a case the MS take the financial responsibility.

It was also recognised that every single irregularity must be clearly attributed to the accounting year in which it was initially claimed from the Commission, and it is either done in the e-monitoring systems, accounting systems or CA has a separate excel to store such information.

Monitoring system and CA work

Marie-Paule Boone presented the vision of ideal (from the CA perspective) e-monitoring system. Please see the presentation slides to see what features are needed for the CA work. The presentation was followed by a discussion on different systems used and how they were built, especially the CA parts. Majority of CAs were consulted when programmes built the e-monitoring systems, in some cases CA asked for changes in the already prepared systems.

Any other business

The following topics were discussed:

Clerical mistakes

Such mistakes can be directly corrected in the accounts; later the difference will show in appendix 8, where the comment column can be used to explain it.

Gold plating

Some practices reported by CA, like e.g. additional annual accounts checklists including for example checks on whether the Annual Implementation Report was submitted by MA are considered by some CAs as going too far.

Savings from 2007-2013 reporting period coming from co-financing rate differences

Some programmes at closure of 2007 – 2013 programme found themselves in the situation of receiving from the EC more ERDF than actually paid to beneficiaries. It was caused by the fact that programmes are reimbursed ERDF based on priority axes co-financing rates and pay projects based on co-financing rates agreed in the subsidy contract. The project co-financing rates are often lower than the average priority axes rates.

Some programmes decided to use this additional money based on a decision of the Monitoring Committee. The following ways were mentioned:

- Additional support to Contact Points
- Increased TA budget
- Grants to micro-projects
- Buffer for liquidity shortages
- Cover for irrecoverable amounts
- Guarantees for over-commitment of funds.

Further agreements

- Interact will check with the EC what exactly is expected to be filled in in column C in the appendix 1
- CA will send to malgorzata.zdunek@interact-eu.net their programmes practices in regards to errors below 250 EUR
- Interact will check with the EC the below 250 EUR application
- CAs will join new online CA network community and share their concerns, remarks, questions, input and clarifications from the EC
- Interact will organise next CA network meeting in 2019.