

Analysis of errors and irregularities of 2007-2014 period

Irregularities – how do we manage?

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Analysis

March – September 2011

- **ETC CBC**
 - Austria-Czech Republic
 - Bulgaria – Greece
 - Czech Republic – Poland
 - Estonia - Latvia
 - France (Manche) – England
 - Latvia – Lithuania
 - South Baltic
 - Two Seas
- **Transnational, interregional and networking programmes:**
 - Baltic Sea Region
 - Central Europe
 - North West Europe
 - INTERREG IV C
 - Urbact
 - INTERACT

- **IPA CBC**
 - Romania – Serbia
 - Bulgaria – Turkey

Representing ~ 25% of total allocation for Territorial Cooperation (ERDF + IPA) for 2007-2013

Lessons learned

- Programmes interpret differently unclear rules
- Cross-programme analysis are good learning tool
- Analysing current situation and solutions used in different programmes can be a way to prepare for next programming period
- Heterogeneous group gives more opportunities for learning and exchange of experience

Limitations of the Analysis

- Not a scientific study, doesn't present situation in whole ETC
- Different level of implementation of participating programmes so data not always comparable
- Different strands, different priorities, different beneficiaries
- Different size of financial allocations of programmes (influencing also character and size of projects)
- Different FLC systems in different Member States, limited access to data
- Limited availability of SLC data

Managing irregularities and recoveries

- Many differences in division of responsibilities in management of irregularities and recoveries
 - Stronger role of the MA in CBC and IPA CBC programmes
 - Stronger role of the JTS in transnational, interregional and networking programmes
- MA and JTS discover errors and irregularities mostly by verifying the quality of project outputs and/or financial reports

Sources of errors and irregularities

- Possibly programme-specific eligibility rules
- Non compliance with public procurement rules
- Calculation errors, wrong accounting and wrong budget lines
- Non-compliance with value for money principle, expenditures not planned in the AF or not relevant to the project, infringement of eligibility rules

Non-problematic areas

- Non compliance with generation of revenues rules
- Non-compliance with horizontal policies

Budget lines affected

- Staff costs
- External expertise and services
- Office and administration
- Travel and accommodation

Risky beneficiaries/projects

- Partners with large budgets
- Inexperienced partners
- Project partners implementing many projects at the same time
- Projects with high investment or external expertise budget
- Private companies

Reporting irregularities and procedures for recoveries

- General tendency to always use recovery procedure and only in rare cases withdrawal
- Funds become irrecoverable mostly after legal action against the LP failed or in some cases already after the period given to LP for repayment

Avoiding irregularities

- Trainings for the FLC
- Trainings for LPs and PPs
- Ensuring high quality of FLC work

Cooperation works

All materials will be available on:

www.interact-eu.net