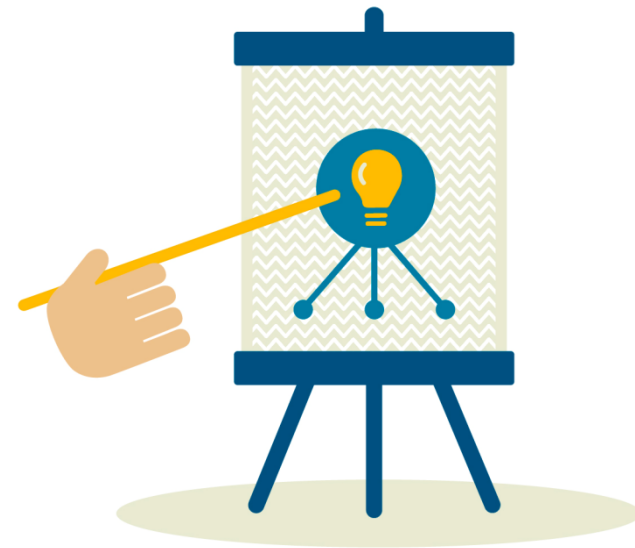


Annual accounts, spending and cash flow

Finance network meeting TN and IR
programmes

4 - 5 December 2018 | Lille, France

Malgorzata Zdunek, Interact



15 February 2018 – annual accounts submissions

- 44 non-zero Interreg annual accounts submitted
- Including 3 Interreg IPA – CBC programmes
- 2 requests of extension of the deadline (till 1 March)
- Extensions asked due to audit work not finalised within deadline

.... 8 ETC programmes still missing authorities designation...



Conclusions of October 2018 meeting

- Smaller errors in accounts – COM allows resubmission of accounts
- On-going assessment
 - potential error influencing error rate
 - should be deducted only from the accounts
 - MA decides on recoveries from beneficiary
 - AA decides if amount is eligible
 - CA includes only eligible amounts in the accounts



Conclusions of October 2018 meeting

- Cut off date and two samples – it influences the error rate
- Errors below 250 EUR – to be calculated by beneficiary (in case of ETC) by operation and accounting year
- Column C – purely informative character and should contain payments done to projects within 90 days



Comments from the EC

- Assurance packages were returned for correction mainly for “clerical mistakes”
- Decisions cover mainstream and ETC programmes per MS
- All packages accepted by 31 May 2018 (251 with expenditures and 178 “zero accounts”)
- 5 packages accepted with follow - up
- Lack of understanding how to treat amounts under on-going assessment



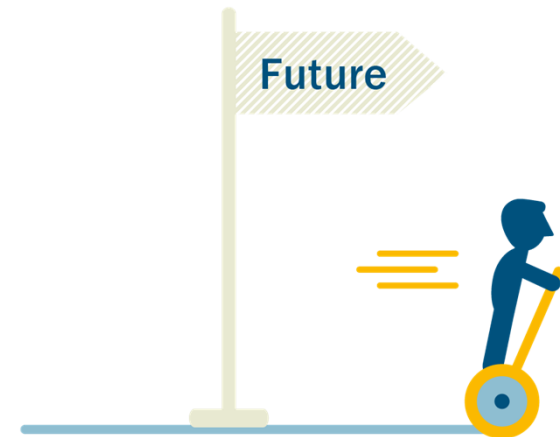
Comments from the EC

- Appendix 2 should contain only withdrawals link to irregularities
- Need of alignment between Appendices 2 and 8 and the amount used by AA for the calculation of the error
- Recoveries can only relate to amounts certified in previous accounts
- Consistency between information in Annual Summary and Appendix 8



Changes and improvements

- EC is working on updated guidance package for accounts
- Option to offset negative balance of the accounts against next interim payment will be introduced
- Typology of errors proposed by the EC to be used by AA as obligatory, and only recommended to be used by controllers (main categories)
- Interact preparing Roadmap of annual accounts



Changes proposed for post 2020

Principles remain:

- Annual accounts
- Timing

Simplifications:

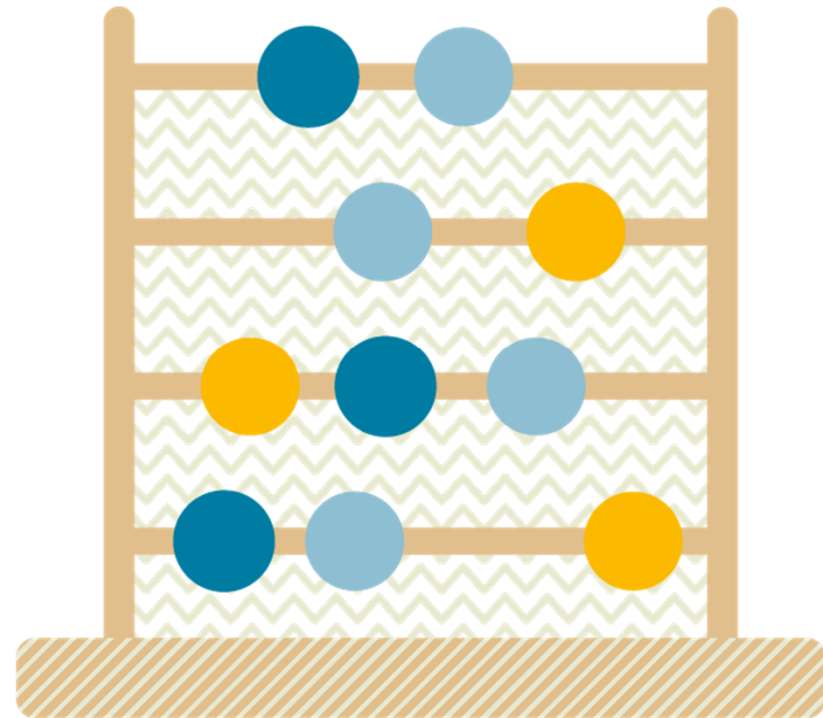
- Half of appendices removed
- No recoveries



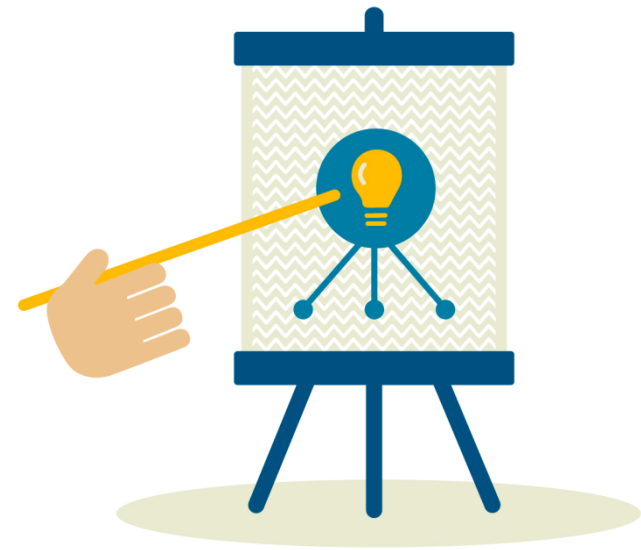
What works smoothly during preparation and submission of accounts?

Any problems or challenges related to annual accounts?

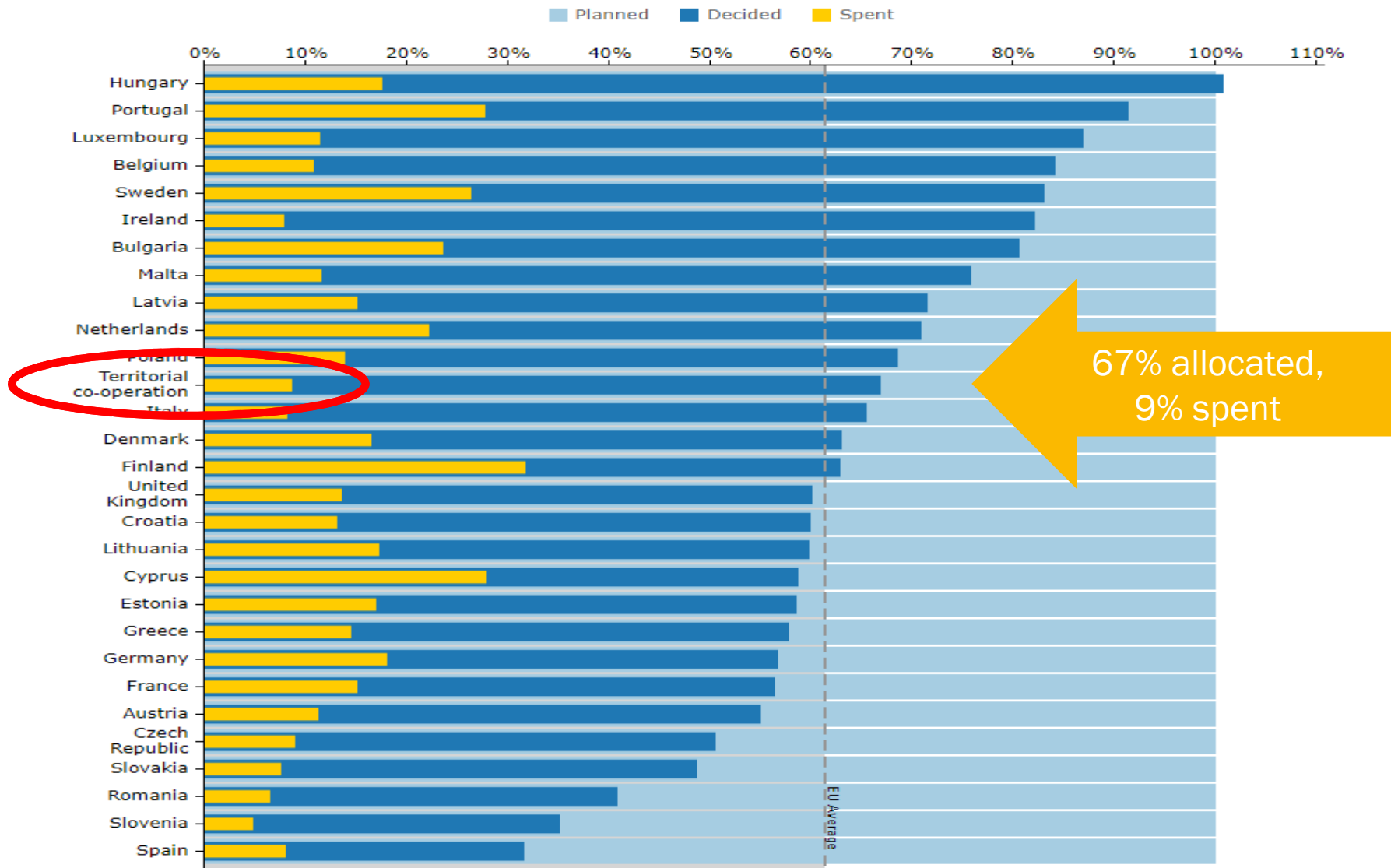
Can we do anything to help?



Interreg implementation until 30.06.2018 Allocation and spending



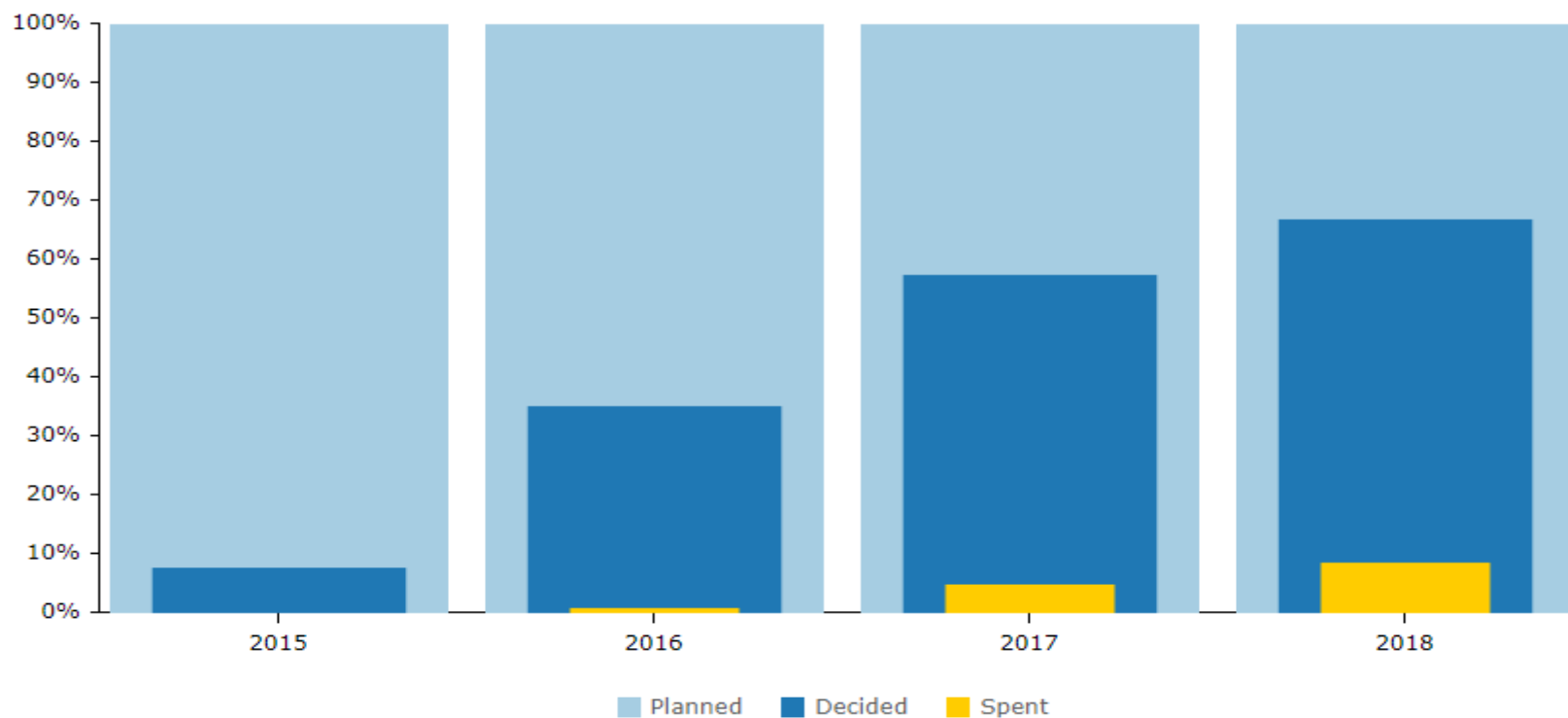
ERDF 2014-2020



Source: Regional Policy 2014.2020, Cohesion Data – state as of 30.06.2018

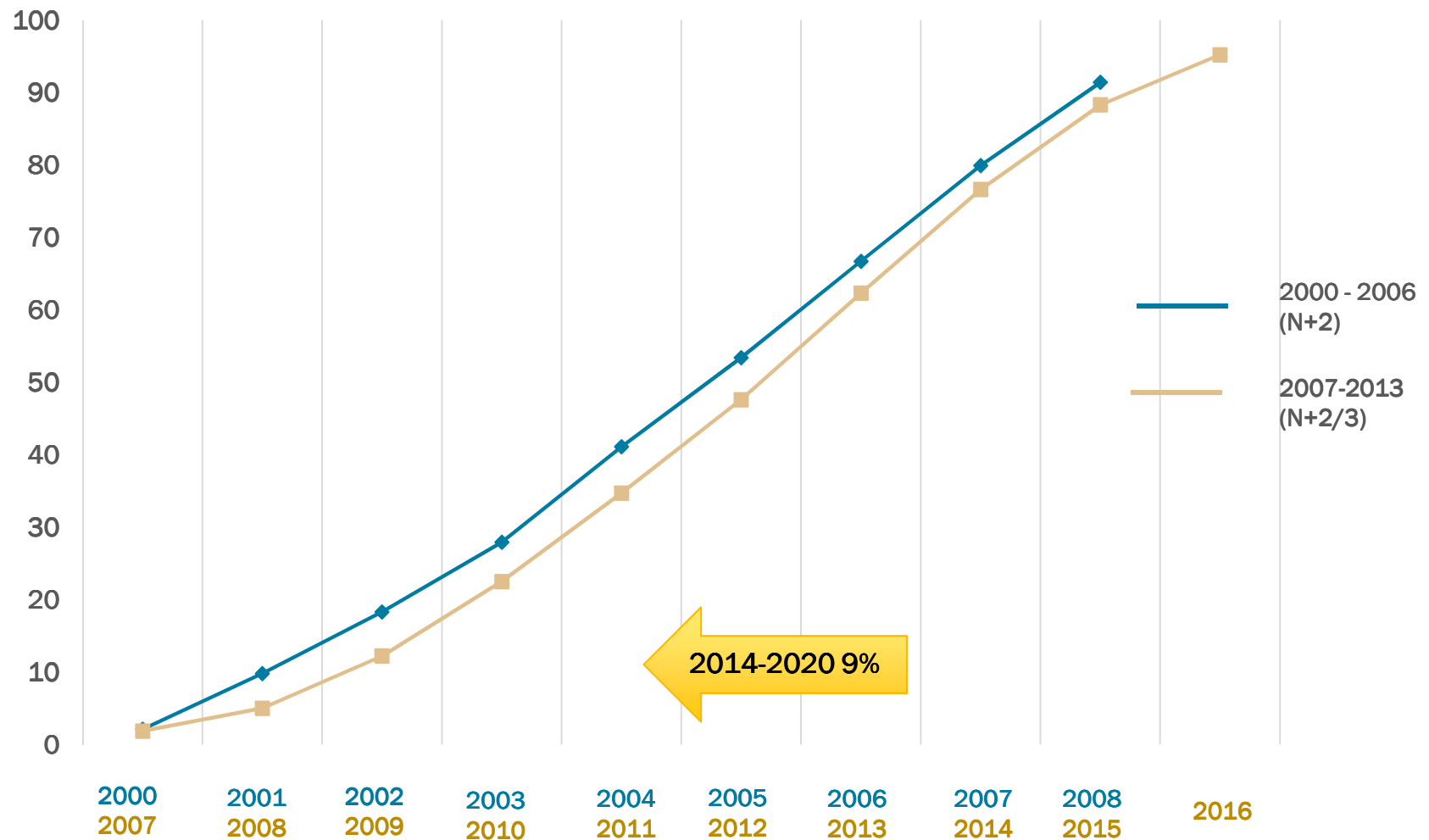
Interreg 2014-2020 EU allocated and spent

| Year | Allocated (m EUR) | Spent (m EUR) |
|------|-------------------|---------------|
| 2015 | 900 | 0,019 |
| 2016 | 4 400 | 90 |
| 2017 | 7 133 | 607 |
| 2018 | 8 382 | 1 010 |



Source: Regional Policy 2014-2020, Cohesion Data

ERDF absorption rate, EU28



Post it time!

**Current stage of
programmes' finan
implementation:**

- **Allocation**
- **Spending**



Decommitment risk – state of play as of October 2018

Target of December 2018:

27 Interreg programmes (CBC + TN) are at the risk of decommitment (EUR 42 mln)

.... For the whole 2007 – 2013 only 14 programmes decommitted



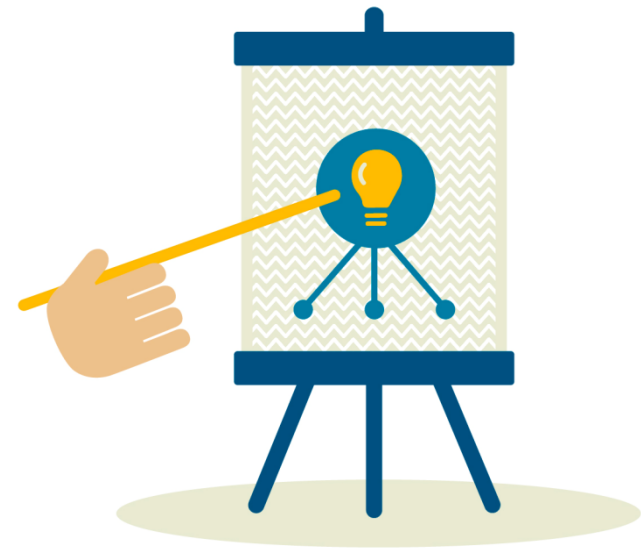
How to speed up your programme's spending?



Factsheet* [‘Diminishing the risk of decommitment’](#)

**Factsheet is part of a Repository project*

Cash flow



The proposal sent to the EC

- The letter to the EC with proposed:
 - Different way of calculation of the balance of annual accounts
 - Earlier payment of initial pre-financing
- The quick semi-survey on usage of January payment of annual pre-financing – over 70% of asked Interreg programmes willing to use it



Repository: survey on finances

45 Interreg programmes

- 28 CBC
- 8 IPA CBC
- 8 TN
- 1 IR

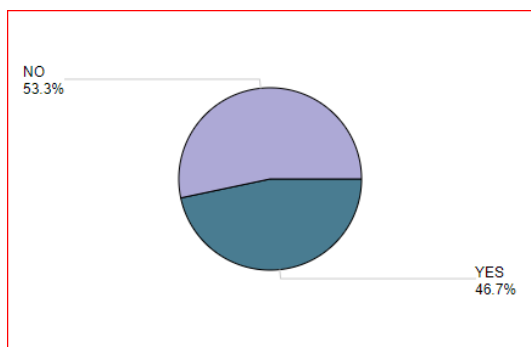
Fact sheets

- Cash flow
- Eligibility
- Audit and control

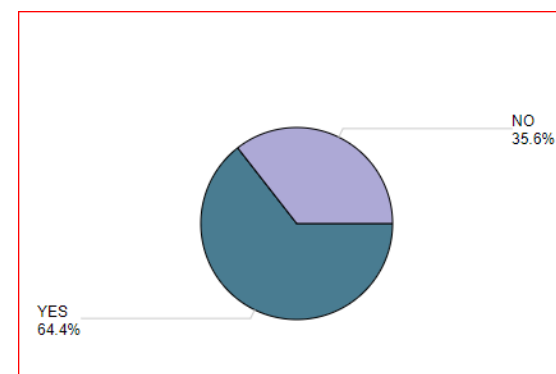


The survey on cash flow

Does your programme face (or foresees to face) any liquidity problems (liquidity problems arise from a situation when there are not enough financial resources at the programme's bank account to reimburse to the beneficiaries)?

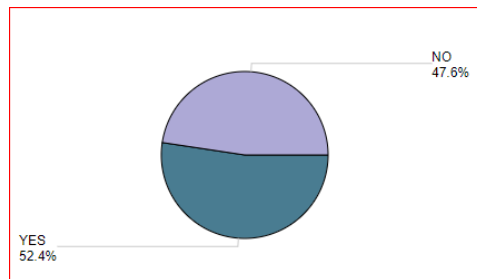


Does your programme have any preventive measures in place to deal with the (possible) liquidity problems?

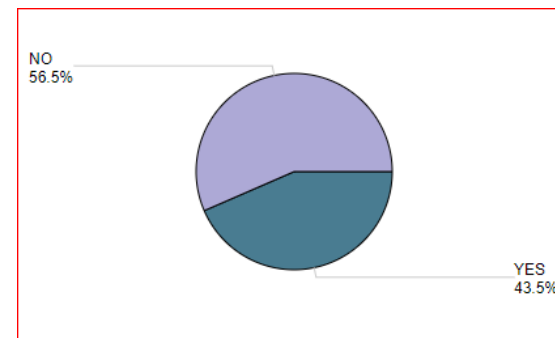


The survey on cash flow

In case your programme is continued from the 2007-2013 programming period: was the previous programme closed with a surplus (an amount of ERDF paid to beneficiaries was lesser than the ERDF amount received from the European Commission)?

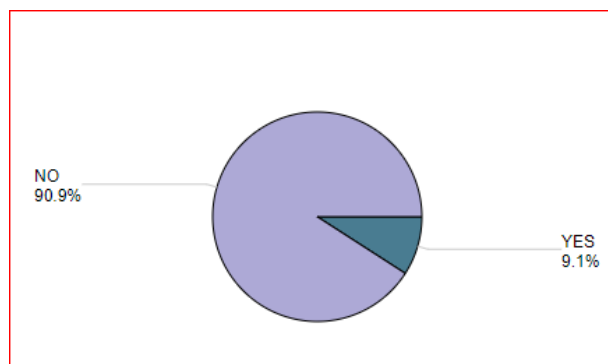


Was this surplus used to solve any (possible) liquidity problems within your programme?

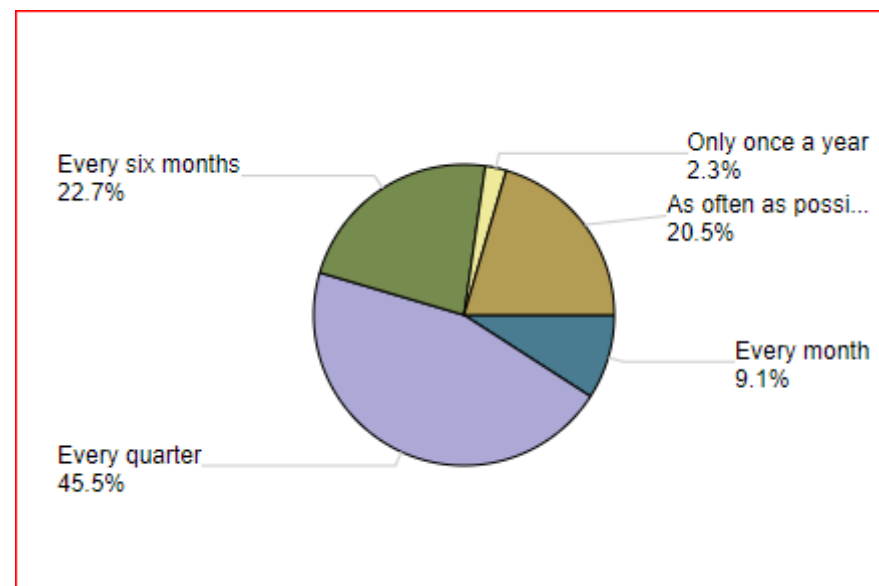


The survey on cash flow

Will this surplus amount be enough to prevent (possible) liquidity problems within your programme?



How often does your programme (Certifying Authority) submit the interim payment claims to the European Commission?



The proposal of CPR ammendment

Amendment of 1303/2013
COM(218)614

- Annual pre-financing
2021 - 2023
- Instead of 3 % - only 1 %
yearly



Cooperation works

All materials will be available on:

www.interact-eu.net