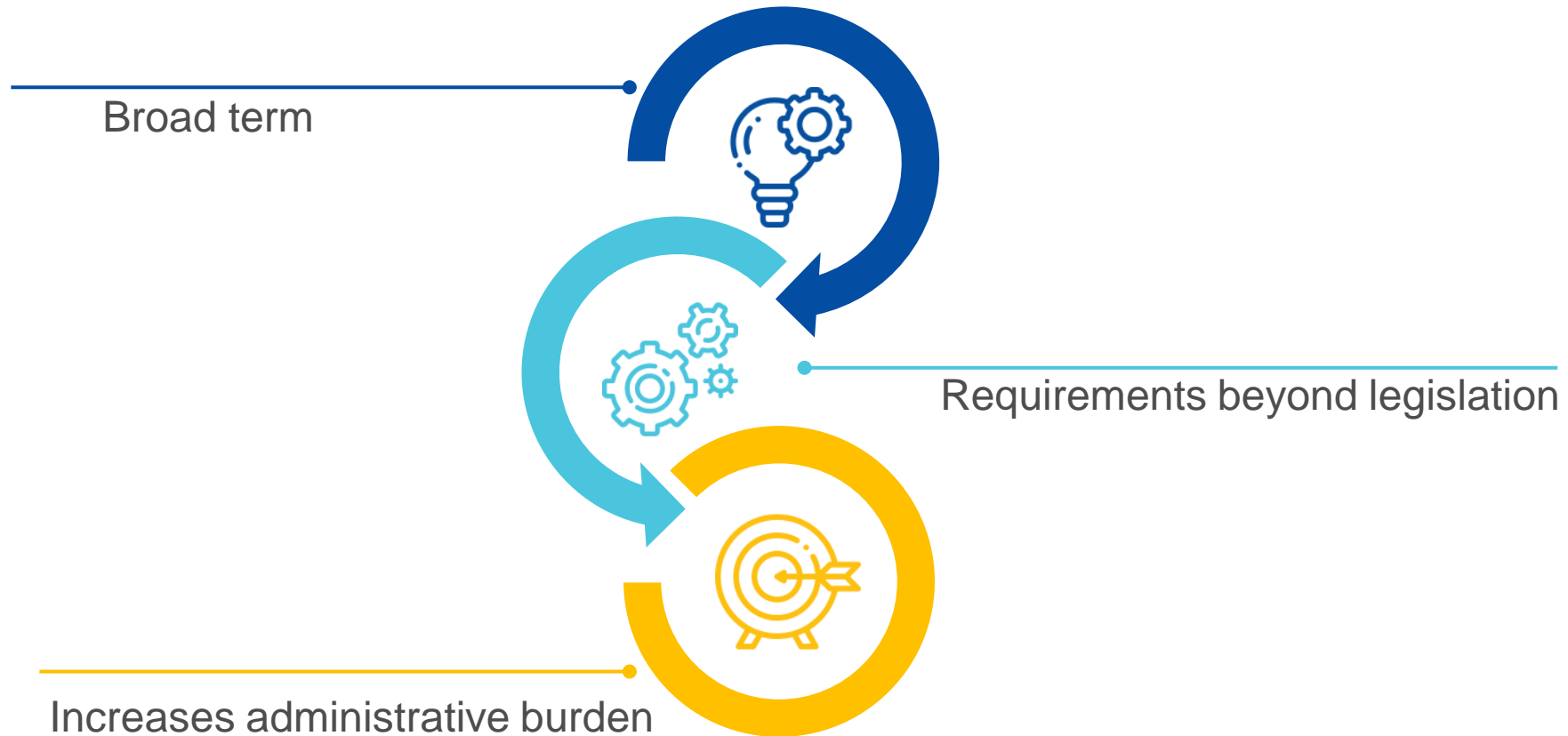




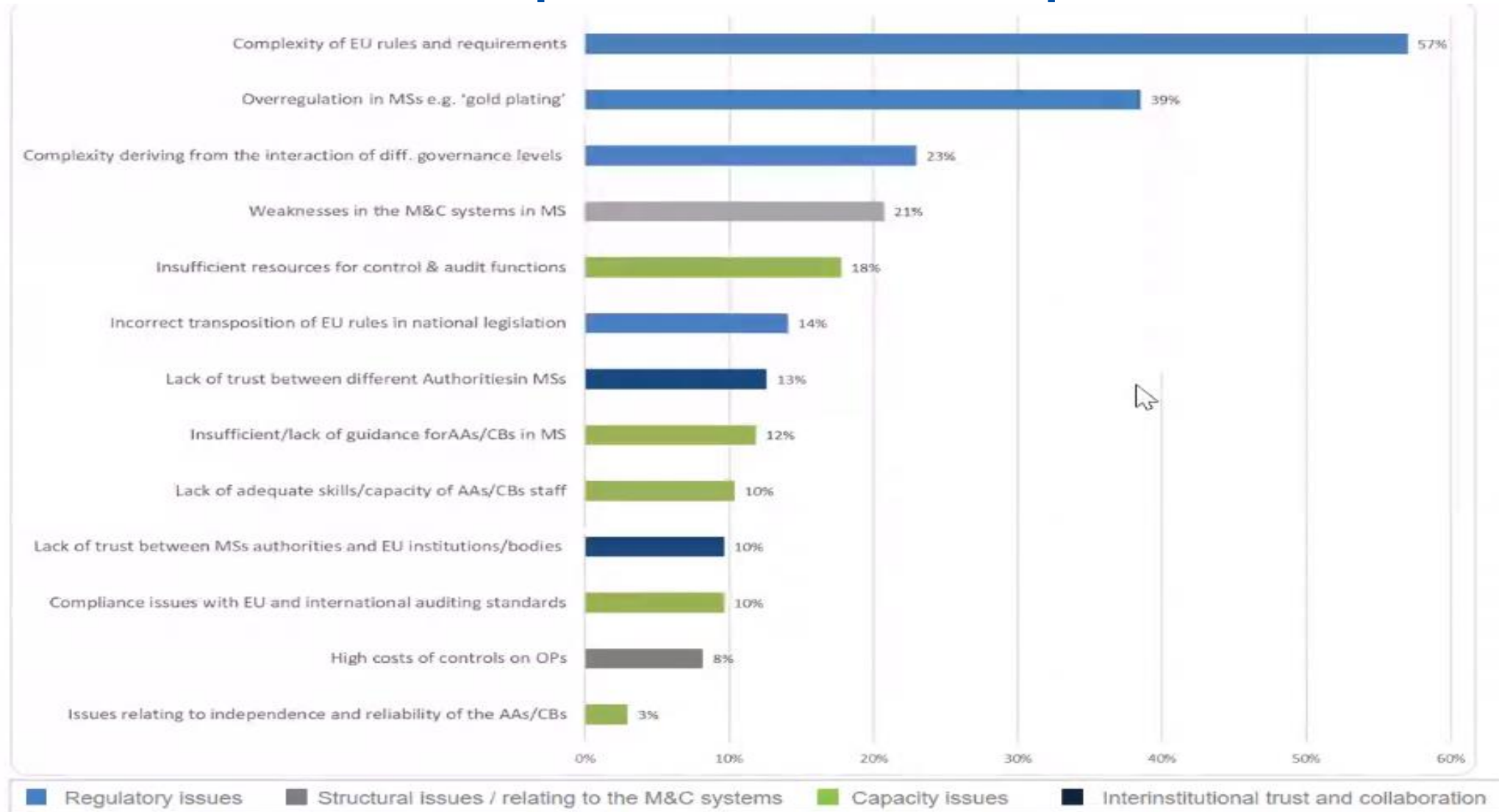
Gold-plating

Overview of EC audits (REGIO+EMPL) findings

What is gold plating?

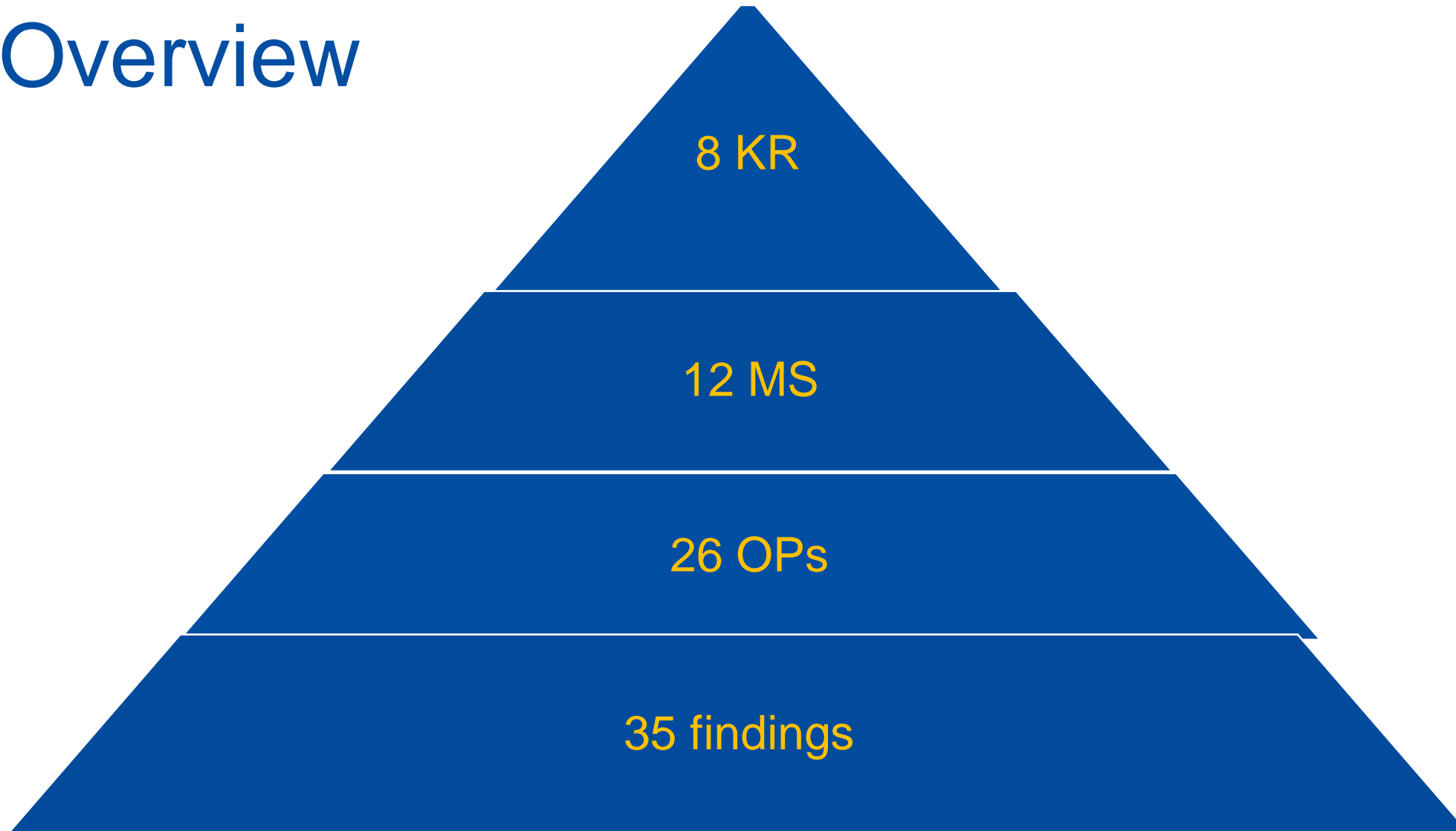


Root causes of problems in implementation

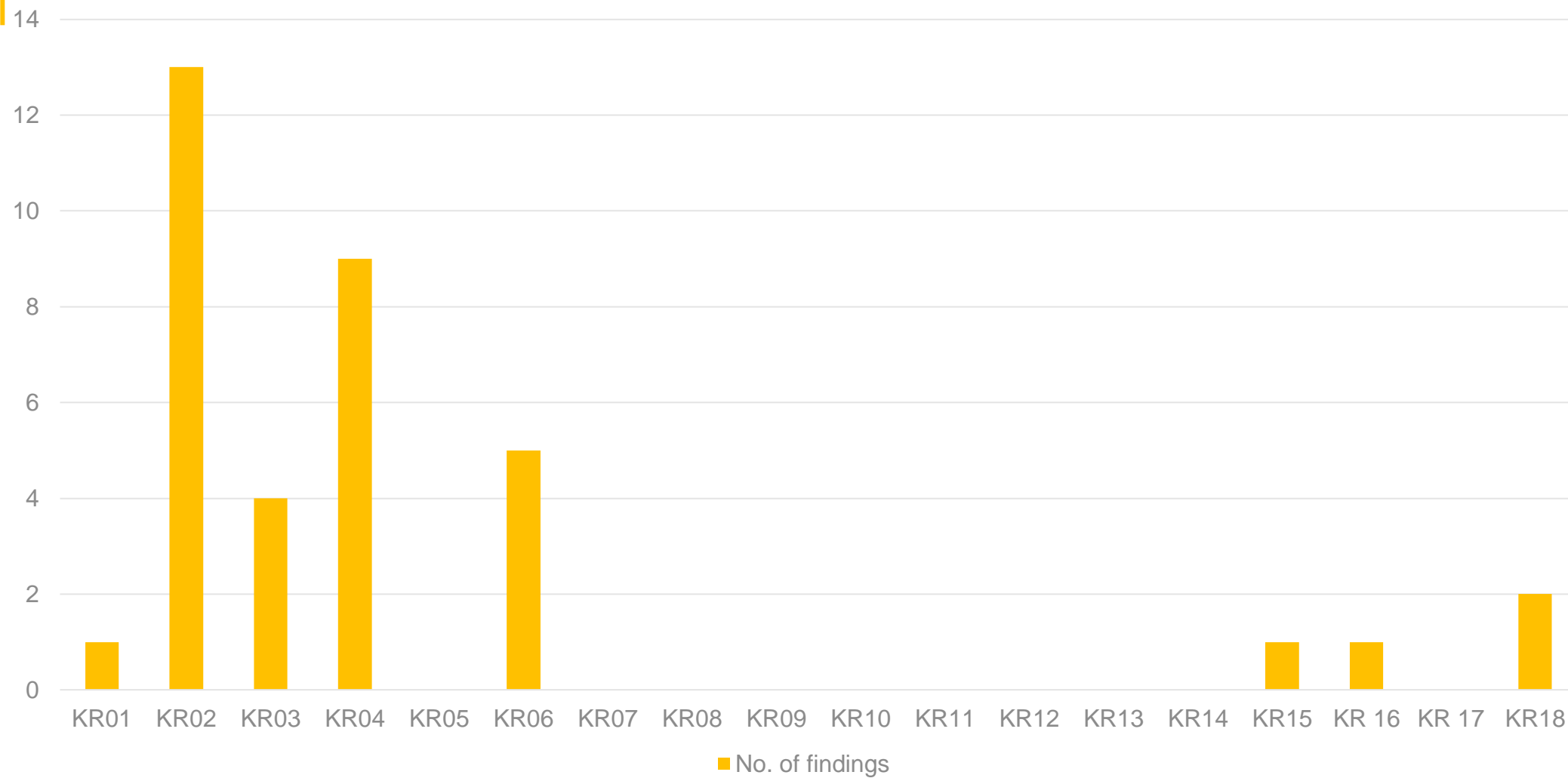


Source: [Study requested by the Committee on Budgetary Control - Single Audit Approach - Root Causes of the Weaknesses in the Work of the Member States' Managing and Audit Authorities](#)

Overview



Findings/KR



KR 2 - appropriate selection of operations (1)

- additional selection criteria (not approved by MC)
- approval by bodies outside the MCS
- guidelines (calls for proposals) approved by Minister
- duplication of the evaluation work on outline and full application
- requesting info (from applicants) already available at programme level (via various IT systems)

KR 2 - appropriate selection of operations (2)

- applications submitted both electronically and on paper
- evaluation performed on paper (even if the IT system was functional)
- different visa chains (IT system vs. on paper)
- possibility to resubmit repetitively the applications (leads to endless correspondence, lengthy evaluation and no clear deadlines)
- evaluation deadlines not observed (instead of 60 days, evaluation lasted 5.5 to 8 months)

KR 4 - adequate management verifications (1)

- too complex requirements established by the beneficiary for end recipients
- sample on-the-spot verifications only used for expenditures below a very low threshold (~400 euro); the rest were 100% verified
- although electronic system was functional, risk based analysis for management verifications and audit trails were available only on paper
- requesting bank guarantees for land, equal to the amount of the grant

KR 4 - adequate management verifications (2)

- data from beneficiary manually reintroduced in IT system by IB
- same documents requested at different stages
- identical, repeated checks (IB and MA)
- excessive visa chain (each endorser had his/her own checklist)
- check required at IB level not mandatory as per EU or national legislation

KR 1 – adequate separation of functions

IB (a bank) charged fees for grant agreements modifications (when initiated by beneficiaries)

KR 3 – adequate information to beneficiaries

information provided to beneficiaries unclear, therefore they need to rely on consultants (third parties)

requesting a revenue stamp (value 16 euro) on applications (not required as per legal provisions)

KR 6–reliable system (including data exchange)

lack of integration of the electronic information systems for the indicators at the level of the Beneficiaries, IBs and MA (errors + administrative burden)

unclear, confusing or conflicting rules when reporting indicators

every procedure and all correspondence are done on paper (or in some cases via email)

the IT system procedures and correspondence in the best case run in parallel, thus duplicating the verifications, the checks and the workload in general; sometimes the data was conflicting

KR 15 – adequate system audits

AA has no procedures leading to identification and removal of processes and procedures which constitute excess administrative burden and cost

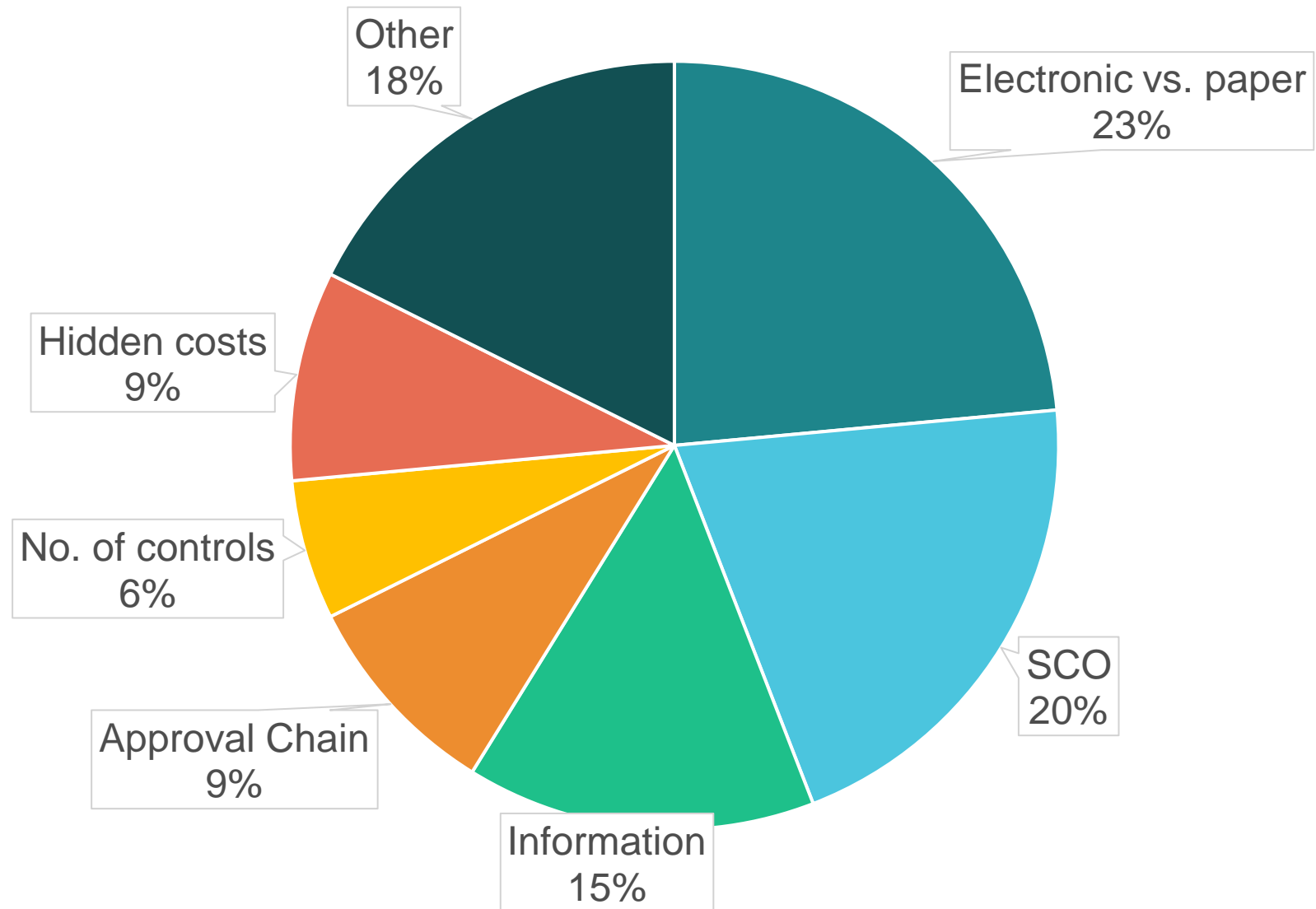
KR 18 – reliable audit opinion

KR divided by AA in 100 processes, leading to fragmentation (KRs only partially audited in a year)

Gold plating and SCOs (multiple KRs)

- verification of real costs
- verifications of timesheets (when not required)
- not using SCOs when mandatory (call post Omnibus, below 50.000)
- wrong application of off-the-shelf flat rate

Types of gold plating



Keep it simple

Thank you for your attention. Questions?



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