

## MANAGING AUTHORITY'S RISK ASSESSMENT

## PRIORITY 1

## GENERAL

GENERAL		Project ID	MA Contact person
<b>1. TYPE OF THE PROJECT ORGANIZATION (Lead Partner and partners)</b>		Tick 'x'	MA's comments
Public entity			
Private entity			
NGO			
Foundation			
<b>2. PROJECT ORGANIZATION (Lead Partner and partners)</b>		Yes' or 'No'	MA's comments
Includes project organization(s) participating in other Karelia project(s)			

## A. CONTRACTING PROCESS

1. MANAGEMENT CAPACITIES	Verification criteria			Project ID	MA Contact person		
	LOW: 1 point	MEDIUM: 2 points	HIGH: 3 points	Contracting	MA's comments (in case of points 2 and 3)	MA's further actions and follow-up measures	Result and status of MA's further actions and follow-up measures
1.1. Number of partners	1-3	4-5	>5				
1.2. Human and organizational resources of the partner consortium	Good, qualified resources	Adequate level of qualified resources available	Overestimated or underestimated, not qualified				
1.3. Technical expertise (please note that expertise may be outsourced)	Good knowledge and sufficient expertise	Adequate knowledge / technical expertise	Do not have necessary knowledge / technical expertise				
<b>TOTAL POINTS: Headline 1</b>				0			

2. RELEVANCE, EFFECTIVENESS, EFFICIENCY AND SUSTAINABILITY	Verification criteria			Project ID	MA Contact person		
	LOW: 1 point	MEDIUM: 2 points	HIGH: 3 points	Contracting	MA's comments (in case of points 2 and 3)	MA's further actions and follow-up measures	Result and status of MA's further actions and follow-up measures
2.1. Objective of the project	Specific objective is clear	Specific objective is adequate	Specific objective is not clear				
2.2. Intervention logic	Intervention logic is clear. Activities and outputs are necessary and sufficient in order to achieve the specific objective	Intervention logic has minor inconsistencies but it won't jeopardize achievement of specific objective	Intervention logic has inconsistencies which may jeopardize achievement of specific objective				
2.3. Indicators	Indicators are well defined (they measure the realisation of planned outputs and achievement of the specific objective) and the project contributes the Programme's Ois	Project's indicators require some improvement and / or contribution to Programme's Ois is not fully clear	Project's indicators do not measure right things and / or the project does not contribute Programme Ois				
2.4. Partners role and motivation	Roles and motivation of the partners are clear and appropriate	Roles and motivation of some partners remain unclear	Role and motivation of most partners remain unclear				
2.5. Timetable	Timetable of project is realistic	There are certain risks that may cause delays	It is questionable if project can be implemented during the planned implementation period				
2.6. Assumptions/risks	Project has identified risks but realization of those is however unlikely	Project has identified risks but realization of some of those is somewhat possible	Project has identified risks but realization of those is likely and/or project has not identified some obvious and potential risks				
2.7. Sustainability	It is realistic to expect that the results will be maintained and outputs can be utilized after the project has ended	It is possible that the results will be maintained and outputs can be utilized after the project has ended	It is questionable if the results will be maintained and outputs can be utilized after the project has ended				
<b>TOTAL POINTS: Headline 2</b>				0			

3. BUDGET AND FINANCES	Verification criteria			Project ID		MA Contact person	
	LOW: 1 point	MEDIUM: 2 points	HIGH: 3 points	Contracting	MA's comments (in case of points 2 and 3)	MA's further actions and follow-up measures	Result and status of MA's further actions and follow-up measures
3.1. Financial capacities	According to the application, Lead Partner and partners have sufficient financial resources to implement the project (own contribution and final payment)	According to the application, includes partner organization(s) which are private companies and/or external donors	According to the application, the Lead Partner has low financial capacities and the financing is based on external donors and/or private companies				
3.2. Project-specific euro bank account (interest)	According to the application, Lead Partner and partners can transfer or receive programme funding to/from other project partners	One Russian partner has a project-specific euro bank account and makes payments to Russian partner(s) in Roubles (risk of exchange rate fluctuations)	Lead Partner cannot directly transfer programme funding to partner(s) and it is not clearly explained how these partner(s) receive the programme funding				
3.3. Project accounting	According to the application the project costs can be separately allocated and reported in the organization's bookkeeping	Invoicing partner(s)	One or more partners cannot separately allocate and report project costs in the organization's bookkeeping and/or one or more partners report all costs at the end of the project				
3.4. Budget and project plan	Accurate and consistent	Sufficient quality in order to understand the link between the budget and the project plan	Includes costs which link to the project plan is not very clear				
3.5. Eligibility of project costs	Costs are eligible, necessary and reasonable, budgeted under correct headings	Costs are explained in sufficient detail and budgeted under correct headings	Budget includes costs which are not explained sufficiently, required/requested clarifications not submitted to the MA				
3.6. Eligibility of VAT	Eligibility of VAT is clarified	Eligibility of VAT partially clarified and/or plans existing	Eligibility of VAT not clarified, no clear plans existing				
3.7. Procurements	Not any or only few low value procurements	Manageable number of low value procurements	Several (high value) procurements, procurements above national threshold values				
TOTAL POINTS: Headline 3				0			

4. OTHER	Verification criteria			Project ID		MA Contact person	
	LOW: 1 point	MEDIUM: 2 points	HIGH: 3 points	Contracting	MA's comments (in case of points 2 and 3)	MA's further actions and follow-up measures	Result and status of MA's further actions and follow-up measures
4.1. Additional observations by the JMC	No JMC observations or JMC observations have been noticed	Project has not taken note of the JMC observation, further confirmation on this matter needed	Some questions still pending				
4.2. Quality of Grant Contract negotiations with the Lead Partner	Fluent process	Few difficult details, mainly a fluent process	Difficulties to reach consensus, difficult details				
4.3. MA's previous experience of the Lead Partner and partners. In case of completely new partners, the assessment is neutral.	Lead Partner and all partners have administered previous projects well (ENI and/or previous Programme periods)	Project partnership includes an organization with no previous experience of ENI/ENPI/Neighbourhood project	Lead Partner and/or one or more partners have had (serious/several) administrative difficulties in previous projects (ENI or previous Programme periods), uncertainties				
TOTAL POINTS: Headline 4				0			

TOTAL POINTS: A. CONTRACTING PROCESS
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TOTAL POINTS: OPERATIONAL UNIT (headlines 1, 2 and 4)	0	
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TOTAL POINTS: FINANCIAL UNIT (headline 3)	0	
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TOTAL POINTS:	0	
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TOTAL POINTS:	
LOW	<27
MEDIUM	27-40
HIGH	>40

## B. CHECKING OF PROJECT REPORTS; OPERATIONAL UNIT

1. RELEVANCE	Verification criteria			0		0			
	LOW: 1 point	MEDIUM: 2 points	HIGH: 3 points	1st interim report	2nd interim report	Final report	MA's comments (in case of points 2 and 3)	MA's further actions and follow-up measures	Result and status of MA's further actions and follow-up measures
1.1. Does the project still respond to the initial needs of the target groups?	Very well	Minor deficiencies	Serious deficiencies	0					
1.2. Are all key stakeholders still involved?	Key stakeholders are involved.	There are some doubts of the involvement of some key stakeholders	Key stakeholders are not involved any more.	0					
1.3. Are the indicators well defined and relevant to measure the achievements of the project.	Indicators are well defined (they measure the realisation of planned outputs and achievement of the specific objective) and the project contributes the Programme's Ois	Project's indicators require some improvement and / or contribution to Programme's Ois is not fully clear	Project's own indicators do not measure right things and / or the project does not contribute Programme Ois	0					
1.4. Are the monitoring and risk management procedures put in place in order to notice such relevant risks and changes in the circumstances that might require updates to the intervention logic of the project?	Monitoring and risk management procedures are put in place.	Requires improvements.	There are no monitoring or risk management procedures put in place.	0					
TOTAL POINTS: Headline 1 RELEVANCE				0	0	0			0

2. EFFICIENCY	Verification criteria			0		0			
	LOW: 1 point	MEDIUM: 2 points	HIGH: 3 points	1st interim report	2nd interim report	Final report	MA's comments (in case of points 2 and 3)	MA's further actions and follow-up measures	Result and status of MA's further actions and follow-up measures
2.1. Functionality of the implementation mechanisms for producing outputs and achieving the set objective	Simple structure, technical nature, few activities	Manageable	Several activities/actors, permissions etc required	0					
2.2. Are the outputs produced/delivered in a cost efficient way?	Outputs are delivered cost- efficiently	Outputs are delivered in a fairly cost-efficient way	Produced outputs are not cost-efficient	0					
2.3. Is it foreseen that the outputs are produced, set objective achieved and the project is finalised within the planned schedule?	Project proceeds in the planned schedule	There are some delays with the implementation	There are serious delays which endanger the delivery of planned outputs and reaching of set objective	0					
2.4. Roles and responsibilities of partners	Defined and understood by all concerned	Minor misunderstanding and/or unclearness, project not compromised	Not defined and/or not understood	0					
2.5. Partnership agreements	Partnership agreements signed with all partners and they include required elements	Partnership agreements signed but there minor deficiencies	One or more agreements are missing and / or the signed agreements do not include required elements	0					
2.6. Project management capacities	Good management capacities	Minor inconsistencies and/or deficiencies in the management of the project	Major inconsistencies and/or deficiencies in the management of the project	0					
TOTAL POINTS: Headline 2 EFFICIENCY				0	0	0			0

3. EFFECTIVENESS	Verification criteria			Contracting		0			
	LOW: 1 point	MEDIUM: 2 points	HIGH: 3 points	1st interim report	2nd interim report	Final report	MA's comments (in case of points 2 and 3)	MA's further actions and follow-up measures	Result and status of MA's further actions and follow-up measures
3.1. Are the outputs produced as planned?	Outputs are produced as planned	There are some difficulties to produce the planned outputs	Planned outputs cannot be produced	0					
3.2. Is the quality of outputs satisfactory?	Quality of outputs is good	Quality of outputs is satisfactory but improvements would be needed	Quality is poor	0					
3.3. Is it expected that the produced outputs help to achieve the set objective?	Outputs help to achieve the set objective	To certain extent the outputs help to achieve the set objective	Outputs do not help to achieve the set objective	0					
TOTAL POINTS: Headline 3 EFFECTIVENESS				0	0	0			0

	Verification criteria			0		0			
4. SUSTAINABILITY	LOW: 1 point	MEDIUM: 2 points	HIGH: 3 points	1st interim report	2nd interim report	Final report	MA's comments (in case of points 2 and 3)	MA's further actions and follow-up measures	Result and status of MA's further actions and follow-up measures
4.1. Sustainability	Proper actions have been taken to ensure that the results will be maintained and outputs can be utilized after the project has ended	Some but not yet sufficient actions have been taken to ensure that the results will be maintained and outputs can be utilized after the project has ended	No activities have been taken or plans made to ensure that the results will be maintained and outputs can be utilized after the project has ended	0					
4.2. Institutional and human capacities to ensure the sustainability after the project implementation period	Stakeholders have proper institutional and human capacities to ensure the sustainability	Some improvements would be required to improve the institutional and/or human capacities of stakeholders to ensure the sustainability	Institutional and human capacities to ensure the sustainability are insufficient.	0					
4.3. Is the access to the produced benefits (produced output and achieved result) affordable to target groups in long term?	Access is affordable	Access is to certain extent affordable	Access is not affordable	0					
4.4. Have the necessary measures been taken to address the environmental sustainability?	Necessary measures have been taken.	Some measures have been taken but improvements are needed.	No measures taken	0					
TOTAL POINTS: Headline 4 SUSTAINABILITY				0	0	0			0

	Verification criteria			0		0			
5. HORIZONTAL ISSUES	LOW: 1 point	MEDIUM: 2 points	HIGH: 3 points	1st interim report	2nd interim report	Final report	MA's comments (in case of points 2 and 3)	MA's further actions and follow-up measures	Result and status of MA's further actions and follow-up measures
5.1. Are the communication and visibility actions implemented in an appropriate way?	Communication and visibility actions have been well prepared and implemented	Communication and visibility actions should be improved	Poor communication and visibility	0					
TOTAL POINTS: Headline 5 HORIZONTAL ISSUES				0	0	0			0

Verification criteria	0	0			
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**TOTAL POINTS: B. OPERATIONAL UNIT**

TOTAL POINTS: Headlines 1-5	0	0	0	
			0	

One report	0	
Two reports	0	
Three reports	0	

One report	TOTAL POINTS:
LOW	<24
MEDIUM	24-36
HIGH	>34

Two reports	TOTAL POINTS:
LOW	<48
MEDIUM	48-72
HIGH	>68

Three reports	TOTAL POINTS:
LOW	<72
MEDIUM	72-108
HIGH	>108

## C. CHECKING OF PROJECTS' REPORTS; FINANCIAL UNIT

SAMPLE CHECKS OF PROJECTS (Audit Authority)	Project ID	MA Contact person		
	Answer: 'Yes' or 'No'	MA's comments	MA's further actions and follow-up measures	Result and status of MA's further actions and follow-up measures
	Has the project been selected as a target of the sample checks? Do the results include any risks of irregularity, fraud and corruption? Has the MA (OU and FU) taken into account the results of the sample checks before accepting the narrative and financial reports?			

1. FINANCIAL MANAGEMENT OF THE PROJECT	Verification criteria			Project ID		MA Contact person			
	LOW: 1 point	MEDIUM: 2 points	HIGH: 3 points	1st interim report	2nd interim report	Final report	MA's comments (in case of points 2 and 3)	MA's further actions and follow-up measures	Result and status of MA's further actions and follow-up measures
1.1. Accounting model	Decentralised: LP and each partner prepare financial report	Partly decentralised: Includes 1-2 invoicing partners	Several invoicing partners and/or invoicing partner(s)' costs not verified by auditor						
1.2. Project accounting	The general ledgers list all the invoices reported in the financial reports and the audit trail between the general ledgers and the financial reports exist	The general ledgers do not fully comply with the Programme requirements, but give reasonable assurance about the reported project costs	more partner(s) is inconsistent with the financial report and/or do not list all reported invoices, or invoicing partner's costs are not recorded in the general ledger						
1.3. Compliance with laws and Programme rules	Respected	Minor deviations, operations corrected accordingly	Several, systematic and/or significant deviations						
1.4. Problems in financial management	No problems	Minor problems, operations/reporting corrected. Given recommendations are followed.	Several, systematic and/or significant problems, operations/reporting not adjusted						
TOTAL POINTS: Headline 1				0	0	0			
									0

2. FINANCIAL REPORTING	Verification criteria			Project ID		MA Contact person			
	LOW: 1 point	MEDIUM: 2 points	HIGH: 3 points	1st interim report	2nd interim report	Final report	MA's comments (in case of points 2 and 3)	MA's further actions and follow-up measures	Result and status of MA's further actions and follow-up measures
2.1. Quality and consistency	Informative, reliable and properly filled-in	Sufficiently detailed and consistent	Several, significant and/or systematic problems/deviations, problems in documentation/reporting and maintenance of it.						
2.2. Amount of ineligible costs (€)	<1 000	1 000 - 5 000	>5 000						
2.3. Project financing	Financing (external donors) incurred during the reporting period is accurately reported in the financial report	Incurred financing is not correctly reported in the financial report (minor deviation and correction made to the general ledger)	Incurred financing is not recorded in the general ledger and/or not reported in the financial report						
2.4. Lead Partner's verification on partners' financial reports	Lead Partner has deducted partners' ineligible costs and has taken auditor's observations into account	Lead Partner has checked the partners' costs and taken auditors' observations into account but one or two small ineligible costs items were not deducted	Lead Partner has accepted partners' costs not budgeted and/or has not taken into account the auditor's observations						
2.5. Risk indicators (irregularities, fraud, corruption) found	No observations	Few irregularities found	Serious observations and/or observations of fraud, corruption						
2.6. Quality of further clarifications submitted to the MA	Not any or one further clarification requested, informative clarification received	Few further clarifications requested, informative clarifications received	Poor quality, several clarification requests or no clarifications received						
TOTAL POINTS: Headline 2				0	0	0			0
									0

3. EXPENDITURE VERIFICATION REPORTS	Verification criteria			Project ID		MA Contact person			
	LOW: 1 point	MEDIUM: 2 points	HIGH: 3 points	1st interim report	2nd interim report	Final report	MA's comments (in case of points 2 and 3)	MA's further actions and follow-up measures	Result and status of MA's further actions and follow-up measures
Includes audit firm(s) /auditor(s) performing audit in other Karelia project(s)				Tick 'x'					
3.1. Quality and consistency	Informative, reliable and properly filled-in  > 65 %  <1 000	Sufficient quality and/or clarification request submitted and informative clarification received  min. 65 %  1 000 - 5 000	Poor quality and/or [significant and systematic] problems  <65 %  >5 000						
3.2. Amount of verified costs (%)									
3.3. Amount of ineligible costs (€)									
3.4. Risk indicators (irregularities, fraud, corruption) found	Reports include no observations	Few irregularities found	Serious observations and/or observations of fraud, corruption						
3.5. Problems in expenditure verifications	No problems	Minor problems, operations/reporting corrected. Given recommendations are followed.	Several, systematic and/or significant problems, operations/reporting not adjusted						
TOTAL POINTS: Headline 3				0	0	0			
TOTAL POINTS: Headlines 1-3				0	0	0			
						0			

TOTAL POINTS: C. FINANCIAL UNIT

One report and payment	0	
Two reports and payments	0	
Three reports and payments	0	

One report and payment	TOTAL POINTS:
LOW	<20
MEDIUM	20-30
HIGH	>30

Two reports and payments	TOTAL POINTS:
LOW	<40
MEDIUM	40-60
HIGH	>60

Three reports and payments	TOTAL POINTS:
LOW	<60
MEDIUM	60-90
HIGH	>90

TOTAL POINTS: A. CONTRACTING PROCESS + B. OPERATIONAL UNIT + C. FINANCIAL UNIT

	1st interim report	2nd interim report	Final report	
TOTAL POINTS: B. OPERATIONAL UNIT + C. FINANCIAL UNIT	0	0	0	
			0	

TOTAL POINTS: A. CONTRACTING PROCESS (headlines 1+2+4) + B. OPERATIONAL UNIT			0	
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TOTAL POINTS: A. CONTRACTING PROCESS (headlines 3+4) + C. FINANCIAL UNIT			0	
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TOTAL POINTS: A. CONTRACTING PROCESS + B. OPERATIONAL UNIT + C. FINANCIAL UNIT			0	
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One report and payment	TOTAL POINTS:
LOW	<54
MEDIUM	54-106
HIGH	>106

Two reports and payments	TOTAL POINTS:
LOW	<87
MEDIUM	87-172
HIGH	>172

Three reports and payments	TOTAL POINTS:
LOW	<120
MEDIUM	120-238
HIGH	>238