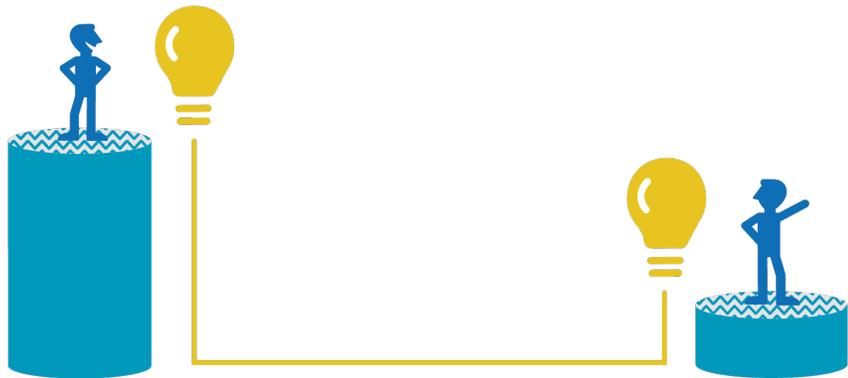


Risk-based management verifications in 2021-2027

Key elements



– roles and responsibilities

MA/ participating countries (controllers)

- MA – develops risk assessment & methodology, bears full responsibility (Article 46(3) IR is about delegation of verification work not about delegation of responsibility!);
- Controllers perform management verifications (can also contribute to the risk assessment) – MA to ensure equal treatment of beneficiaries by providing MS with requirements for management verifications (different approaches in participating countries could be used but they have to be justified and approved by the MA at the programme level!).

AA

- AA performs system audit + audit of operations (and audit of accounts);
- Can give an opinion on the methodology (not required by regulations);
- Gives recommendations for the update of the methodology if needed;
- Performs audit of operations (common sampling in Interreg).

Controllers/ SPF beneficiary

- Perform verifications of items based on the methodology developed by the MA/participating countries ex-ante and in writing – verifications proportionate to risks identified; no 100% verifications if not justified!

Points of attention from Turin event

- Different approaches to verifications in MS/participating countries are possible, however:
 - *the MA needs to review and approve such approaches + differences should be justified by different risks identified in MS/ participating countries;*
- The EC reflection note is a reflection note and not guidance!
 - *estimated to be approved in the beginning of 2023;*
- The risk assessment and risk factors should be based on solid data and should be adequately justified:
 - *there should be evidence of why the certain area is considered risky/ not risky;*
- The MA's risk assessment and methodology is not approved by the AA but audited as part of the system audit:
 - *encouraged to take place early on in the new programme implementation;*
- What about errors found by the AA?
 - *revision of the risks and methodology by the MA.*

Main considerations when developing the methodology

Early in the process

- Identification of factors and prioritizing
- Designing the methodology (scoring, weights)
- Extraction of data for analysis
- Consultations with AA, MS and controllers

Midway

- Change of mindset for all bodies involved
- Who draws the sample? How to introduce it in the system?
- Are all risk factors relevant?

Almost ready/ ready

- Technical side of the process
- Guidance and training
- Change mindset
- How not to go back to 100% verifications

Can a 100% check of cost items on the desk (administrative verifications) be allowed, considering: 1) the extensive use of SCOs in the programme in nearly all cost categories, 2) the layered system of burden of proof (some documents on the desk, some on-site, the last ones are only checked during on-the-spot checks)?

Interreg has historically low error rates, therefore the risks are also considered (relatively) low. The risk-based approach applies both to administrative and on-the-spot checks. Particularly Interreg Programmes, considering their historical low error rates, should reflect adequately when drafting ex-ante the risk-based management verifications approach. SCOs are considered less error-prone than actual costs (in ECA reports). That being said, where a certain risk is identified in a particular area or for a particular item (or items), management verifications can be carried out in depth.

A 100% verification (i.e., of payment claims or of expenditure items within payment claims) is possible provided this is duly justified on the basis of a risk assessment. However, a 100% verification is not recommended, as the purpose is to rationalise the management verifications and to have an appropriate balance between the effective and efficient implementation of funds and related administrative costs and burdens (as per recital 62 of the CPR).

To conclude, the analysis remains the responsibility of the Programme authorities who know(s) best the areas of risk(s).

Interact's work on RBMV

- Risk-based management verification – [event material](#)
- [HIT guide on how to develop a methodology for risk-based management verifications](#)
- [HIT methodology for risk-based management verifications](#) (to be customised!)
- **High priority in our work plan for 2023:**
 - 2 events on RBMV;
 - 2 workshops for controllers.



Cooperation works

All materials will be available on:

www.interact-eu.net

