



# **INTERREG VI-A ITALY-SLOVENIA 2021-2027**

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## **Programme risk-based management verifications methodology**

MAY 2026



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## Final provisions

*Annex 1\_Risk-based management analysis 21-27 programming period*

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## ABBREVIATION

<b>MV</b>	<b>Management verification</b>
<b>ADMV</b>	Administrative verifications
<b>OTSV</b>	On-the-spot verifications
<b>ONLV</b>	Online verifications
<b>CTRL</b>	Control
<b>CPR</b>	Common Provisions Regulation
<b>ETC</b>	European Territorial Cooperation
<b>ERDF</b>	European Regional Development Funds
<b>COM</b>	European Commission
<b>MA</b>	Managing Authority
<b>MC</b>	Monitoring Committee
<b>NA</b>	National Authority
<b>JS</b>	Joint Secretariat
<b>AA</b>	Audit Authority

## EU legal framework

Title	Year
(EU) 2021/1058 — on the European Regional Development Fund and the Cohesion Fund	June 2021
(EU) 2021/1059 (ETC) — on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments	June 2021
(EU) 2021/1060 (CPR) — common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime	June 2021
EGESIF_14-0012_02 final — Guidance for the Member States on Management verifications (programming period 2014-2020)	Sept 2015
EGESIF_14-0017 — Guidance on Simplified Cost Options (SCOs): Flat rates, Standard scales of unit costs, lump sums	Sept 2014
EGESIF 15-0008-05 — Guidance for the Member States on the Drawing of Management Declaration and Annual Summary – and the Annex 2 — typology of findings from management verifications (programming period 2014-2020)	August 2015 Revision 2018
Guidance on public procurement – on avoiding the most common errors in projects funded by the European Structural and Investment Funds	Revision 2018
C(2019) 3452 final – Commission decision and the annex laying down the guidelines for determining financial corrections for non-compliance with the rules on public procurement	Revision 2019

## Regulatory references

The MA has the overall responsibility for management verifications, carrying out verification of the expenditures incurred and paid by the beneficiary.

Regulation (EU) 2021/1058 — on the European Regional Development Fund and the Cohesion Fund

Regulation (EU) 2021/1059 (ETC) — on specific provisions for the European territorial cooperation goal (Interreg)

Regulation (EU) 2021/1060 (CPR) — common provisions on the European Regional Development Fund

Article 46, ETC – Function of the MA

Article 72, CPR – Function of the MA

Article 37, ETC – Rules on the eligibility of expenditure

Article 63, CPR – Eligibility

Article 64, CPR – Non-eligible costs

Article 38, ETC – General provisions on the eligibility of cost categories

Article 39, ETC – Staff costs

Article 40, ETC – Office and administrative

Article 41, ETC – Travel and accommodation

Article 42, ETC – External expertise and services

Article 43, ETC – Equipment

Article 44, ETC – Infrastructure and works

Article 69, CPR – Responsibilities of MSs

Article 74, CPR – Management verifications

Article 81, CPR – Management verifications and audits of financial instruments

Article 82, CPR – Availability of documents

## 1. Legal basis and rationale for a programme-wide risk-based methodology for management verifications

This methodology is designed to be proportionate to the risks (with a particular focus on staff costs and public procurements) and easy to understand and implement for controllers. In the MCS D, the MA states that the methodology generally provides an outline of its assessment and main addresses, while the technical specifications are delegated to the national controllers who detail the methodology in their National Controllers' Manuals.

In accordance with article 62 of Regulation (EU) 2021/1060, *"to ensure an appropriate balance between the effective and efficient implementation of the Funds and the related administrative costs and burdens, the frequency, scope and coverage of management verifications should be based on a risk assessment that takes into account factors such as the number, type, size and content of operations implemented, the beneficiaries as well as the level of the risk identified by previous management verifications and audits. Management verifications should be proportionate to the risks resulting from that risk assessment and audits should be proportionate to the level of risk to the budget of the Union"*.

Moreover, according to article 74 (2) of the same regulation, *"management verification (...) shall be risk-based and proportionate to the risks identified ex ante and in writing."*

Finally, in its Reflection note, the EC states that *"each MA is responsible for developing and implementing its methodology... and considering the relevant aspects of the OPs and the specific context in which these are implemented."*

Interreg Italy - Slovenia is a programme financing partners coming from 2 Members States. The rules and requirements regarding the type of partners, activities and expenditure financed are set at programme level and are therefore the same for both countries. Moreover, in case of audit findings, they are projected across the project partnership and programme as a whole, without any particular reasoning by Partner State. It is thus possible and even necessary to assess the risks at programme level. Therefore, in order to harmonize and guarantee equal treatment, a methodology at programme level was deemed more relevant than having methodologies developed at Partner State level.

This methodology is included in the management and control system description (MCSD) of the programme (as its annex).

## 2. Validity and updating of the Methodology

The Managing Authority is responsible for the development and implementation of its own methodology based on a risk management assessment. The relevant and innovative aspects of the 2021-2027 programming period and the specific context in which Programme's specific objectives are implemented are taken into account when preparing the methodological sampling document.

The risks shall be periodically reassessed by the programme based on controller's corrections and audit results. For the first time, this risk re-assessment will take place, if necessary, after the first reporting period.

The methodology will be updated when needed, or when National controllers detect the requirement, and based on the revised risk assessment at the annual anti-fraud working group meetings, to reinforce the controls or further reduce them depending on the level of risks.

Regardless of the provisions of the methodological document, in case major problems are detected (notably through second level audits, system audits or other checks/audits) or in case of external factors affecting the risks, the methodology will be revised immediately without waiting for the periodic re-assessment of the risks.

The Monitoring Committee and the Audit Authority will be informed about the re-assessment of the risks and updates of the methodology.

## 3. Process

To reach the goal of an efficient, proportionate, and risk-based management verification methodology the programme has decided to structure the process as follows:

- Participation in INTERACT workshop on Risk-based management verifications in 2021-2027 on May 12th 2022.
- Participation in the 1st meeting of the 21-27 programming period Working Group for fraud risk analysis in Trieste (MA/JS/National controllers ITA and SI/Accounting function unit of FVG Region) on December 14th 2022.
- Participation in the 2nd meeting of the 21-27 programming period Working Group for fraud risk analysis in Ljubljana (MA/JS/National controllers ITA and SI/Accounting function unit of FVG Region) on April 5th 2023.
- Exchange with other programmes of the INTERACT workshop documentation on risk-based management verifications methodology.
- Participation in INTERACT Controllers workshop in Sofia (Bulgaria) on May 16th -17th 2023.

- Participation in an internal meeting in virtual mode between MA/JS staff and Italian National controllers on May 18th 2023.
- Participation in the 3rd meeting of the 21-27 programming period Working Group for fraud risk analysis in Trieste (MA/JS/National controllers ITA and SI/Accounting function unit of FVG Region) on June 7th 2023.
- Risk assessment specific to Interreg VI-A Italy-Slovenia 2021-2027 cooperation programme carried out by the MA with the support of JS and of the National controllers: analysis of the errors detected by controllers and second level auditors on all expenditure reported to the programme until April 2023 by partners financed under the 2014-2020 programme.
- Presentation and discussion of risk assessment and draft methodology to national controllers in June 2023.
- Collection of feedback from centralised controllers.
- Final draft of the methodology on June 2023.
- Information to the Monitoring Committee and to the audit authority about the process and the methodology.<sup>1</sup>

## 4. Risk-based assessment

The risk-based assessment is undertaken by estimating the quantitative and severity of the risk related to a specific situation. The overall basis of the risk assessment is the project partner claims and the errors detected by controllers as they were reported in the programme online system for the period 2014-2020 up to April 2023. Generally, the different analyses found that during the 2014-2020 programming period, no errors above 2% were detected, nor the need to submit OLAF files to the European Commission.

IT-SI Risk-based Management Verification is based on sampling checks on two levels:

- 1) *Sampling at Programme level* - how many and which reports to check
- 2) *Sampling per project partner at report level* (all the first and last/final reports will be checked) on the basis of the following items:
  - Beneficiary (Public - Private)
  - Area of origin (from Italy/Slovenia programme Area)
  - Amount of the expenditure
  - Cost categories
  - Procurement procedures

### 4.1. Data used for the risk assessment

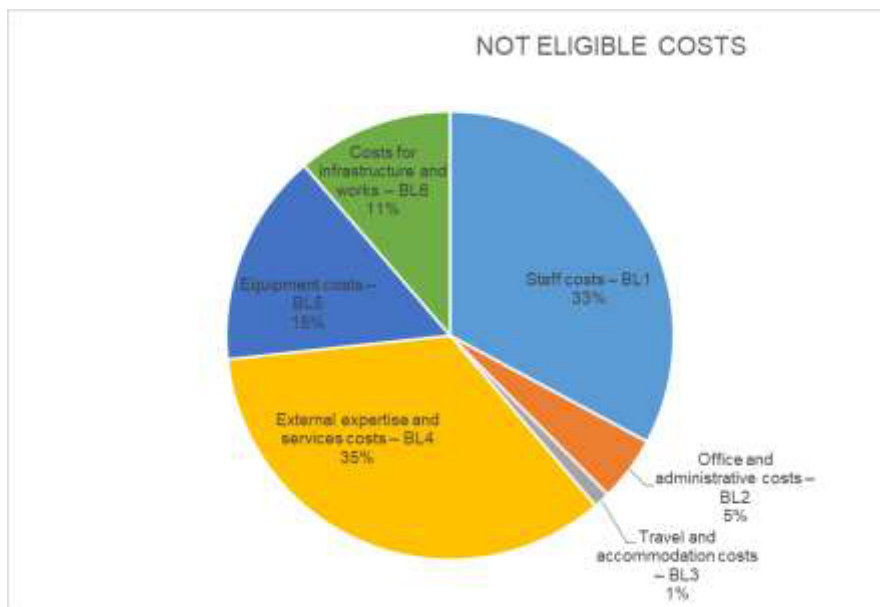
To identify where the risks lie, in April 2023 the Interreg VI-A Italy-Slovenia 2021-2027 cooperation programme used the data from the online monitoring system submitted from 2019-2022<sup>2</sup>. According to art. 74 (1) letter a) of CPR and art. 46 of Interreg Regulation, the data included the collected figures related

<sup>1</sup> *Guidance on the risk-based management verifications for 2021-2027 and HIT methodology and Risk based management verifications Article 74 (2) CPR 2021-2027 - REFLECTION PAPER.*

<sup>2</sup> *Dates of the beneficiaries reports of the 14-20 programming period.*

to awarding procedures, infrastructures, etc. extrapolated from data warehouse (extractions of data per cost categories). The MA/JS made a list of the typology of expenditures in order to verify the dimension per each cost category and identify the main expenditure typology reported by beneficiaries.

Table 1: not eligible costs

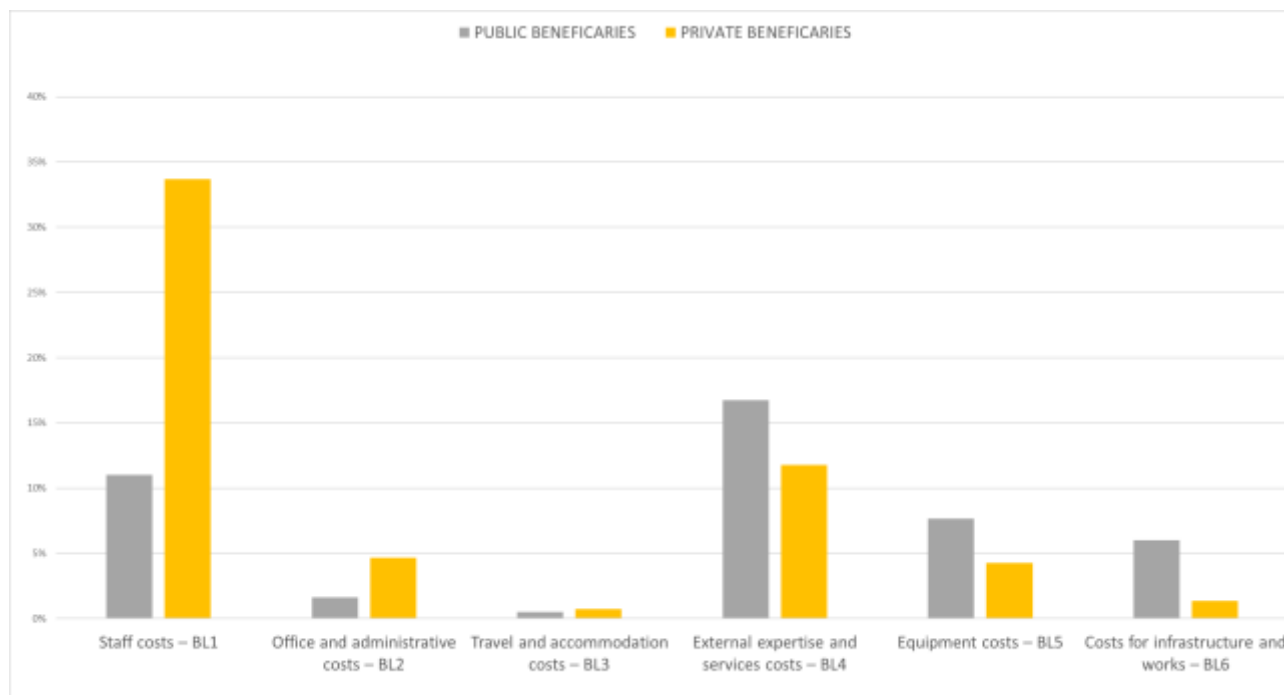


Moreover, the analysis included also the verification of the incidence of errors of beneficiaries on costs category, especially on staff costs and external expertise/services and between public and private beneficiaries divided per area of origin (Italy and Slovenia). The purpose has been to find the sampling percentage for administrative and on-the-spot checks and put in writing the Programme sampling methodology.

Also errors detected during the second level audits have been taken into consideration as well as the evaluation of the following items checked in 14-20 programming period as listed in the Annex 1 to the Programme "Self-assessment and Action Plan for the internal control system" document:

- Conflicts of interest
- False declarations
- Double funding
- Tendering process not in compliance with relevant legal framework (intentionally)
- Lack of compulsory tendering process
- Manipulation of expenditure reports and false costs
- False labour costs
- Costs claimed for inadequately qualified labour
- Not correct application of the rules of the Manual of eligibility of expenditure
- Lack of reporting of irregularities (intentionally).

Table 2: public/private bodies not eligible costs percentage (data compared to the percentage of PU/PRI Bodies)



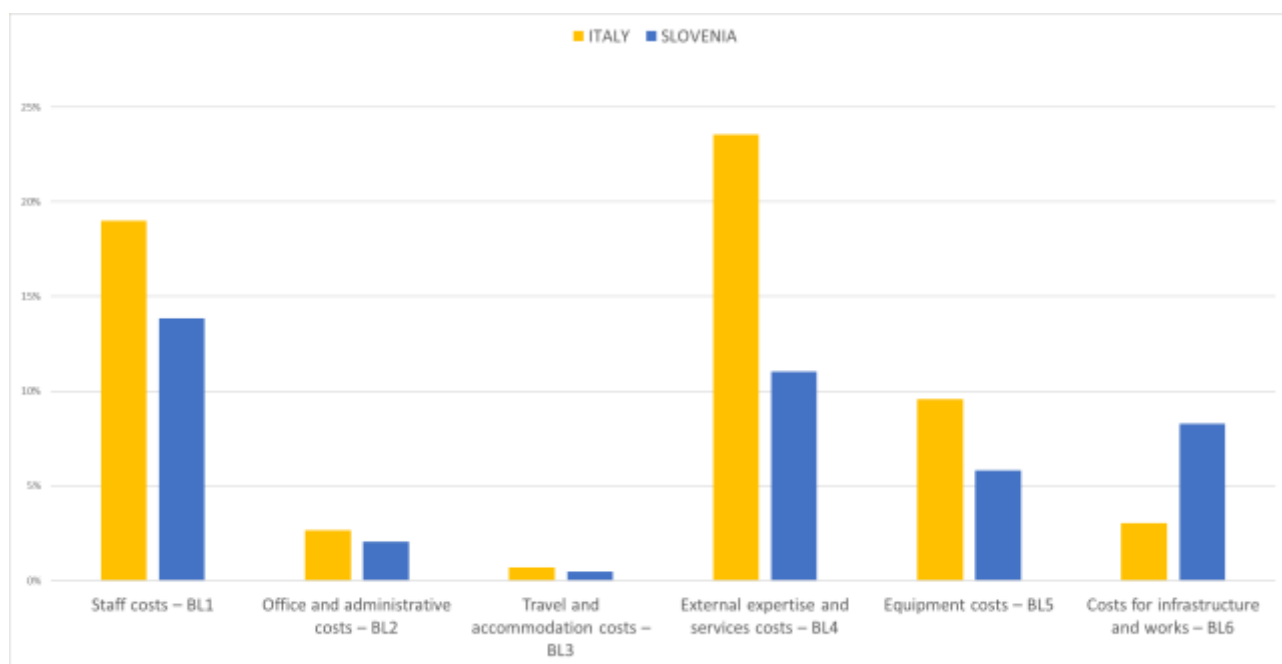
The resulting risk criteria were assessed as follows:

- Are private partners riskier than public ones?
- Is there a difference depending on the typology of call (standard, strategic)?
- Is there a difference depending on the area of origin of the beneficiary (ITA/SI)?
- Is there a difference between report numbers? (eg. Is the risk of errors higher in the first report?)
- Which are the riskiest cost categories?
- Which are the expenditure categories with the largest amounts/budget?
- Which type of errors are the most common ones?

The risk analysis also assessed:

- whether desk-based/administrative or on-the-spot checks detected more errors.

Table 3: not eligible costs per area



## 4.2. Results of the risk assessment

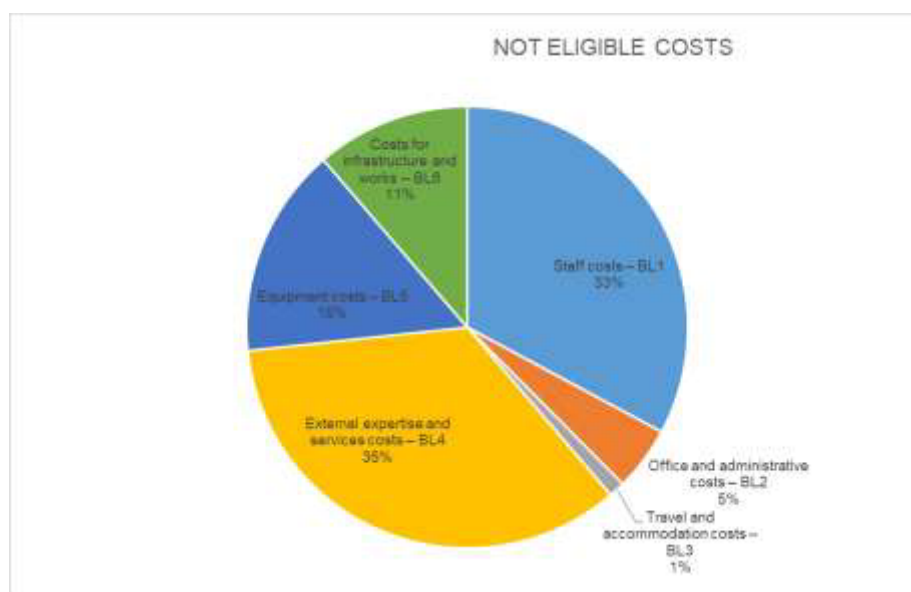
The risk assessment for the 2014-2020 programming period confirmed that the risks are much more linked to the reported expenditure (especially the ones submitted in the first and last reporting periods) rather than the type of partner, area or the topic of projects' call (see summary of the results below and further detailed in Annex 1). Even if public partners recorded more errors than the private ones, a risk assessment at the selection stage based on criteria linked to the type of partners or type of project is not relevant, also considering that the type of activities and budgeted costs in Interreg Italy-Slovenia are similar for all projects.

The assessment concluded that **the risk of errors lies with certain cost categories** (staff costs, external expertise and services), and **certain type of errors** (miscalculation, public procurement, audit trail), especially in the **first reporting period**. On the contrary, the risks are very low for other costs categories (eg. Equipment) and other types of errors (eg. double-funding), also according to audit checks results.

Risk Assessed	Result
Are private partners riskier than public ones?	No statistical impact on error rate
Is there a difference depending on the typology of call (standard, strategic)?	No statistical impact on error rate
Is there a difference depending on the area of origin of the beneficiary (ITA/SI)?	No statistical impact on error rate

Is there a difference between different report numbers? (eg. Is the risk of errors higher in the first report?)	<b>First reports</b>
Which are the riskiest cost categories?	<b>Staff, external expertise</b>
Which are the expenditure categories with the largest amounts/budget?	<b>Staff, external expertise</b>
Which type of errors are the most common ones?	<b>Miscalculation, public procurement, audit trail</b>
Which one detected more errors between desk-based/administrative or on-the-spot checks?	<b>Desk-based/administrative checks</b>

Table 4: summary of not eligible costs



## 5. Methodology and Scope of verifications

Verifications under Article 74 (2) common provision regulation comprise two key elements:

- ❖ Administrative verifications (i.e., desk-based) regarding each application for reimbursement by beneficiaries and
- ❖ On-the-spot verifications of operations. Controllers shall ensure that project outcomes have been delivered and paid out in compliance with the programme's requirements and relevant Regulations — EU and national, and specific national legislation (i.e., public procurement rules).

Administrative verifications must be carried out to control the expenditures reported by beneficiaries and the relevant supporting documentation.

On-the-spot verifications must be carried out to control delivery of the co-financed services, supplies and works, and aspects that cannot be observed during administrative verifications.

The novelty for 2021 – 2027 is that management verification is risk-based performed and proportionate to risks identified ex-ante and in writing.<sup>3</sup>

<sup>3</sup> Reference document — EGESIF\_14-0012\_02 final, Guidance for the Member States on Management verifications (programming period 2014-2020)

In order to address the main risks faced by the programme over the previous programming periods (staff, external expertise, miscalculation, public procurement, audit trail), several mitigation measures have been implemented for the 2021-2027 period.

## 5.1 Extended use of simplified cost options

In the previous programme a preparation cost lump sum as well as a flat rate for office costs were used as simplified costs options (SCOs). For the 2021-2027 programme it was decided to keep different SCOs per each cost category. With specific reference to the Regulation (EU) 2021/1060, point 42 provides that as regards grants provided to beneficiaries, Programme should make greater use of SCOs in order to reduce administrative burdens. The purpose of introducing SCOs in the Interreg VI-A Italy-Slovenia Programme is therefore to support beneficiaries and reduce the administrative burden in the reporting phase both by the beneficiaries and in the framework of the administrative and on-the-spot controls.

## 5.2 Simplification of the reporting of staff costs

To reduce the risk of miscalculation when reporting staff costs, staff costs calculations options have been reduced to the following methods according to art. 55 of Regulation (EU) No 2021/1060) - and to art. 39, par. 1 letter b) of Regulation (EU) 2021/1059 - and to art. 53 of Regulation (EU) No 2021/1060) for the standard unit costs:

- real costs based on fixed percentage;
- flat rate of 20% of direct costs (BL4, BL5 and BL6) other than staff costs;
- standard unit costs.

## 5.3 Simplification of the reporting of external expertise and services costs

To reduce the risk of miscalculation when reporting External expertise and services costs, a beneficiary can be reimbursed on the basis of one of the following two options, according to Article 42, of Regulation (EU) 2021/1059:

- real costs
- within flat rate of up to 40% of eligible direct staff costs.

As a final result, less controls will be carried out where Simplified Cost Options will be applied.

## 5.4 SPF – Small Project Fund Operation

Projects of limited financial volume, or 'small-scale projects', are foreseen for the Italy-Slovenia Interreg 2021-2027 Programme as a tool that contributes to Programme objectives' achievement and helps overcoming cross-border obstacles to cooperation by building trust between citizens and institutions, raising awareness, promoting mutual understanding and networking.

The Programme is planning to implement them by supporting projects of limited financial volume according to art. 24 (1.a) of the Interreg Regulation.

The European Capital of Culture 2025 Nova Gorica - Gorizia aims at creating and implementing a programme of events highlighting the richness of culture, shared heritage and history and bringing benefits to local communities. The Interreg Italy-Slovenia 2021-2027 Programme will support the ECoC 2025 through the Small Project Fund. The EGTC GO will manage the implementation of the fund as a sole

beneficiary via open calls and simplified application procedures. According to Art. 25 (4) of the Interreg Regulation, *"The selection of small projects shall not constitute a delegation of tasks by the managing authority to an intermediate body, as referred to in Article 71(3) of Regulation (EU) 2021/1060"*.

Within the Small Project Fund, a bottom-up approach for selecting the new project proposals will be carried out in order to finance projects that will contribute to the achievement of the Programme goals and will fit the Specific Objective 4.6: *Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation"*. An annual call for projects is foreseen starting from 2022".

2 types of projects are expected:

- short projects with a maximum duration of twelve months and the budget within 30.000 € and 50.000 €;
- long projects exceeding twelve months' duration, but end within 24 months. The allocation is up to 200.000 €.

The Small Project Fund will apply simplified cost options as defined by the Art. 25 (6) of the Interreg regulation for the projects that do not exceed EUR 100.000. The EGTC GO will also support the use of simplified cost options for projects with greater budget. The SCOs will be determined and selected at the Programme level.

The MA considers that the implementation of the specific objective SO4.6 and, specifically, of the operation SPF - Small Projects Fund, represents a high risk due to its newly defined contents.

On the basis of the risk analysis carried out, the MA has concluded that the methodology must take into account the risk factors linked to the verification of the management of the Small Projects Fund, foreseeing, at Programme level, a specific sampling by the Italian national controllers on the Sole Beneficiary, according to the legal status of the EGTC-GO, aimed at carrying out the quality checks with the EGTC-GO in order to verify how Sole Beneficiary performs controls on final recipients of the Fund. Such quality checks could be also performed with the support of Slovene national controllers when required, in case by case basis.

The methodology foresees to carry out checks at Programme level on the first and final reports of EGTC-GO as Sole Beneficiary, and at least one interim report per year, as well as at least one on-the-spot checks.

## 5.5 Specific focus on prevention and trainings

Independently from the system chosen for the risk-based sampling, the programme will provide training and guidance for projects to reduce the risk of errors when reporting costs to the controllers. In particular:

- ❖ The staff costs reporting requirements are clearly explained to project partners in the Programme manual on eligibility of expenditures for approved projects to reduce the risk of errors in staff costs and related flat rates.
- ❖ The office and administrative costs can be reimbursed on the basis of one of the following two options: a flat rate of 15% of eligible direct staff costs or within a flat rate of up to 40% of eligible direct staff costs.
- ❖ Travel and accommodation costs of a beneficiary can be reimbursed on the basis of one of the following two options: 4% of eligible staff costs or a flat rate of up to 40% of eligible direct staff costs.
- ❖ Public procurement principles and related risks identified by controllers and audits will be clearly explained in programme seminars/webinars organised for approved projects.

- ❖ All the documents needed for the verification of costs will be uploaded to the programme informative system (JEMS) by the partners. This will further facilitate the work of controllers and auditors and reduce the risk of errors/findings linked to audit trail.

## 5.6 Monitoring of progress reports by the Joint Secretariat

Once the report has been confirmed by the controller and included in a progress report by the lead partner, the monitoring of the progress report is done by the Joint Secretariat. The JS officers' verifications focus mainly on checking the link between the activities and costs reported, the compliance with the budget flexibility rule and justification for under/overspending, and this for each progress report submitted to the programme. The JS then confirms that the progress report can be considered complete and the Managing Authority signs the statement of expenditure.

## 5.7 Extension of the verifications by the controller

In addition to the expenditure items included in the sample generated by JEMS system based on errors detected and also on his/her professional judgement, the controller can decide to extend the sample to additional items (e.g. in case of doubts about some items or about the partner, in case of suspicion of fraud). In such case, an explanation should be provided in the report. If the controllers detect any error during their check of the sample, the sample should be extended. Using their professional judgement, the controllers can extend the sample to similar types of expenditure, to the whole cost category concerned, until arriving at the 100% of the list of expenditure. In case of errors detected in the sample, controllers must extend the verification (see chapter 7.2).

# 6. Types of verifications

## 6.1 Administrative verifications

Administrative verification, also known as desk-based verifications, are the control checks the controllers undertake on the documentation of each claim for reimbursement in their own offices. The control must be carried out for any intermediate or final claim for reimbursement submitted by beneficiaries to control the expenditures reported and relevant supporting documentation.

Controllers can complete administrative verifications regularly over the cost categories chosen i.e. budget lines for:

- Staff costs
- external expertise and services costs.

Thus, verifications are undertaken through the inspection of documents and records. In simple terms, it is the reading and understanding of any relevant document, provided in electronic form or print out of an electronic record.

Once the administrative verifications are done, controllers prepare the on-the-spot verifications while increasing the control for the uncertain expenditure items and risky areas only — and outcomes that require specific control (i.e., publicity and visibility perspective); typical actions for on-the-spot verifications, interviews, and walk-throughs.

## Online verifications — an innovative tool for verifications

Online verifications, complementing the administrative and on the spot verification, represent an innovative option to reduce the time, human, and financial resources for control. Besides the added value of the online verifications (by reducing the resources involved and shorter the time allocated for control), the advantages of using these online verifications have been considered to enhance and provide quality control and complete the work done with administrative/on-the-spot verifications.

### 6.2 On-the-spot verifications

On-the-spot verifications facilitate checks on the reality of the equipment or works delivered, the physical implementation of the project and compliance with publicity requirements. On-the-spot-checks may also be useful to verify the good functioning of internal processes, notably in case of doubts about the partner's understanding of requirements, issues with the reporting, or suspicion of fraud for example.

On-the-spot verifications have mainly an added value in practice, for projects for which there is a physical implementation to check (i.e., projects with pilot action equipment/or infrastructure).

Furthermore, the above risk-analysis shows that in the context of Interreg V-A Italy-Slovenia 14-20 programming period, on-the-spot checks did not detect more errors than administrative checks. For this reason, it is recommended that controllers carry out on-the-spot checks for projects with a pilot action which includes reported equipment/infrastructure costs. This on-the-spot verification should take place once the costs related to the equipment/infrastructure costs have been reported.

Based on their professional judgement, the controller can however decide to carry out an on-the-spot check for a project not reporting pilot equipment/infrastructure costs, if they deem that it has an added value for their check of suspicion of fraud, issues with the partner reporting/understanding of requirements, doubts about the proper functioning of internal processes, etc.).

Finally, controller can decide to carry out on-the-spot check according to the findings of the open reports that recorded cuts and of the beneficiaries who used the flat rate of up to 40%.

In summary, as a result of the analysis above, on-the-spot check will be carried out according to the following 3 principles, as basis of the universe sample:

- on the basis of the findings of the administrative checked reports that reported financial corrections (ineligible costs by the Programme or irregularities)
- beneficiaries who used the flat rate of up to 40%
- reports related to equipment and infrastructure and works cost category.

**Yearly control** is foreseen and it will be performed in the percentage of the 30% of the total amount of the expenditure already validated during the previous accounting year.

The **Extension of Sample** is foreseen after the performance of the 30% yearly random on-the-spot check when errors or irregularities have been detected within the sample.

In case of irregularities or errors, the expenditure already submitted in Jems system shall be cut by National controllers. Only in case of errors, meaning expenditure not already submitted to the EC, beneficiary may submit again the amount deducted according to the internal decision made by controllers. The evidence of the cut expenditures will be reported in the next beneficiary's report (data related to cut expenditures of the on-the-spot check will be present in the subsequent beneficiary's report).

### 6.3 Technical aspects

The sample will be drawn by JEMS system based on the items included in the list of expenditure by the project partner. All supporting documents will be uploaded by the partners to the IT system. on for extension should be documented in the control report.

## 7. Interreg VI-A Italy Slovenia 2021-2027 programme strategy of the Methodology

Based on the results of the risk assessment and the results/recommendations from the Audit Authority, the MA developed the following strategy the national controllers have to follow applying the methodology of Interreg VI-A Italy - Slovenia 2021-2027 Programme, which foresees 2 sampling levels:

1. **Check at Programme level** - how many and which reports to check (data extrapolated from Jems):
  - ❖ The first 100 reports with reported expenditures received in the reporting phases will be checked.

In view of the results of the first 100 reports received during the first reporting phase, the MA adopted some operational/technical explanations to apply some integration to the Methodology for sampling beneficiaries' reports as reported in *Annex 2 "INTEGRATION TO THE METHODOLOGY FOR SAMPLING BENEFICIARIES REPORTS"* to the present document.

Moreover, some changes to the methodology occurred in order to develop a sampling methodology that assesses the risk associated to each report received. This assessment is based on risk analysis and determines whether a particular report has a high or low probability of containing irregularities as reported in *Annex 3\_Sample basis for sampling* and in *Annex 4\_Sampling methodology instruction*.

- ❖ In the first four reporting periods, the low level, which allows to state that the risk analysis system is working effectively, leads to a reduction in the percentage of the amount subject to administrative management checks compared to the sampleable universe of periodic reports, from 60% to 45%.
2. **Sampling per project partner at report level** - National controllers have to respect the following indications to check the reports chosen for the sampling at Programme level according to the following items:
    - ❖ Cost categories (up to 5 per each items reported for Staff costs and external expertise cost categories).
    - ❖ Procurement procedures (at least 3 procurements procedures, giving priority to those whose amount is above 10,000.00 euro).
    - ❖ In case of equipment and infrastructures reported there will be the verification of the evidence of their existence.
    - ❖ Expenditures with errors detected by national controller in previous reports verifications.
    - ❖ In case that individual errors or irregularities are discovered during the control of the sample, as a result of which a financial correction of the expenditure is carried out, it is necessary to increase the sample by 10% of all items in the category being sampled. The sample thus increases to 20% of all items of each cost category in the partner's project progress report, which are randomly selected.
    - ❖ If additional errors are discovered in the enlarged sample, a 100% administrative check is carried out for the cost category in which additional errors were found in the enlarged sample.

- ❖ With reference to control of legal bases, namely employment contracts, annexes or decisions for work on the project, etc., must be made 100% for all employees on the project. If significant errors are found in the sample, an analysis is made to determine whether the errors have a common characteristic (among other things, type of transaction, time period, etc.), which is taken into account in further work.

All of the above indications must ensure that at least 50% of the expenditure of each beneficiary report is verified.

3. **Sample of on-the-spot verification** - These are the minimum requirements National controllers has to follow to perform on-the-spot verification. As a result of the analysis above, on-the-spot check will be carried out according to the following 3 principles, as basis of the universe sample:
  - ❖ on the basis of the findings of the administrative checked reports that reported financial corrections
  - ❖ beneficiaries who used the flat rate of up to 40%
  - ❖ reports related to equipment and infrastructure and works costs categories

**Yearly RANDOM control** is foreseen and it will be detailed in the national Controls' Manual.

4. **Sample checks for SPF Operation** - will be performed by Italian National Control Structure as defined below:
  - quality check at Programme level on Sole beneficiary which consists of a:
  - control of the first and final report and at least one interim report per year whose methodology is described in the Managing Authority's Manual of procedures.

Additional verification can be carried out also on the basis of the **professional judgment** of the National controllers, based on the quality of the expenditure reported and the quality of key items verification.

On the basis of the methodology above described, an **ad hoc control certificate** will be issued within JEMS system for beneficiaries' reports not part of the periodic sample.

5. **Final reports** - will nevertheless be checked in the following cases:
  - if the PP has not already undergone 2 checks by the National Control Structures (Italian or Slovenian);
  - if the PP has not exceeded 20% of the total project expenditure reported;
  - if the final report includes investment expenditures (BL6).

The sampleable universe consists of the reports submitted during the regular semesters and the final reports presented in the months following the reporting window.

In order to include in the sample universe, the projects that will submit final reports outside the ordinary previous semester windows, projects with a risk score equal to or greater than the minimum threshold for ordinary sampling will still be checked.

6. For **reports that are not sampled** but for which it is found by MA/JS that overbudget expenditures have been declared exceeding the capacity of the budget line indicated in the Application Form, the National controllers (Italian and/or Slovenian) will reduce the excess expenditure without



formally carrying out the control. Consequently, the checklist will not be completed. The controllers are provided with an Excel file listing the budget lines that are overbudget.

**Final provision**

This document has been revised on December 17th, 2025 by the Working Group Risk Assessment and modifications enter into force on January 1<sup>st</sup> 2026 and by May 2026. Previous provisions are available in revision version.





# INTERREG VI-A ITALY-SLOVENIA 2021-2027

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## Annex 1\_Risk-based management analysis 21-27 programming period

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# 1. TABLE 1. SUMAMRY OF ELIGIBLE COSTS

## 1.1 PERCENTAGE OF TOTAL REPORTED COSTS INCLUDING TA AND EGTC

TOTAL ELIGIBLE COSTS-BL 81.344.228,99 €							
% TABLES TO TOTAL REPORTED INCLUDING TA AND EGTC							
Reporting Period	Staff costs – BL1	Office and administrative costs – BL2	Travel and accommodation costs – BL3	External expertise and services costs – BL4	Equipment costs – BL5	Costs for infrastructure and works – BL6	% of total eligible reported (INCLUDING EGTC AND TA)
TA	2%	0.01%	0.04%	2.26%	0.00%	0.00%	5%
Egctc	3%	0.417%	0.007%	1.639%	0.011%	2.058%	7%
ALL PROGRAM (INCLUDING Ta and Gect)	42%	6%	0.485%	33%	8%	11%	100%
ALL PROGRAM (EXCLUDING TA INCLUDING Egctc)	39%	6%	0.448%	31%	8%	11%	95%
ALL PROGRAM (INCLUDING TA EXCLUDING Egctc)	39%	5%	0.478%	31%	8%	9%	93%
ALL PROGRAM/EXCLUDING TA AND EGTC	37%	5%	0.441%	29%	8%	9%	88%
STANDARD CALLS	25%	4%	0.339%	16%	5%	4%	53%
STRATEGIC CALLS	12%	2%	0.102%	13%	3%	5%	35%
Ta AND EGTC	5%	0.427%	0.043%	4%	0%	2%	12%
ITALIA (EXCLUDING TA and EGTC)	17%	2%	0.155%	21%	4%	3%	48%
SLOVENIA (EXCLUDING TA and EGTC)	19%	3%	0.287%	8%	4%	6%	41%
FVG/EXCLUDING TA and EGTC	11%	2%	0.097%	15%	2%	2%	32%
VENETO (EXCLUDING TA and EGTC)	6%	1%	0.058%	6%	1%	1%	16%

## 1.2 PERCENTAGE OF THE TOTAL REPORTED COSTS EXCLUDING TA AND EGTC

% of total REPORTED (EXCLUDING TA AND EGTC) 71.813.439,17 €							
Reporting Period	Staff costs – BL1	Office and administrative costs – BL2	Travel and accommodation costs – BL3	External expertise and services costs – BL4	Equipment costs – BL5	Costs for infrastructure and works – BL6	% of total eligible reported (EXCLUDING EGTC AND TA)
ALL PROGRAM	41%	6%	1%	33%	9%	11%	100%
STANDARD CALLS	28%	4%	0%	18%	5%	4%	60%
STRATEGIC CALLS	13%	2%	0%	15%	3%	6%	40%
PUBLIC BENEFICIARIES	31%	4%	0%	29%	8%	9%	82%
PRIVATE BENEFICIARIES	10%	1%	0%	4%	1%	1%	18%
ITALY	19%	3%	0%	24%	4%	4%	54%
SLOVENIA	22%	3%	0%	9%	5%	7%	46%
FVG	13%	2%	0%	17%	3%	2%	36%
VENETO	7%	1%	0%	7%	2%	1%	18%

## 1.3 PERCENTAGE OF THE ITALIAN TOTAL REPORTED COSTS EXCLUDING TA AND EGTC

% of total ITALIAN REPORTED (EXCLUDING TA AND EGTC) 38.774.516,27 €							
Reporting Period	Staff costs – BL1	Office and administrative costs – BL2	Travel and accommodation costs – BL3	External expertise and services costs – BL4	Equipment costs – BL5	Costs for infrastructure and works – BL6	% COMPARED TO THE TOTAL ELIGIBLE FOR ITALY AREA
FVG	23%	3%	0%	31%	5%	4%	67%
VENETO	13%	2%	0%	13%	3%	3%	33%

## 2. TABLE 2. NOT ELIGIBLE COSTS

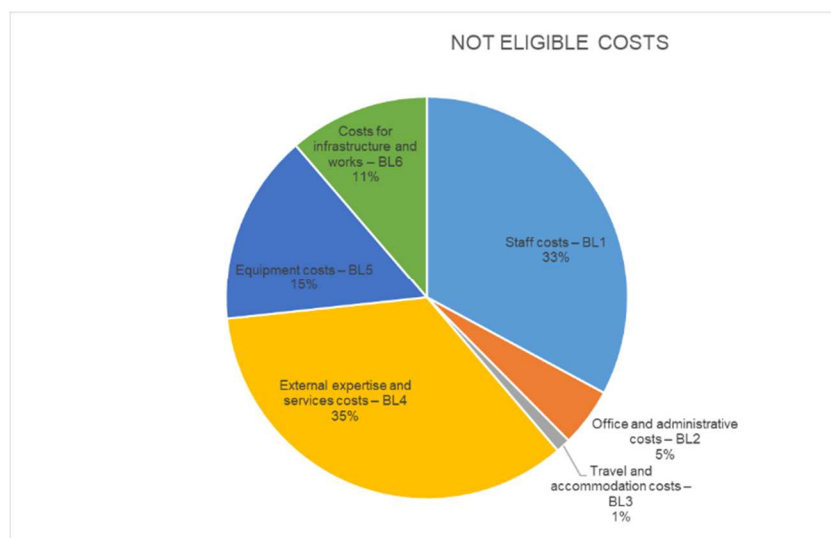
### 2.1 NOT ELIGIBLE COSTS EXCLUDING TA AND EGTC

NOT ELIGIBLE COST (EXCLUDING TA AND EGTC)							
Reporting Period	Staff costs – BL1	Office and administrative costs – BL2	Travel and accommodation costs – BL3	External expertise and services costs – BL4	Equipment costs – BL5	Costs for infrastructure and works – BL6	CHECK
1	185.810,25 €	26.432,42 €	3.416,13 €	40.794,29 €	82.305,65 €	- €	338.758,74 €
2	232.818,89 €	33.975,43 €	4.136,65 €	148.325,06 €	44.190,58 €	31.345,82 €	494.792,43 €
3	216.898,74 €	25.949,26 €	13.384,52 €	356.577,87 €	165.753,07 €	157.666,87 €	936.230,33 €
4	150.869,56 €	21.757,19 €	6.174,30 €	201.121,26 €	162.664,60 €	16.788,67 €	559.375,58 €
5	192.800,94 €	29.211,33 €	7.547,70 €	187.160,86 €	63.258,26 €	95.743,59 €	575.722,68 €
6	151.862,74 €	22.495,03 €	2.973,53 €	144.903,60 €	120.055,82 €	14.387,28 €	456.678,00 €
6,1	17.882,01 €	2.680,17 €	- €	8.790,31 €	- €	- €	29.352,49 €
6,2	- €	- €	- €	- €	- €	- €	- €
7	125.998,96 €	18.819,14 €	2.349,55 €	234.064,55 €	28.116,37 €	106.925,92 €	516.274,49 €
8	46.115,57 €	6.617,32 €	2.608,32 €	127.670,26 €	19.475,21 €	4.710,44 €	207.197,12 €
9	81.452,20 €	11.810,62 €	5.422,64 €	30.395,09 €	16.755,93 €	9.523,23 €	155.359,71 €
10	143.434,97 €	21.298,28 €	7.260,46 €	146.991,16 €	21.410,82 €	94.902,02 €	435.297,71 €
TOTAL	1.545.944,83 €	221.046,19 €	55.273,80 €	1.626.794,31 €	723.986,31 €	531.993,84 €	4.705.039,28 €

### 2.2 PERCENTAGE OF NOT ELIGIBLE COSTS

% TABLES OF NOT ELIGIBLE COSTS							
Reporting Period	Staff costs – BL1	Office and administrative costs – BL2	Travel and accommodation costs – BL3	External expertise and services costs – BL4	Equipment costs – BL5	Costs for infrastructure and works – BL6	CHECK
1	55%	8%	1%	12%	24%	0%	100%
2	47%	7%	1%	30%	9%	6%	100%
3	23%	3%	1%	38%	18%	17%	100%
4	27%	4%	1%	36%	29%	3%	100%
5	33%	5%	1%	33%	11%	17%	100%
6	33%	5%	1%	32%	26%	3%	100%
6,1	61%	9%	0%	30%	0%	0%	100%
6,2	0%	0%	0%	0%	0%	0%	0%
7	24%	4%	0%	45%	5%	21%	100%
8	22%	3%	1%	62%	9%	2%	100%
9	52%	8%	3%	20%	11%	6%	100%
10	33%	5%	2%	34%	5%	22%	100%
TOTAL	33%	5%	1%	35%	15%	11%	100%

% NOT ELIGIBLE COSTS TO TOTAL NOT ELIGIBLE							
Reporting Period	Staff costs – BL1	Office and administrative costs – BL2	Travel and accommodation costs – BL3	External expertise and services costs – BL4	Equipment costs – BL5	Costs for infrastructure and works – BL6	CHECK
1	4%	1%	0%	1%	2%	0%	7%
2	5%	1%	0%	3%	1%	1%	11%
3	5%	1%	0%	8%	4%	3%	20%
4	3%	0%	0%	4%	3%	0%	12%
5	4%	1%	0%	4%	1%	2%	12%
6	3%	0%	0%	3%	3%	0%	10%
6,1	0%	0%	0%	0%	0%	0%	1%
6,2	0%	0%	0%	0%	0%	0%	0%
7	3%	0%	0%	5%	1%	2%	11%
8	1%	0%	0%	3%	0%	0%	4%
9	2%	0%	0%	1%	0%	0%	3%
10	3%	0%	0%	3%	0%	2%	9%
TOTAL	33%	5%	1%	35%	15%	11%	100%



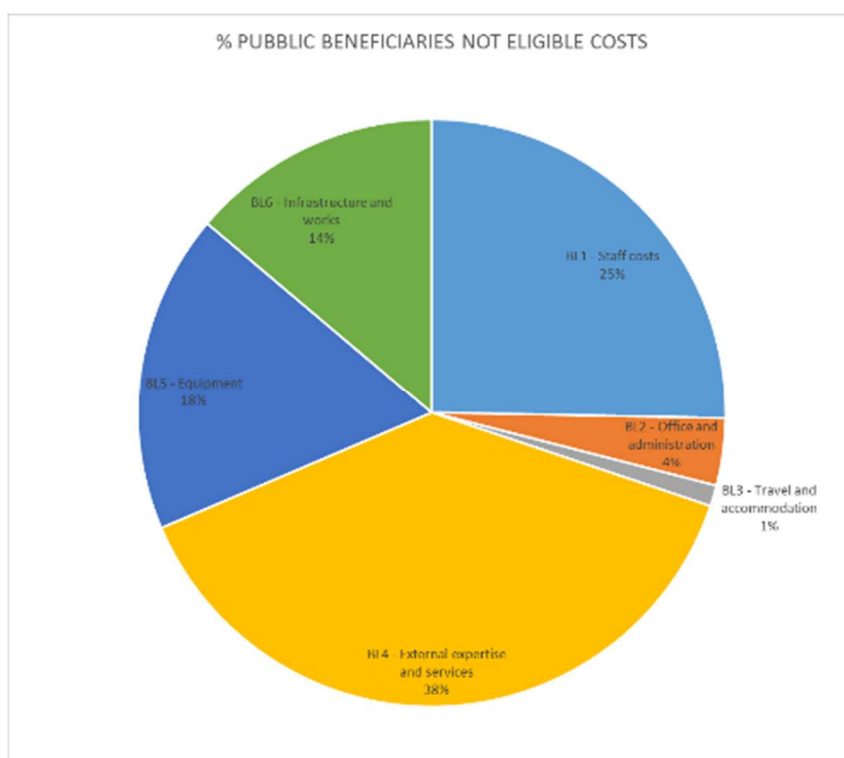
### 3. TABLE 3. PUBLIC-PRIVATE BENEFICIARIES NOT ELIGIBLE COSTS

#### 3.1 PUBLIC BENEFICIARIES NOT ELIGIBLE COSTS

Reporting Period	Staff costs – BL1	Office and administrative costs – BL2	Travel and accommodation costs – BL3	External expertise and services costs – BL4	Equipment costs – BL5	Costs for infrastructure and works – BL6	CHECK
1	57.619,43 €	8.282,71 €	790,77 €	2.618,05 €	1.917,16 €	- €	71.228,12 €
2	68.388,41 €	10.223,73 €	643,34 €	50.108,84 €	13.086,95 €	- €	142.451,27 €
3	101.491,37 €	8.677,44 €	774,23 €	22.223,80 €	12.730,83 €	- €	145.897,67 €
4	59.455,17 €	8.325,94 €	353,14 €	8.511,67 €	1.877,47 €	- €	78.523,39 €
5	91.242,92 €	14.038,80 €	2.437,71 €	30.710,04 €	5.045,61 €	24.500,00 €	167.975,08 €
6	56.121,92 €	8.418,33 €	1.599,30 €	5.259,24 €	34.397,06 €	- €	105.795,85 €
6,1	14.216,06 €	2.132,41 €	- €	- €	- €	- €	16.348,47 €
6,2	- €	- €	- €	- €	- €	- €	- €
7	53.493,30 €	8.024,02 €	442,05 €	66.084,02 €	69,81 €	- €	128.113,20 €
8	35.273,91 €	4.991,07 €	- €	8.667,26 €	1.570,08 €	- €	50.502,32 €
9	14.823,80 €	2.223,57 €	2.643,08 €	5.533,51 €	5.721,80 €	- €	30.945,76 €
10	65.161,90 €	9.774,22 €	3.623,90 €	16.390,99 €	1.924,09 €	- €	96.875,10 €
TOTAL	617.288,19 €	85.112,24 €	13.307,52 €	216.107,42 €	78.340,86 €	24.500,00 €	1.034.656,23 €

### 3.2 PERCENTAGE OF PUBLIC BENEFICIARIES NOT ELIGIBLE COSTS

% PUBBLIC BENEFICIARIES NOT ELIGIBLE COSTS							
Reporting Period	BL1 - Staff costs	BL2 - Office and administration	BL3 - Travel and accommodation	BL4 - External expertise and services	BL5 - Equipment	BL6 - Infrastructure and works	CHECK
1	48%	7%	1%	14%	30%	0%	100%
2	47%	7%	1%	28%	9%	9%	100%
3	15%	2%	2%	42%	19%	20%	100%
4	19%	3%	1%	40%	33%	3%	100%
5	25%	4%	1%	38%	14%	17%	100%
6	27%	4%	0%	40%	24%	4%	100%
6,1	28%	4%	0%	68%	0%	0%	100%
6,2	0%	0%	0%	0%	0%	0%	0%
7	19%	3%	0%	43%	7%	28%	100%
8	7%	1%	2%	76%	11%	3%	100%
9	54%	8%	2%	20%	9%	8%	100%
10	23%	3%	1%	39%	6%	28%	100%
TOTAL	25%	4%	1%	38%	18%	14%	100%

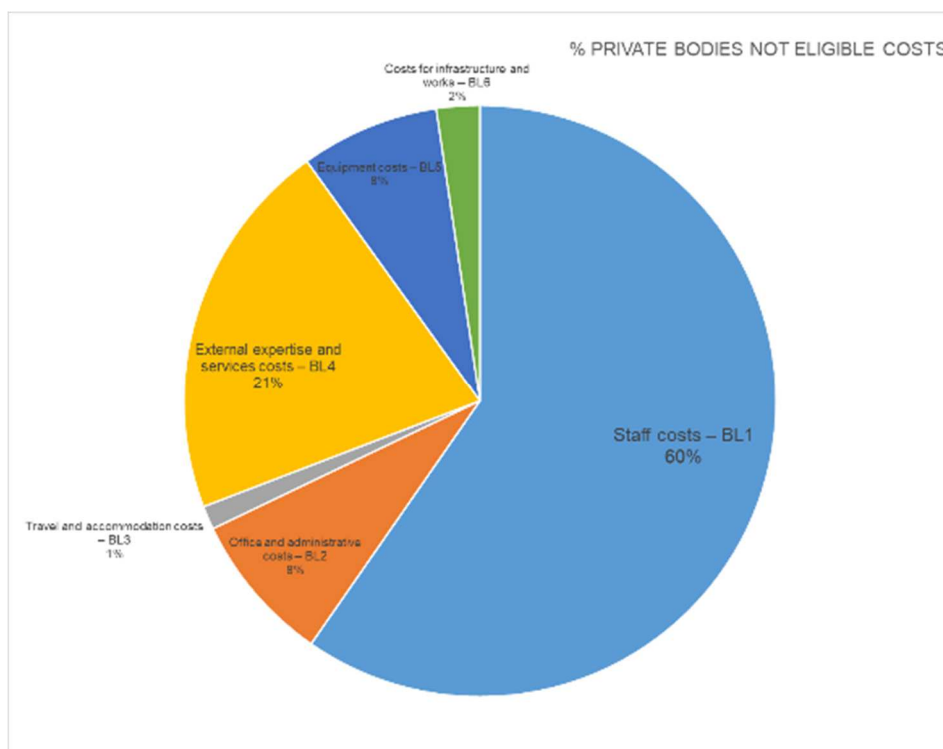


### 3.3 PRIVATE BENEFICIARIES NOT ELIGIBLE COSTS

SUMMARY TABLE - PRIVATE BENEFICIARIES NOT ELIGIBLE COSTS							
Reporting Period	Staff costs – BL1	Office and administrative costs – BL2	Travel and accommodation costs – BL3	External expertise and services costs – BL4	Equipment costs – BL5	Costs for infrastructure and works – BL6	CHECK
1	57.619,43 €	8.282,71 €	790,77 €	2.618,05 €	1.917,16 €	- €	71.228,12 €
2	68.388,41 €	10.223,73 €	643,34 €	50.108,84 €	13.086,95 €	- €	142.451,27 €
3	101.491,37 €	8.677,44 €	774,23 €	22.223,80 €	12.730,83 €	- €	145.897,67 €
4	59.455,17 €	8.325,94 €	353,14 €	8.511,67 €	1.877,47 €	- €	78.523,39 €
5	91.242,92 €	14.038,80 €	2.437,71 €	30.710,04 €	5.045,61 €	24.500,00 €	167.975,08 €
6	56.121,92 €	8.418,33 €	1.599,30 €	5.259,24 €	34.397,06 €	- €	105.795,85 €
6,1	14.216,06 €	2.132,41 €	- €	- €	- €	- €	16.348,47 €
6,2	- €	- €	- €	- €	- €	- €	- €
7	53.493,30 €	8.024,02 €	442,05 €	66.084,02 €	69,81 €	- €	128.113,20 €
8	35.273,91 €	4.991,07 €	- €	8.667,26 €	1.570,08 €	- €	50.502,32 €
9	14.823,80 €	2.223,57 €	2.643,08 €	5.533,51 €	5.721,80 €	- €	30.945,76 €
10	65.161,90 €	9.774,22 €	3.623,90 €	16.390,99 €	1.924,09 €	- €	96.875,10 €
TOTAL	617.288,19 €	85.112,24 €	13.307,52 €	216.107,42 €	78.340,86 €	24.500,00 €	1.034.656,23 €

### 3.4 PERCENTAGE OF PRIVATE BENEFICIARIES NOT ELIGIBLE COSTS

PRIVATE BENEFICIARIES NOT ELIGIBLE COSTS %							
Reporting Period	Staff costs – BL1	Office and administrative costs – BL2	Travel and accommodation costs – BL3	External expertise and services costs – BL4	Equipment costs – BL5	Costs for infrastructure and works – BL6	CHECK
1	81%	12%	1%	4%	3%	0%	100%
2	48%	7%	0%	35%	9%	0%	100%
3	70%	6%	1%	15%	9%	0%	100%
4	76%	11%	0%	11%	2%	0%	100%
5	54%	8%	1%	18%	3%	15%	100%
6	53%	8%	2%	5%	33%	0%	100%
6,1	87%	13%	0%	0%	0%	0%	100%
6,2	0%	0%	0%	0%	0%	0%	0%
7	42%	6%	0%	52%	0%	0%	100%
8	70%	10%	0%	17%	3%	0%	100%
9	48%	7%	9%	18%	18%	0%	100%
10	67%	10%	4%	17%	2%	0%	100%
TOTAL	60%	8%	1%	21%	8%	2%	100%



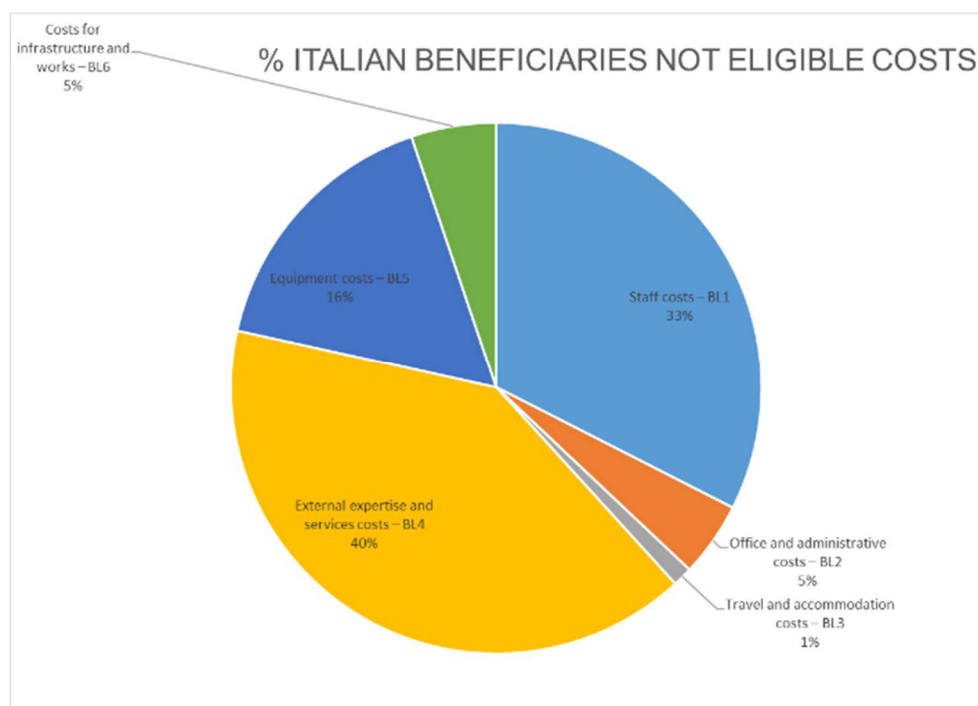
## 4. TABLE 4. NOT ELIGIBLE COSTS PER AREA

### 4.1. ITALIAN AREA NOT ELIGIBLE COSTS

SUMMARY TABLE - ITALIAN NOT ELIGIBLE COSTS							
Reporting Period	BL1 - Staff costs	BL2 - Office and administration	BL3 - Travel and accommodation	BL4 - External expertise and services	BL5 - Equipment	BL6 - Infrastructure and works	CHECK
1	87.051,22 €	11.990,92 €	3.041,36 €	35.309,62 €	74.146,33 €	- €	211.539,45 €
2	155.910,98 €	22.445,54 €	1.481,24 €	56.510,31 €	43.217,43 €	- €	279.565,50 €
3	153.565,24 €	16.450,25 €	7.106,22 €	319.176,33 €	125.017,85 €	- €	621.315,89 €
4	64.424,21 €	9.529,16 €	4.387,95 €	159.146,65 €	3.568,63 €	16.788,67 €	257.845,27 €
5	90.747,03 €	13.597,10 €	2.897,30 €	122.315,68 €	54.146,03 €	8.783,91 €	292.487,05 €
6	105.984,37 €	15.741,09 €	1.066,58 €	87.420,65 €	84.544,80 €	25,41 €	294.782,90 €
6,1	6.628,31 €	992,11 €	- €	8.790,31 €	- €	- €	16.410,73 €
6,2	- €	- €	- €	- €	- €	- €	- €
7	96.877,64 €	14.528,49 €	2.059,57 €	63.559,70 €	23.950,65 €	87.189,66 €	288.165,71 €
8	35.636,46 €	5.345,45 €	2.414,16 €	110.941,25 €	14.245,41 €	2.986,58 €	171.569,31 €
9	20.605,05 €	2.928,32 €	2.936,20 €	20.415,60 €	8.128,95 €	1.665,20 €	56.679,32 €
10	76.865,68 €	11.312,89 €	5.710,14 €	124.559,36 €	19.486,73 €	25.127,32 €	263.062,12 €
TOTAL	894.296,19 €	124.861,32 €	33.100,72 €	1.108.145,46 €	450.452,81 €	142.566,75 €	2.753.423,25 €

## 4.2. PERCENTAGE OF ITALIAN BENEFICIARIES NOT ELIGIBLE COSTS

% ITALIAN BENEFICIARIES NOT ELIGIBLE COSTS							
Reporting Period	Staff costs – BL1	Office and administrative costs – BL2	Travel and accommodation costs – BL3	External expertise and services costs – BL4	Equipment costs – BL5	Costs for infrastructure and works – BL6	CHECK
1	41%	6%	1%	17%	35%	0%	100%
2	56%	8%	1%	20%	15%	0%	100%
3	25%	3%	1%	51%	20%	0%	100%
4	25%	4%	2%	62%	1%	7%	100%
5	31%	5%	1%	42%	19%	3%	100%
6	36%	5%	0%	30%	29%	0%	100%
6,1	40%	6%	0%	54%	0%	0%	100%
6,2	0%	0%	0%	0%	0%	0%	0%
7	34%	5%	1%	22%	8%	30%	100%
8	21%	3%	1%	65%	8%	2%	100%
9	36%	5%	5%	36%	14%	3%	100%
10	29%	4%	2%	47%	7%	10%	100%
TOTAL	32%	5%	1%	40%	16%	5%	100%

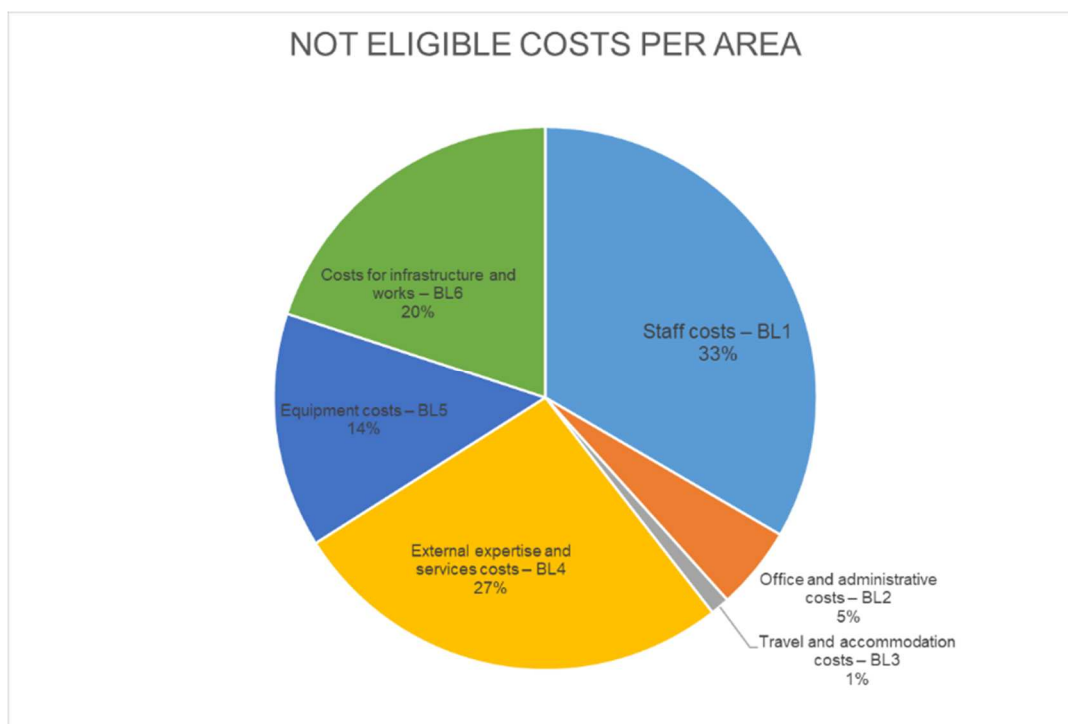


## 4.3 SLOVENIAN AREA NOT ELIGIBLE COSTS

SUMMARY TABLE - SLOVENIAN AREA NOT ELIGIBLE COSTS							
Reporting Period	Staff costs – BL1	Office and administrative costs – BL2	Travel and accommodation costs – BL3	External expertise and services costs – BL4	Equipment costs – BL5	Costs for infrastructure and works – BL6	CHECK
1	98.759,03 €	14.441,50 €	374,77 €	5.484,67 €	8.159,32 €	- €	127.219,29 €
2	76.907,91 €	11.529,89 €	2.655,41 €	91.814,75 €	973,15 €	31.345,82 €	215.226,93 €
3	63.333,50 €	9.499,01 €	6.278,30 €	37.401,54 €	40.735,22 €	157.666,87 €	314.914,44 €
4	86.445,35 €	12.228,03 €	1.786,35 €	41.974,61 €	159.095,97 €	- €	301.530,31 €
5	102.053,91 €	15.614,23 €	4.650,40 €	64.845,18 €	9.112,23 €	86.959,68 €	283.235,63 €
6	45.878,37 €	6.753,94 €	1.906,95 €	57.482,95 €	35.511,02 €	14.361,87 €	161.895,10 €
6,1	11.253,70 €	1.688,06 €	- €	- €	- €	- €	12.941,76 €
6,2	- €	- €	- €	- €	- €	- €	- €
7	29.121,32 €	4.290,65 €	289,98 €	170.504,85 €	4.165,72 €	19.736,26 €	228.108,78 €
8	10.479,11 €	1.271,87 €	194,16 €	16.729,01 €	5.229,80 €	1.723,86 €	35.627,81 €
9	60.847,15 €	8.882,30 €	2.486,44 €	9.979,49 €	8.626,98 €	7.858,03 €	98.680,39 €
10	66.569,29 €	9.985,39 €	1.550,32 €	22.431,80 €	1.924,09 €	69.774,70 €	172.235,59 €
TOTAL	651.648,64 €	96.184,87 €	22.173,08 €	518.648,85 €	273.533,50 €	389.427,09 €	1.951.616,03 €

## 4.4 PERCENTAGE OF SLOVENIAN BENEFICIARIES NOT ELIGIBLE COSTS

% SLOVENIAN BENEFICIARIES NOT ELIGIBLE COSTS							
Reporting Period	Staff costs – BL1	Office and administrative costs – BL2	Travel and accommodation costs – BL3	External expertise and services costs – BL4	Equipment costs – BL5	Costs for infrastructure and works – BL6	CHECK
1	78%	11%	0%	4%	6%	0%	100%
2	36%	5%	1%	43%	0%	15%	100%
3	20%	3%	2%	12%	13%	50%	100%
4	29%	4%	1%	14%	53%	0%	100%
5	36%	6%	2%	23%	3%	31%	100%
6	28%	4%	1%	36%	22%	9%	100%
6,1	87%	13%	0%	0%	0%	0%	100%
6,2	0%	0%	0%	0%	0%	0%	0%
7	13%	2%	0%	75%	2%	9%	100%
8	29%	4%	1%	47%	15%	5%	100%
9	62%	9%	3%	10%	9%	8%	100%
10	39%	6%	1%	13%	1%	41%	100%
TOTAL	33%	5%	1%	27%	14%	20%	100%



## 5. TABLE 5. SUMMARY OF NOT ELIGIBLE COSTS

### 5.1 TOTAL NOT ELIGIBLE COSTS EXCLUDING TA AND EGTC

TOTAL NOT ELIGIBLE COSTS (EXCLUDING TA AND EGTC)							
	4.705.039,28 €						
NOT ELIGIBLE COSTS	Staff costs – BL1	Office and administrative costs – BL2	Travel and accommodation costs – BL3	External expertise and services costs – BL4	Equipment costs – BL5	Costs for infrastructure and works – BL6	% comprised to not eligibles reported costs (Excluding TA and EGT)
ALL PROGRAM	33%	5%	1%	35%	15%	11%	100%
ITALY	19%	3%	1%	24%	10%	3%	59%
SLOVENIA	14%	2%	0%	11%	6%	8%	41%
PUBLIC BENEFICIARIES	20%	3%	1%	30%	14%	11%	78%
PRIVATE BENEFICIARIES	13%	2%	0%	5%	2%	1%	22%

## 5.2 TABLE FOR NORMALIZATION OF PUBLIC AND PRIVATE BODIES

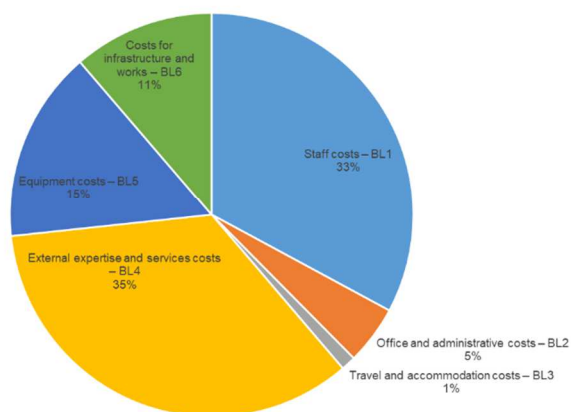
TABLE FOR NORMALIZATION OF PUBLIC AND PRIVATE BODIES				
Column 1	Column 2	Column 3	Column 4	Column 5
	TOTAL	% TO TOAL ELIGIBLE COSTS	RATIO TO ELIGIBLE COSTS	
TOTAL ELIGIBLE COSTS				
PRIVATE BENEFICIARIES	12.824.744,16 €	18%	22%	
ELIGIBLE COSTS - PUBLIC BENEFICIARIES	58.988.695,01 €	82%		
TOTAL	71.813.439,17 €			

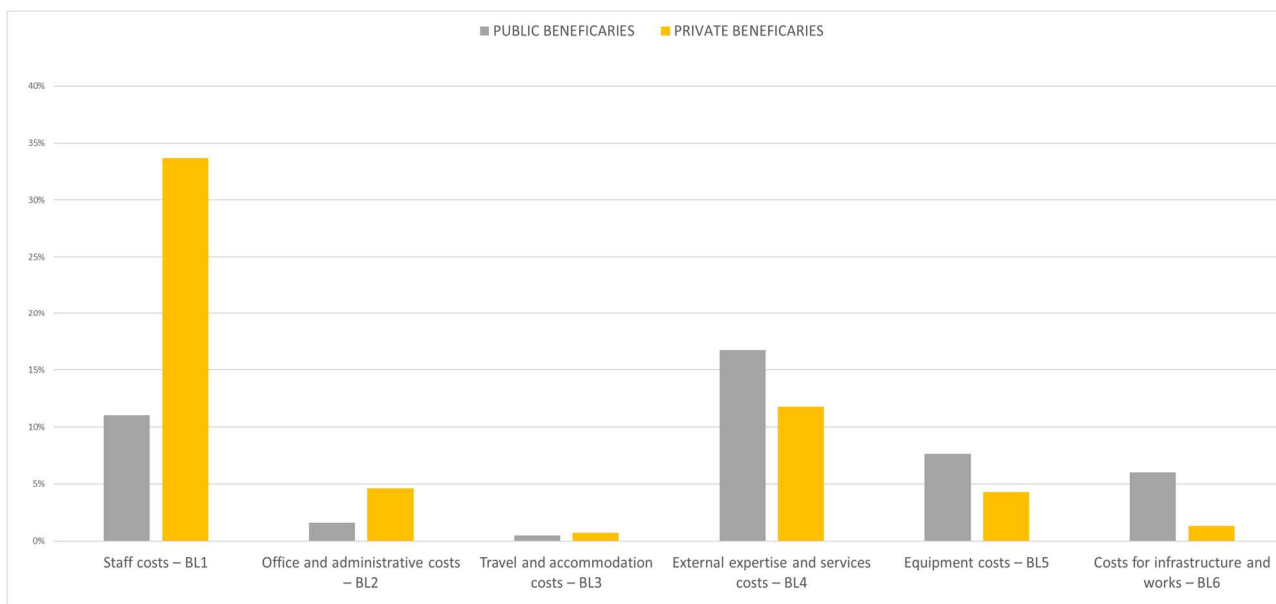
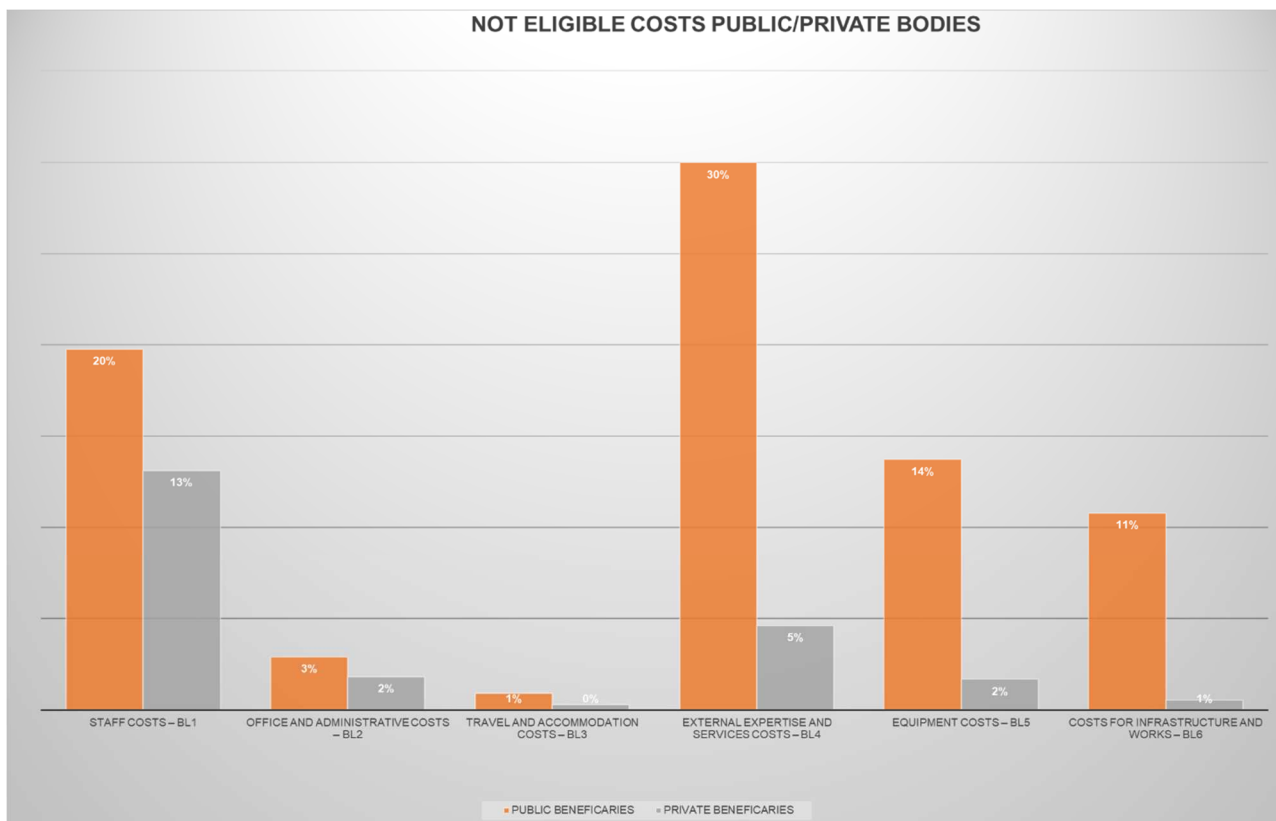
## 5.3 STANDARDISED TABLE OF PUBLIC/PRIVATE BODIES

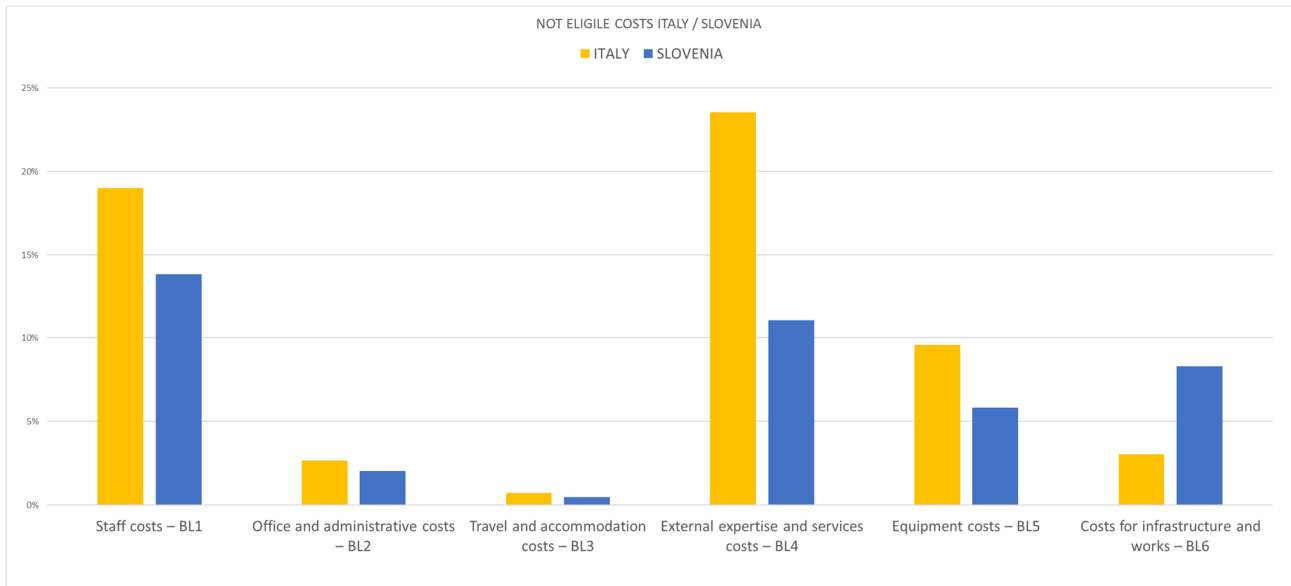
STANDARDISED TABLE OF PUBLIC/PRIVATE BODIES (THE VALUES OF THE TABLE OF PUBLIC BODIES ARE MULTIPLIED \*0.22 IN ORDER TO NORMALISE IT WITH RESPECT TO PRIVATE BODIES)

NOT ELIGIBLE COSTS	Staff costs – BL1	Office and administrative costs – BL2	Travel and accommodation costs – BL3	External expertise and services costs – BL4	Equipment costs – BL5	Costs for infrastructure and works – BL6		
PUBLIC BENEFICIARIES	201.899,43 €	29.553,43 €	9.123,90 €	306.697,72 €	140.369,91 €	110.334,34 €		797.978,72 €
PRIVATE BENEFICIARIES	617.288,19 €	85.112,24 €	13.307,52 €	216.107,42 €	78.340,86 €	24.500,00 €		1.034.656,23 €
PUBLIC BENEFICIARIES	11%	2%	0%	17%	8%	6%	STANDARDIZED TOTAL	1.832.634,95 €
PRIVATE BENEFICIARIES	34%	5%	1%	12%	4%	1%		

SUMMARY OF NOT ELIGIBLE COSTS









INTERREG VI-A ITALY SLOVENIA 2021-2027

**“INTEGRATION TO THE METHODOLOGY FOR  
SAMPLING BENEFICIARIES REPORTS”**





## Summary

<a href="#">Criteria for sampling</a> .....	2
<a href="#">Jems instruction</a> .....	2
<a href="#">Reports analysis</a> .....	4





# CRITERIA FOR SAMPLING



In view of the results of the first 100 reports received so far (50 for IT NC and 50 for SI NC) MA proposes to apply a change to the methodology used to date for sampling the additional reports to be checked in order to homogenise the first and second reporting periods and to allow all reports to be processed by 4/7/2024, in compliance with the regulatory deadline of 90 days set for checking the reports sent by the beneficiary (CPR 2021/1060).

The methodology, i.e. the document, as Annex 1 to MCSD, will be amended subsequently by FVG Regional decree by 01.09.24, i.e. before the start of the new reporting period.

Today the situation is the following:

**- 84 IT reports with expenses:**

1st reporting period 17 reports arrived and checked

2nd reporting period 67 reports arrived of which 22 checked and the remaining 11 to be checked to reach 50 by 4/7/24 + the further 34 to be checked also by 4/7/24.

**- 88 SI reports with expenses:**

1st reporting period 20 reports arrived and checked

2nd reporting period 68 arrived of which 29 checked and the remaining 1 to be checked to reach 50 by 4/7/24 + the further 38 to be checked also by 4/7/24.

The integration to the sampling methodology proposed below should be applied to the further reports that arrived (i.e. once the check of the first 100 reports - 50 IT and 50 SI has been completed) on the 34 IT reports and on the 38 SI reports, and would thus make it possible to directly 'reduce' the number of reports to be checked focusing on:

- an analysis of the reliability of the partner and

- the application of the following criteria for selecting the reports to check:

- *If 1<sup>st</sup> report from the beneficiary with no errors = low risk so no check of the subsequent report;*
- *If the beneficiary submitted in the first two reporting periods a positive report without errors in any 21-27 project (even in another project) = low risk so no check of the subsequent report;*
- *If the report presents only standard costs<sup>1</sup> (only for PP IT) = low risk therefore no check of the subsequent report;*
- *If report < € 5,000.00 = low risk therefore no check of the subsequent report.*

The application of these criteria for the selection of reports to be checked let to reduce the future number of reports and subjects sampled and to further speed up the control work of the structures in charge.

---

<sup>1</sup> Analysis is done at report level.



# JEMS INSTRUCTIONS



National controller validates report in JEMS.

How to enter the validation in JEMS:

1. the controller goes in the first tab **“Identificazione del controllo/Identifikacija kontrole”** where he will enter the references of the controller.
2. he will fill in section 4. **“Verifica/Preverjanje”** where he will specify the type of control (administrative/on-the-spot) and that the verification is risk-based (SI/JA).
3. In the space below controller will describe the sampling methodology used, i.e. the reason why the report was not checked (e.g. *beneficiary with an amount less than €5,000.00; no errors in the previous beneficiary's report...*).

Nadzorna plošča / Prijavnice / ITA-5IG400091 - POSEIDONE / LPI VEGAL / Rendiconto partner R.2 / Rapporto di controllo

Naziv delovnega mesta  
Verifica amministrativa

Direzione/instanz/oddelki  
Direzione centrale Finanze - Ufficio Controlli di I livello programmi INTERREG

Naziv  
Via del Lavatoio, 1

Država (nulti ID)  
Italia (IT)

Telefonska številka  
0403775967

Dodatni podatki potrebujevalci:  
Ime kontrolora  
Roberto Piccini - roberto.piccini@regione.fvg.it

4. Preverjanje

Splošna metodologija (več možnosti izbrati):  
 Upravno preverjanje  
 Preverjanje na kraju samem

Uporabljeno preverjanje na podlagi tveganja  
 SI  JA

Ce dia, na kratko opišite metodologijo vzorčenja in navedite, kje je na voljo podroben opis. Vključite na primer dodatne informacije o vsebini in preverjenem odstotku.

Viri podatka  
Nella presente programmazione (21-27) come previsto dal Reg. (UE) 2021/1060, le verifiche di gestione sono basate su una valutazione del rischio. Si è fatto riferimento al "Programme risk-based management verifications methodology" versione draft ottobre 2023. Il rendiconto rientra nel campione dei primi 100 report con spesa pervenuti da controllare al 100%.

Tipo controllo  
Verifica amministrativa

Direzione/instanz/oddelki  
Direzione centrale Finanze - Ufficio Controlli di I livello programmi INTERREG

Indirizzo  
Via del Lavatoio, 1

Paese (nulti ID)  
Italia (IT)

Numero di telefono  
0403775967

Responsabile ufficio Verifiche di gestione  
Nome del controllore  
Roberto Piccini - roberto.piccini@regione.fvg.it

4. Verifica

Metodologia generale (selezione multipla possibile):  
 Verifica amministrativa  
 Verifica in loco

Verifica basata sul rischio  
 SI  JA

Se si, descrivere brevemente la metodologia di campionamento e indicare dove è possibile trovare una descrizione dettagliata. Per esempio, includere ulteriori informazioni sull'ambito di applicazione e sulla percentuale controllata.

Viri dati del  
Nella presente programmazione (21-27) come previsto dal Reg. (UE) 2021/1060, le verifiche di gestione sono basate su una valutazione del rischio. Si è fatto riferimento al "Programme risk-based management verifications methodology" versione draft ottobre 2023. Il rendiconto rientra nel campione dei primi 100 report con spesa pervenuti da controllare al 100%.

4. Finally, controller moves on to the tab **“Riepilogo e finalizzazione/Pregled in zaključek”** where he writes in the section **“Conclusioni e raccomandazioni/Zaključki in priporočila”** something like this: *“Report not checked because not sampled”*.

interreg Italia-Slovenija

Cruscotto Schede progettuali Bandi Programma Controllori

Cruscotto / Schede progettuali / ITA-SIG400091 - POSIDONE / LP1 VEGAL / Rendiconto partner R.2 / Rapporto di controllo

4.3.2024

### Descrizione dei risultati, delle osservazioni e dei vincoli

Una descrizione dei tipi di errori riscontrati e un ragionamento sul perché si tratta di un errore. Aggiungere anche: una chiara specifica di ulteriori osservazioni e limitazioni (se presenti) espresse sull'ammissibilità di alcune spese.

Il beneficiario Vegal ha inoltrato il rendiconto in data 04/12/2023, il controllo è stato aperto in data 27/11/2023. Con e-mail di data 18/01/2024 è stata richiesta ad integrazione l'offerta pervenuta da EUROSERVIS s.r.l. relativa al servizio di assistenza tecnica. In data 18/01/2024 il beneficiario ha provveduto a caricare la documentazione richiesta nel sistema gestionale JEMS nella sezione "DOCUMENTI DI CONTROLLO".

In fase di istruttoria è emerso che la data di avvio del progetto indicata nel PO risultava essere 01/01/2023 così come indicata nel contratto di finanziamento di data 7 giugno 2023. La proposta progettuale risultava inoltrata tramite applicativo Jems in data 16/02/2023, pertanto si rilevava una possibile sovrapposizione delle spese preparatorie alle spese di attuazione progettuale.

In data 20/02/2024 è stato richiesto al beneficiario per le giornate esposte e rendiconto il dettaglio delle attività svolte dal 01/01/2023 al 16/02/2023, al fine di verificare se le stesse si riferissero all'attuazione progettuale. In data 20/02/2024 il beneficiario ha provveduto a caricare la nota esplicativa relativa alle attività svolte dal 01/01/2023 al 16/02/2023. Dall'analisi dei time sheet, dei rapporti delle attività svolte e della nota esplicativa si è potuto verificare la non sovrapposizione tra attività preparatorie e attività di gestione.

### Misure di follow-up dell'ultimo rendiconto convalidato

Le misure di follow-up implementate nella relazione attuale dovrebbero essere spiegate qui.

### Conclusioni e raccomandazioni

La conclusione prende in considerazione le osservazioni/riserve di cui sopra. Descrive inoltre le misure attuate per risolvere gli errori riscontrati e fornisce raccomandazioni, ove possibile, per evitare il ripetersi degli stessi tipi di errori in futuro.

Al termine delle verifiche esplicitate è possibile concludere che l'esito del controllo è POSITIVO.

### Misure di follow-up per il prossimo rendiconto del partner

Le misure di follow-up da implementare nel prossimo rendiconto partner devono essere descritte in questa sezione.

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Cruscotto Schede progettuali Bandi Programma Controllori

Nadzorna ploča / Prijavnice / ITA-SIG400091 - POSIDONE / LP1 VEGAL / Rendiconto partner R.2 / Rapporto di controllo

4.3.2024

### Opis ugotovitev, pripomb in omejitev

Opis vrst ugotovljenih napak in ugotovljenih pripomb. Dodate tudi: jasno navedbo dodatnih pripomb in morebitnih in omejitev (če obstajajo) o upravičnosti nekaterih izdatkov.

Il beneficiario Vegal ha inoltrato il rendiconto in data 04/12/2023, il controllo è stato aperto in data 27/11/2023. Con e-mail di data 18/01/2024 è stata richiesta ad integrazione l'offerta pervenuta da EUROSERVIS s.r.l. relativa al servizio di assistenza tecnica. In data 18/01/2024 il beneficiario ha provveduto a caricare la documentazione richiesta nel sistema gestionale JEMS nella sezione "DOCUMENTI DI CONTROLLO".

In fase di istruttoria è emerso che la data di avvio del progetto indicata nel PO risultava essere 01/01/2023 così come indicata nel contratto di finanziamento di data 7 giugno 2023. La proposta progettuale risultava inoltrata tramite applicativo Jems in data 16/02/2023, pertanto si rilevava una possibile sovrapposizione delle spese preparatorie alle spese di attuazione progettuale.

In data 20/02/2024 è stato richiesto al beneficiario per le giornate esposte e rendiconto il dettaglio delle attività svolte dal 01/01/2023 al 16/02/2023, al fine di verificare se le stesse si riferissero all'attuazione progettuale. In data 20/02/2024 il beneficiario ha provveduto a caricare la nota esplicativa relativa alle attività svolte dal 01/01/2023 al 16/02/2023. Dall'analisi dei time sheet, dei rapporti delle attività svolte e della nota esplicativa si è potuto verificare la non sovrapposizione tra attività preparatorie e attività di gestione.

### Nadaljnji ukrepi iz zadnjega potrjenega poročila

Pojasniti nadaljnje ukrepe, ki se izvajajo v tem poročilu.

### Zaključki in priporočila

Zaključek upostevanja zgoraj omenjene pripombe/pridržek. Opisuje tudi ukrepe, ki se izvajajo za odpravo odkritih napak, in podaja priporočila, kjer je to mogoče, za preprečevanje ponavljanja istih vrst napak v prihodnosti.

Al termine delle verifiche esplicitate è possibile concludere che l'esito del controllo è POSITIVO.

### Nadaljnji ukrepi za naslednje partnersko poročilo

V tem odeluku je treba opisati nadaljnje ukrepe, ki jih je treba izvesti v naslednjem poročilu partnerja.

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# REPORTS ANALYSIS



To facilitate the identification of partners in Jems, as they are recorded in the system under different acronyms, VAT numbers (for Italians), etc. a “**unique partners’ code**” has been assigned to each of them.

Moreover, as it may happen that a partner has recorded a cut in previous audit checks (=High Risk) and at the same time has submitted a report < €5,000.00 (=Low Risk), to proceed properly it is necessary to apply the identified criteria according to a ‘**hierarchy’ roles**, as shown in the table below.

Applying the hierarchy of criteria as per the following scheme, the number of reports to be checked by the Italian controllers is **20**, while those of the Slovenian controllers is **29**.

Reports after the first 100 to be validated	72
Reports after the first 100 to be validated SI	38
Reports after the first 100 to be validated IT	34
Reports low risk	23
Reports low risk SI	9
Reports low risk IT	14
Reports high risk (to be checked)	49
Reports high risk SI (to be checked)	29
Reports high risk IT (to be checked)	20

Controllers are requested to follow the hierarchy of criteria set out above for the identification of reporters to be sampled.

## Check of the Indicator System

The scoring system for PP's reports is checked within a 5% sample check. The reports are randomly sampled, for each one it is checked that the scoring of the indicators is calculated in accordance with the RBMV methodology and its annexes.

## Check of the Expenditure fillable fields

In order to detect potential errors arising from the incorrect filling in of fields that can be filled in by beneficiaries within the JEMS system, the verification system is structured as follows:

- The **Expenditure Category** field presents the data *Multiples* and no other expenditure categories are present in the report -> **Alert 1**.
- The **Multiples** data element is present in statements subsequent to the first report -> **Alert 2**.
- The **Total Invoice Value** field is greater than/equal to the **Declared Amount in EUR** field. If the **Total Invoice Value** field is less than the declared amount field -> **Alert 3**.
- The **Total Invoice Value** field added to the **VAT** field is greater than/equal to the **Declared Amount in EUR** field. If the **Total Invoice Value** field added to the **VAT** field is less than the declared amount on the expense line -> **Alert 4**.
- The **Total Invoice Value** minus **VAT** field, less than the value of the **Contract Amount** field, for each amount linked to the **Subject of Service/Contract** field. In the case of  $n_1, n_2, n_3,$  and so on, expense lines linked to the **Subject of Service/Contract** field, the sum total of the "**Total Invoice Value** minus **VAT**" field must be less than/equal to the **Contract Amount** field -> **Alert 5**.

## Check of Preparatory costs

In order to detect potential errors arising from the incorrect request of Preparatory cost, filled in by beneficiaries within the JEMS system, the verification system is structured as follows:

- If a report submitted on the tab 'MY-report-MAin', column 'N. previous validated report' is equal to 'No report has been validated yet', and the tab 'List of Expenditure' corresponding to the report contains only 'Preparatory cost', then ALERT 7 is generated.



- If a report submitted on the tab 'MY-report-MAin', column 'No previous validated report' contains any ID, the tab 'List of Expenditure' corresponding to the report must not contain 'Preparatory cost', otherwise ALERT 8 is generated.

## SAMPLING METHODOLOGY

### Objective:

To develop a sampling methodology that assesses the risk associated with each report received. This assessment is based on risk analysis and determines whether a particular report has a high or low probability of containing irregularities.

### Analysis:

The reports validated so far have been analysed. The data is updated at each validation. The analysis of the reports is divided into two phases:

- Phase 1 - Analysis of data at programme level
- Phase 2 - Data analysis at report level.

**Phase 1:** The Programme Level Data Analysis allows for the analysis of 2 types of factors at the level of overall historical data drawn from the sample that contribute to the determination of risk. The factors identified are as follows:

- P1: Type of error
- P2: Real cost and SUC (standard unit costs - only for Italian beneficiaries) reporting method.

**Phase 2:** Data Analysis at Report Level allows for the analysis of seven possible risk factors within each individual report, mostly derived from the data of Phase 1:

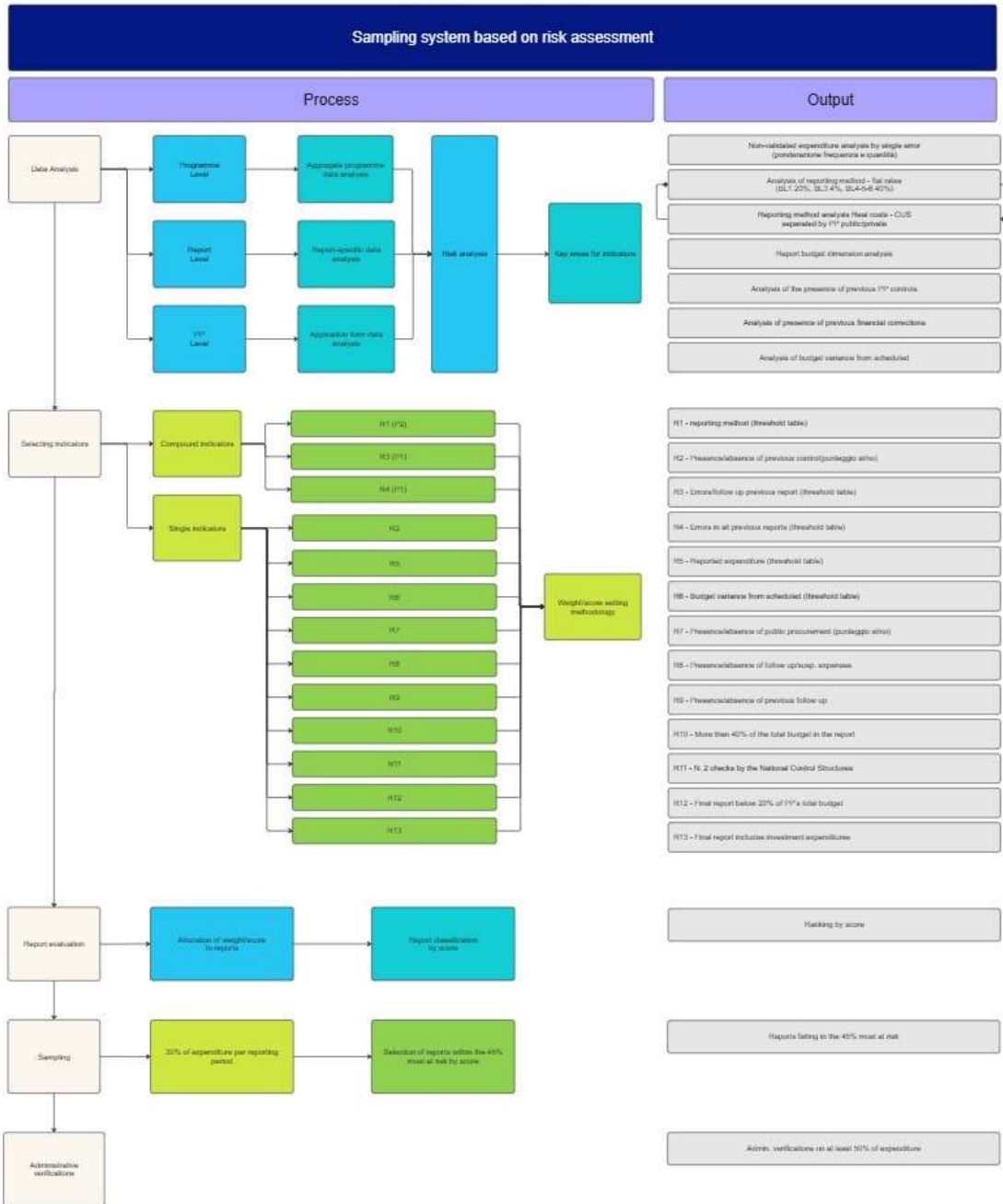
- R1 Actual reporting method on the basis of declared expenditure
- R2 Presence of prior PP checks
- R3 Errors/follow up previous report
- R4 Previous PP corrections
- R5 PP budget size
- R6 Budget variance

- R7 budget linked to public procurements procedures up to 10.000,00 €
- R8 Report linked to suspended expenditure
- R9 Report linked to follow up

A score is associated with each Risk Factor. The sum of the risk factors determines whether a report has high risk (to be checked) - low risk (not to be checked). The flow of the analysis carried out is reported in *Annex 4\_ Sampling methodology instruction*.

The calculation method is given in ***Annex 3\_Sample basis for sampling***, which is the basis for risk calculation for the identification of reports to be sampled. The excel file will be implemented from time to time for subsequent sampling and will be frozen at each individual sampling.





## METHOD OF VALUATION OF R3 AND R1 COMPOUND INDICATORS

### P1 - Analysis of non-validated expenditure per individual error (frequency, amount) and method of constructing weights/score for the composite indicator R3

From the analysis of non-validated expenditure per error, we observe the frequency of errors and the amount for each of them.

#### **Data collection**

We exported the error list from JEMS via api and opened the JSON file via excel in the 'Error list' tab. This tab contains all error types entered in JEMS.

Then we create the 'Error list' tab via VBA script which executes for each validated report the following URL:

url = 'https://jems.regione.fvg.it/api/project/report/partner/control/controlOverview/byPartnerId/' & partnerId & '/byReportId/' & reportId & '/deductionByTypologyOfErrors' - ModuloductionByTypologyOfErrors-2.bas

This URL returns for each validated report the type of error, the amount and in which report the cut occurred.

In the "Error List" we obtain two essential data for the construction of P1:

1. the frequency of the errors
2. the total amount in euro of each error.

We therefore build 2 threshold tables, one for frequency and one for quantity, in order to value:

- weight
- the impact of the errors.

For each error, the impact is calculated as a percentage of the total errors:

**% per error = error frequency/total errors.**

The error percentage falls into one of the thresholds:

Threshold%		Weight/score
0	2%	<b>0,5</b>
> 2%	10%	<b>2</b>
> 10%	100%	<b>4</b>



Depending on the threshold at which the error falls, the score is assigned (example):

Type of error	Total amount	Frequency	% on total errors amount	Media	Score
1 h	16.981,80	10	8%	1.698,18	<b>2</b>

With the same method we value the impact of quantity:

**% per error = error quantity/total errors**

Threshold %		Weight/score
0	2%	<b>0,5</b>
> 2%	10%	<b>2</b>
> 10%	100%	<b>4</b>

The P1 value for each error found in a report is the sum of these two tables and is calculated in column P1 of the error list sheet for each error found.

In order to adjust the output, we multiply P1 by the following coefficients based on the amount of error detected.

Error in €		Weight/score
0€	100,00€	<b>P1 * 0</b>
100,00€	250,00€	P1 * 0.5
250,00	1000,00€	<b>P1 * 0.75</b>
1000,00	1000000,00€	<b>P1 * 1</b>

**P1 = (Frequency threshold score + Quantity threshold score (min 1, max 8))\*Coefficient.**

P1 is therefore a compound element, which values frequency and quantity of errors detected, the sum of which, multiplied with the coefficient, is used in the valorisation of indicator R3.



## P2 - Real Costs and SUC reporting method analysis and weight/score construction method for compound indicator R1

3. The analysis of expenditure determines the non-validated percentage of the total, by cost category, for each reporting method (real costs and SUC). Data are broken down by public and private partner.

### **Data Collection**

To obtain this data, we run the script with the following URL:

'<https://jems.regione.fvg.it/api/project/report/partner/financialOverview/byPartnerId/> & partnerId & "/byReportId/" & reportId & "/costCategories"

This script provides, similarly to the submitted reports, details of the costs submitted in the report and the cuts occurred, broken down by cost category.

We use this information to create a 'summary sheet', where we divide the reported cost data. This allows us to calculate, for each cost category (actual costs + SUC), the percentage of cut applied.

On the "Submitted Report" tab, we report for each cost category the percentage cut from the summary sheet. To this percentage, in the adjacent column, we apply the following table of weights to determine the impact relative to each cost category.

Determination of the error percentage:

For all cost categories:

**% non-validated real costs = non-validated expenditure real costs/total real costs**

For cost category CUS:

**% non-validated CUS = non-validated expenditure SUC/total SUC.**

We therefore construct the threshold table in order to value: weigh and the impact of errors.

Threshold %		Weight/score
0	2%	<b>0</b>
> 2%	5%	<b>2</b>
> 5%	100%	<b>4</b>

P2 determines the risk of each cost category at real cost.



## METHOD OF EVALUATION OF RISK INDICATORS

### R1 - Risk indicator based on the reporting method by declared expenditure

The indicator returns a score based on the analysis of the reporting methodology selected by the PP and the actual expenditure in the report. The score is calculated using the valuation methods identified in P2, whose sum indicates a value from 0 to 8, the corresponding value of the threshold table determines the final score of the indicator:

ScoresP2		Weight/score
-	2	0
> 2	4	2,1
> 4	6	4,2
> 6	8	6,3
> 8	-	8,4

#### **Data collection**

For each report received, we use the tab **'My Reports'**. In this tab, in column R1- Result, we sum up the results by report ID according to the expenditure submitted for each budget line (BL), according to the result of the P2 analysis. To the result obtained, we apply the predefined weight table in column R1 to determine the final score.

### R2 - Presence of previous Audits of the PP

The indicator returns a score on the basis of the analysis of the partner's previous report, specifically whether they have been subject to administrative checks or not. If the previous report has been subject to an audit, the indicator is not scored, i.e. a score of 8.4 is assigned. If the previous report has not been audited, indicator R3 does not apply.

Administrative check	Weight/score
yes	0
no	8,4

#### **Data Collection**

In the tab **'My Reports'**, a check is made to see whether a checklist exists for the previous report in the tab **'Checklist'**. A specific column checks for the existence of this checklist to determine whether the check has been carried out.



To find the data of the previous report, there is a column for each partner in the tab 'Partner data'. Here a formula is applied to find the date of the last validated report (using a function such as MAX.PIU'.SE). Once the date of the last validated report has been found, the ID of this report is also recorded.

With the ID of the previous report, on the tab 'My Validated Reports' it is checked whether there is a checklist for that report on the tab 'Checklist'. This determines whether the previous report was checked.

### R3 - Errors and Follow-Up of previous PP report

The indicator returns a score on the basis of the analysis of the errors found in the previous PP report based on the programme data with reference to the data processed in the construction of the P1 method.

Frequency threshold + quantity		Weight/score
P1		
0	3	0
> 3	6	3,2
> 6	-	6,4

#### **Data Collection**

In the tab 'My Reports', the sum of the indicator P1 is calculated for each report received, relating to the individual errors detected in the tab 'LIST OF ERRORS' of the previous partner report.

The result obtained is weighted by applying the following predefined weight table, which allows the impact of the errors identified to be assessed.

### R4 - Corrections in Previous PP Reports

The indicator returns a score on the basis of the analysis of previous PP reports related to the presence of corrections, based on the programme data with reference to the data processed in the construction of the P1 method. Unlike the R3 analysis, which focuses on errors in the previous report, R4 examines all errors found in the partner's previous reports. The total result is then divided by the number of validated reports of the partner, providing an average of errors per report. The following default weight table is applied to the final result, allowing the impact of the detected corrections to be quantified.



Frequency threshold + quantity		Weight/score
<b>P1</b>		
0	3	<b>0</b>
> 3	6	<b>1</b>
> 6	-	<b>2</b>

**Data Collection**

In the 'My Reports' tab, the sum of the P1 indicator for each error detected in the 'ERROR LIST' tab is calculated for all the partner's previous reports.

The total result is then divided by the number of validated reports of the partner, giving an average number of errors per report.

### R5 - Budget declared in the report

This indicator returns a score based on the analysis of the size of the expenditure declared in the report. The R5 index is scored according to the threshold table below:

Threshold		Weight/score
- €	10.000,00 €	<b>0</b>
10.000,00 €	20.000,00 €	<b>1</b>
20.000,00 €	30.000,00 €	<b>2</b>
30.000,00 €	40.000.000,00 €	<b>3</b>
40.000,00 €	50.000,00 €	<b>4</b>
50.000,00 €	60.000,00 €	<b>5</b>
60.000,00	70.000,00	<b>6</b>
70.000,00	80.000,00 €	<b>7</b>
80.000,00	10.000.000 €	<b>8</b>

### R6 - Budget variance

The indicator returns a score on the basis of the analysis between the PP's actual expenditure reporting and the time schedule submitted in the Application form, in order to identify any critical points in the expenditure trend.

**Data Collection**

The submission date shows in which reporting period the partner submitted the report and determines the last eligible day for expenditure on that report. The next column shows the project start date as stated in the Integr VI (data export keep). With the project start date and the start date of the reporting window, it is possible to calculate the number of months elapsed between the start of the project and the date on which the report has been submitted.



Given that a project in its initial phase may not be aligned with the reporting period, or may start later, the following table is used for considering the first period within the eleventh month:

Table of periods	Start of period	End of period
Period-1	0	< 12
Period-2	12	< 18
Period-3	18	<24
Period-4	24	< 30
Period-5	30	< 36
Period-6	36	< 42
Period-7	42	< 48
Period-8	48	< 54
Period-9	54	< 60
Period-10	60	< 66

This table can be found in the **'Various Tables'** tab and it is used to calculate the amount that should have been reported up to that point.

For example, for Period-3, the amounts of Periods-1, Period-2 and Period-3 in the AF are added together. With the actual reporting period identified, it is possible to compare the amount budgeted up to that point with the amount actually reported, thus calculating the budget variance, both in absolute value and as a percentage. The percentage deviation obtained is then valued by the weight table R6.

Thresold		Weight/score
- %	10%	<b>0</b>
10%	20%	<b>1</b>
20%	100%	<b>2</b>

## R7 – Public Procurement

The analysis verifies whether the report includes expenditure on public procurement contracts with a budget of more than €10,000 with a minimum expenditure of at least €2,000.00.



The scoring is as follows: 1 point for each public procurement procedure exceeding €10,000 up to a maximum of 3 points - only for the first check of the procurement procedure.

Public procurement	Weight/score
0	0
1	1
2	2
> 3	3

#### **Data Collection**

1. Collection of Public Procurement Data: For each report received, a script is executed that accesses the URL:

<https://jems.regione.fvg.it/api/project/report/partner/procurement/byPartnerId/{partnerId}/byReportId/{reportId}>

This script returns all the public procurement contracts included in the reports, with their details. The data obtained are organised in a tab called 'Public Procurement', which collects all this information.

2. Collection of Expenditure: Then, a further script is executed for the URL:

<https://jems.regione.fvg.it/api/project/report/partner/control/expenditure/byPartnerId/{partnerId}/byReportId/{reportId}>

This script, identified as ListOfExpenditure.bas, returns the list of expenses entered the report for all reports submitted. The data is collected in the 'ListOfExpenditure' tab.

3. Analysis of Expenditure and Public Procurement: on the 'ListOfExpenditure' tab, a column is added to indicate the public procurement ID associated to each expenditure, if any. A column is also added for the amount of public procurement related to each expenditure reported. A column is added with values '1' if the amount of public procurement is greater than €10,000, and '0' if less.

Finally, in column R7 of the 'My Reports' tab, the values obtained in the 'ListOfExpenditure' tab are added together for each report received. The following weight table is applied to the value obtained from this operation.

## **R8 – Suspended expenditure**

The analysis verifies the presence of suspended expenditure in a previous report.

Suspended expenditure	Weight/score
Absence	0
Presence	50

#### **Data Collection**

If for a report ID in the 'List of Expenditure' tab, column 'Contet.parking Metadata', there is at least one entry other than 'null', this means that the submitted report contains at least one previously suspended entry. In this case, a score of 50 is assigned to the SCORE.



## R9 – Follow up

The analysis verifies the presence of follow up in a previous report.

Suspended expenditure	Weight/score
Absence	0
Presence	50

### **Data Collection**

For each report received, the API is launched:

<https://jems.regione.fvg.it/api/project/report/partner/control/controlOverview/byPartnerId/{partnerId}/byReportId/{reportId}>.

The report ID must refer to the last checked report concerning the partner. The API returns the data entered in the 'Summary and Finalisation' tab of the last checked report. Subsequently, a follow up tab is opened. If the field on the follow up tab is different from 'null', a score of 50 points is assigned to the R9 index.

## R10 – More than 40% of the total budget in the report

The analysis verifies if the PP reports more than 40% of the total budget in the report, then it must always be checked.

More than 40% of the total budget	Weight/score
< 40%	0
≥ 40%	50

### **Data Collection**

*For each submitted report, if (total reported amount / total budget in AF) > 40%, then R9 score = 50, otherwise 0.*

## R11 – N. 2 checks by the National Control Structures (Italian or Slovenian)

In case of final report and the PP has not been checked at least 2 times, the following scores apply:



PP has not been checked at least 2 times	Weight/score
≥ 2	0
< 2	50

**Data Collection**

**In case of final report, it is checked the control counter in the partner data. If the counter value is less than or equal to 2, assign 0 points; otherwise, assign 50 points.**

**R12 – Final report below 20% of the PP's total budget**

In case of final report and the expenditure presented is over than or equal to 20% of the partner's total budget, the following scores are applied:

PP has not been checked at least 2 times	Weight/score
< 20%	0
≥ 20%	50

**Data Collection**

**In case of final report, if  $(total\ reported\ amount / total\ budget\ in\ AF) > 20\%$ , then R9 score = 50, otherwise 0.**

**R13 – Final report including investment expenditures**

If the final report includes investment expenditures, the following scores are applied:

Investment expenditures in the report	Weight/score
Absence	0
Presence	50

**Data Collection**

**If infrastructure costs are present in the 'List of Expenditure' tab of the partner's last report, assign 50 points; otherwise, assign 0.**



## RESULTS

The sum of the indices R1, R2, R3, R4, R5, R6, R7, R8, R9, R10, R11, R12, R13 gives the total risk index for the submitted report. Using this methodology, at the end of each reporting window, the reports are classified according to their risk score. This approach allows to identify and monitor the reports with the highest risk. In order to ensure the balance of the sample between public and private partners, a percentage is set for monitoring private partners based on the number of private individuals in the universe of all programme beneficiaries.

### Test

We tested the methodology using data from the reports that were validated and checked in reporting periods 1 and 2. Subsequently, we applied the same methodology to the same reports, treating them as if they had just been submitted. The results of the test are as follows:

Finestra 2	Rendiconti pervenuti	Importo presentato a rendiconto	Importo convalidato	Tagliato	Percentuale taglio	Rendiconti campionati	Importo presentato a rendiconto dei rendiconti campionati	Percentuale controllata	Importo Convalidato dei rendiconti campionati	Tagliato	Percentuale taglio sul totale campionato	Percentuale taglio sul totale presentato	Rendiconti CAMPIONATI NON	Importo presentato a rendiconto dei rendiconti non campionati	Percentuale NON controllata	Importo Convalidato dei rendiconti NON campionati	Tagliato	Percentuale taglio sul totale NON campionato	Percentuale taglio su totale non campionato
148	4.037.957,15 €	3.687.121,42 €	350.835,73 €	8,69%	49	2.120.387,29 €	53%	1.915.056,43 €	205.230,86 €	9,68%	5,08%	99	1.917.669,86 €	47%	1.772.064,99 €	145.604,87 €	7,59%	3,61%	

The test revealed that by analysing only 49 reports, we were able to identify 58.50 per cent of non-validated expenditure. We expect this percentage to improve significantly with subsequent reporting windows, as we will have more historical data at both partner and programme level, which will allow us to further refine the methodology. It is important to note that the test mainly involved initial reporting, the results of which are inherently more variable and unpredictable.

### Monitoring the Methodology

With the adoption of the proposed methodology, we will no longer be able to calculate actual data for the non-sampled population. The only reference data will be the percentage cut in the total number of reports submitted in the reporting window. With reference to the historical data from the 2014-2020 period, which showed an average cut-off of 6.5%, and considering that flat-rate reporting is widely applied in this programme, we can assume that a cut-off percentage above 5% would indicate that the methodology is valid and reliable.

