

# Interact Network Meeting for CAs and BAFs

3-4 December 2025 | Porto, Portugal

**Interact**



Co-funded by  
the European Union  
Interreg

# Agenda/ day one

<p><b>9:30</b></p>	<p><b>10:00</b></p>	<p><b>11:00</b></p>	<p><b>11:30</b></p>	<p><b>13:00</b></p>
<p><b>Welcome and introduction</b></p> <p><b>Interreg implementation</b></p>	<p><b>Common sample, COI, irregularities, anti-fraud</b></p>	<p><b>Coffee break</b></p>	<p><b>Assurance package (Accounts) 2021-2027</b></p>	<p><b>Lunch break</b></p>
<p><b>14:00</b></p>	<p><b>15:00</b></p>	<p><b>15:30</b></p>	<p><b>17:00</b></p>	<p><b>19:30</b></p>
<p><b>Key findings from the Annual Audit Report 2024 of ECA and the Evaluation of the 2014–2020</b></p>	<p><b>Coffee break</b></p>	<p><b>Closure of programmes + AOB</b></p>	<p><b>The end of official part</b></p>	<p><b>Cocktail dinatoire</b></p>

# Agenda/ day two

9:15

Reconnection  
and recap

9:30

Post-27

11.15

Coffee break

11:45

Current  
challenges

12:45

Lunch

End of the  
meeting!



# Programme Closure

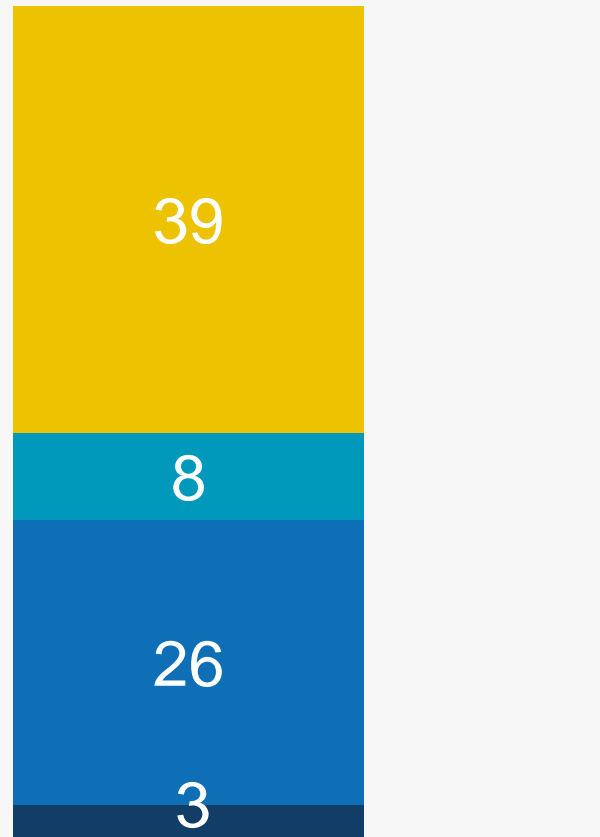
- 2021-2027 period
- 2014-2020 period



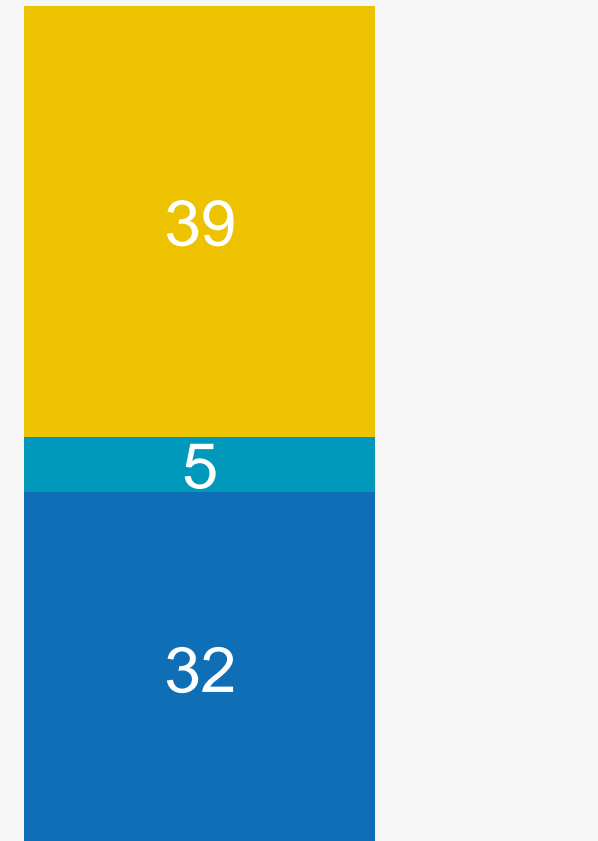
# 2014-2020

## Programme Closure (as of 17.11.2025)

Submission



Status of the programme



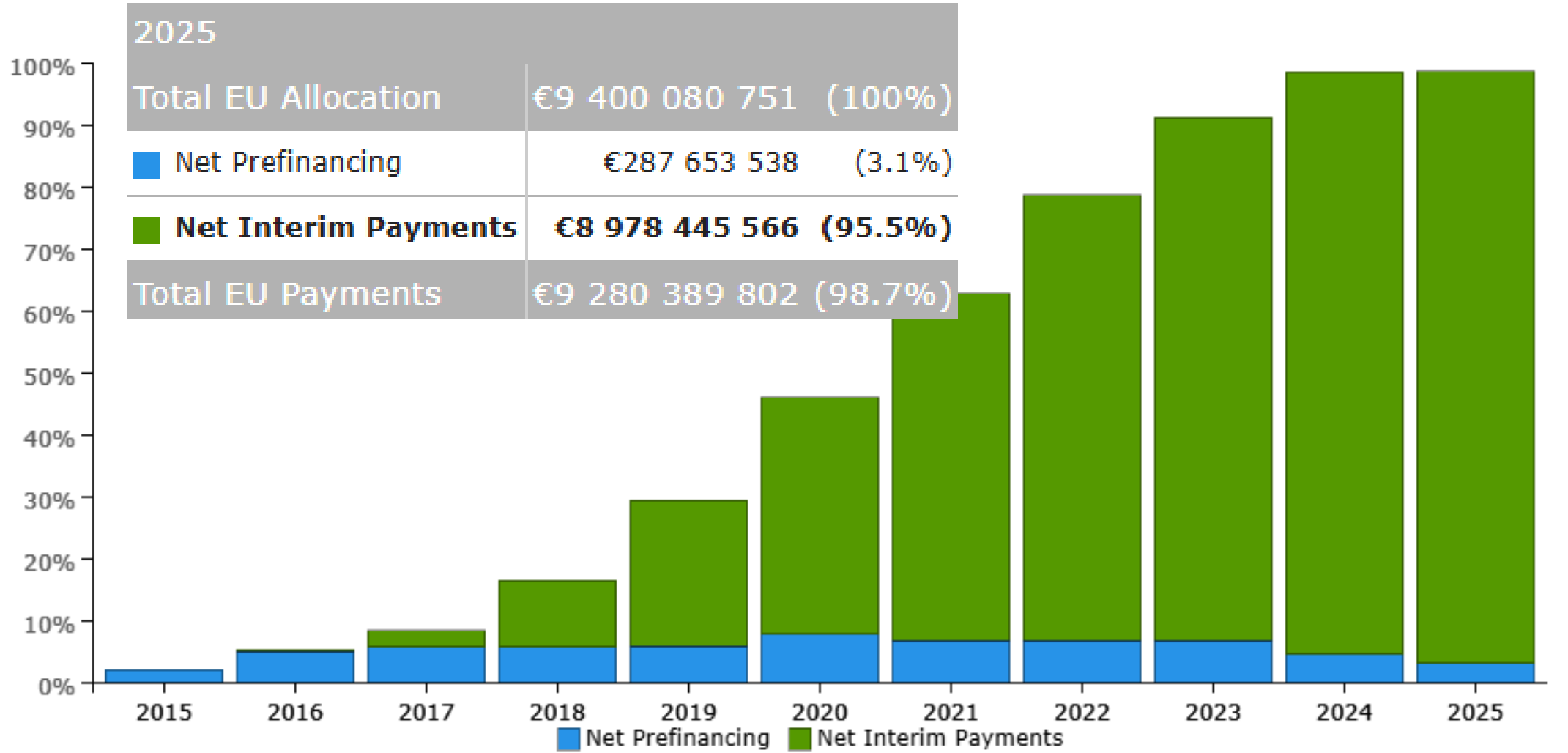
■ in 2024      ■ by 15/02/25  
■ later in 2025      ■ not yet

■ closed    ■ open    ■ not yet

# ESIF 2014-2020: Total EU payments all ESI Funds – time series cumulated to the end of each year (daily update): Interreg

[Explore this Data](#)

[Export Image](#) [Share to twitter](#) [Embed Chart](#)



# Takeaways from early closing programmes (2014-2020)

## Central Baltic & Estonia-Latvia

Co-operation with programme authorities

Just a regular accounting year – with some specialities

Start in time

Control your numbers

Excluding “suspicious” expenditure from accounts

Commission will calculate the Final Balance – in the end the numbers will match



# State of play

## Implementation of 21-27 Programmes



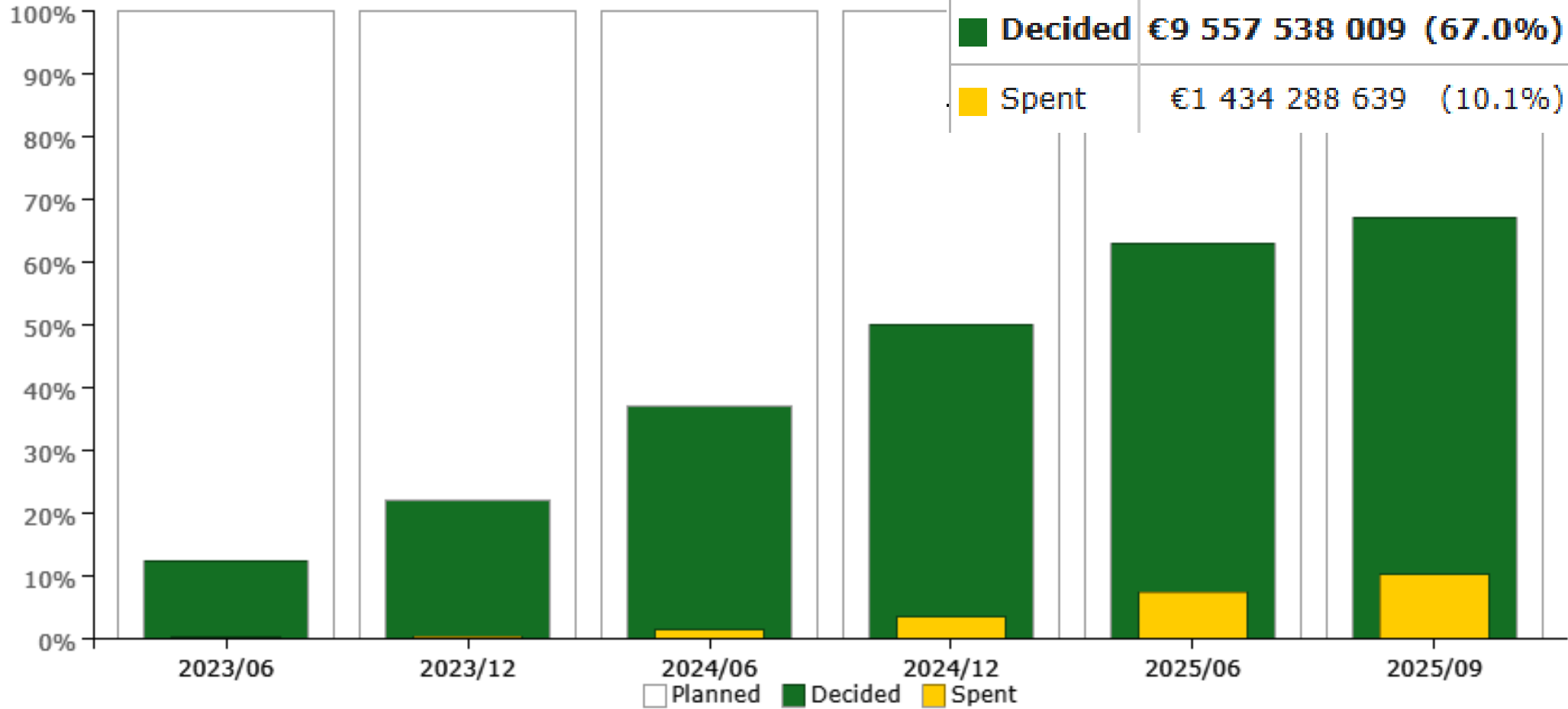
2021  
2027

# Implementation progress (total cost) for Interreg

Explore this Data

2025/09

Planned	€14 267 759 385 (100.0%)
<b>Decided</b>	<b>€9 557 538 009 (67.0%)</b>
Spent	€1 434 288 639 (10.1%)



Period Covered: up to 30/09/2025

Refresh Date: 14/11/2025

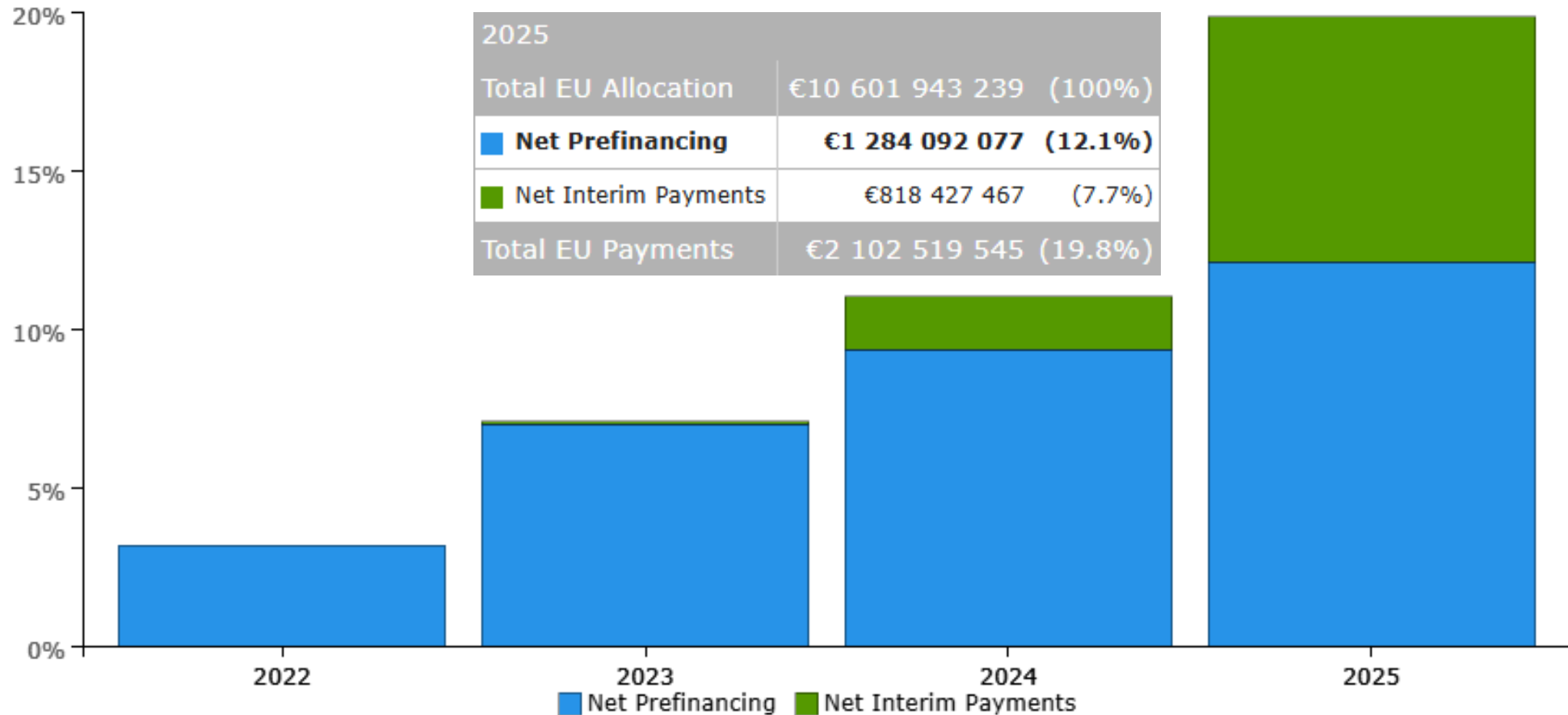


2021  
2027

## 2021-2027: Total EU payments – time series cumulated to the end of each year (daily update): Interreg

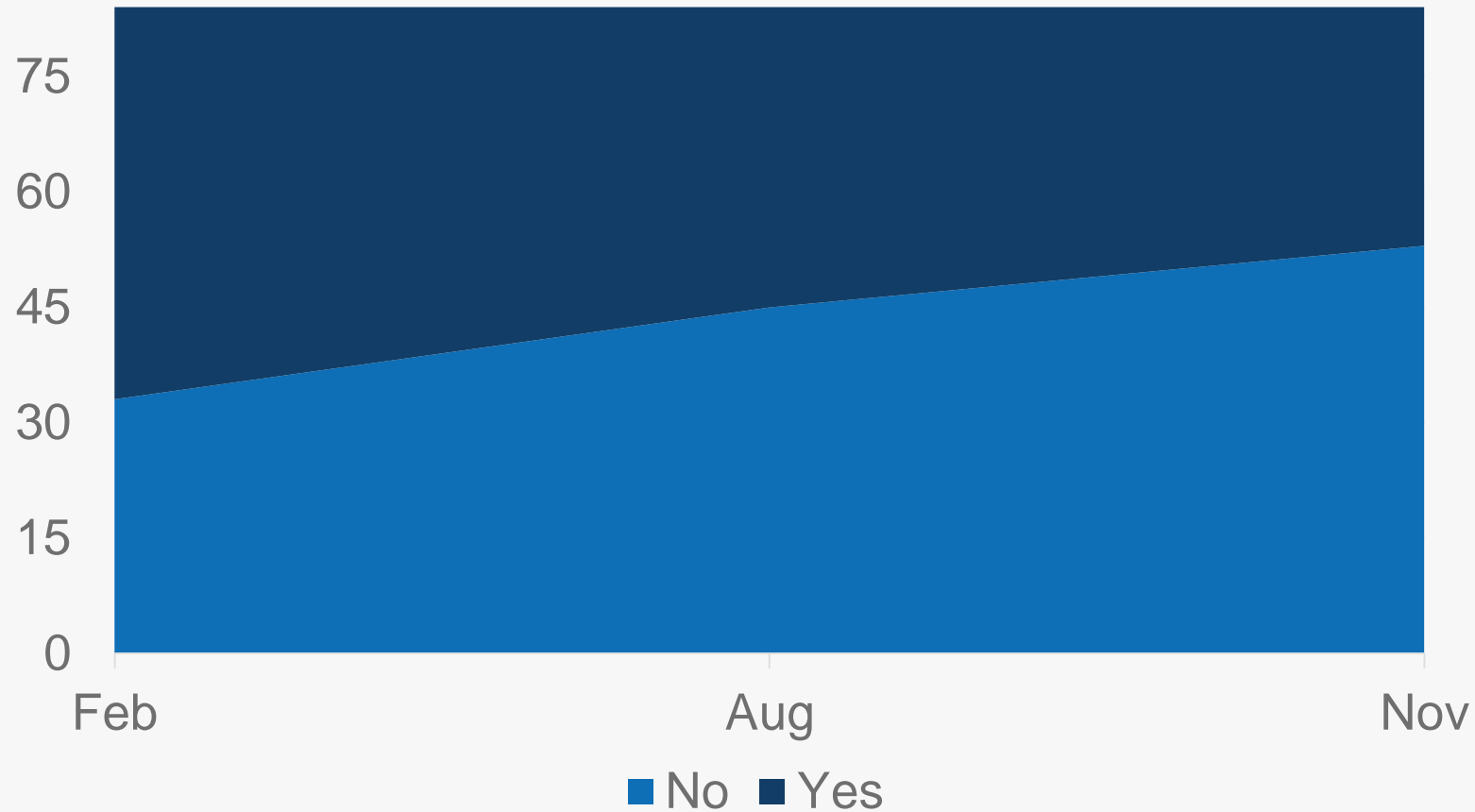
[Explore this Data](#)

[Export Image](#) [Share to twitter](#) [Embed Chart](#)



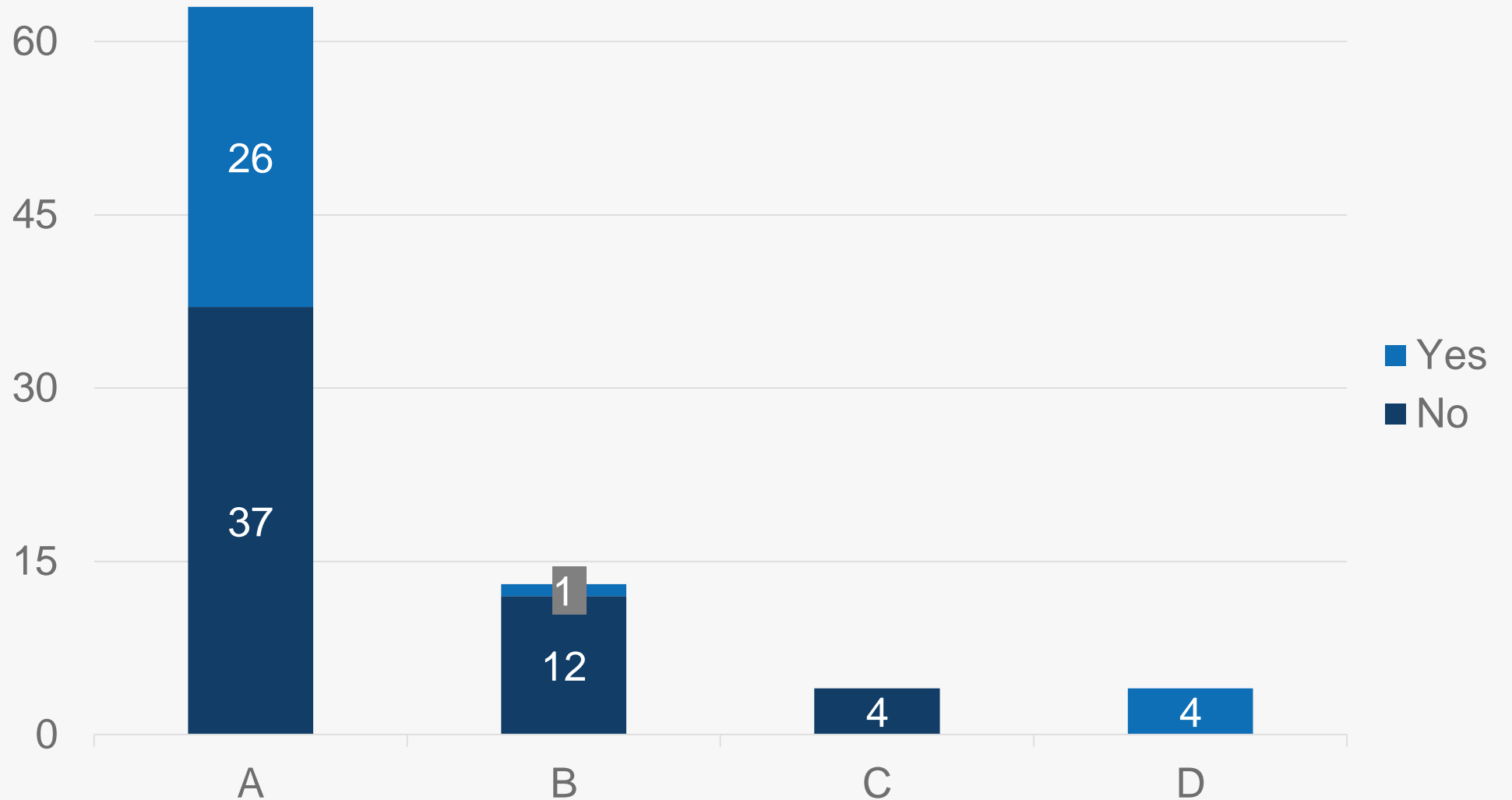
Refresh Date: 14/11/2025

# Programmes at risk of decommitment (Feb- Nov 2025)



# Programmes at risk of decommitment per strand (as of 17.11.25)

Amounts at risk: 153 M€



# N+3 decommitment in 2021-2027

## Commission Explanatory Note

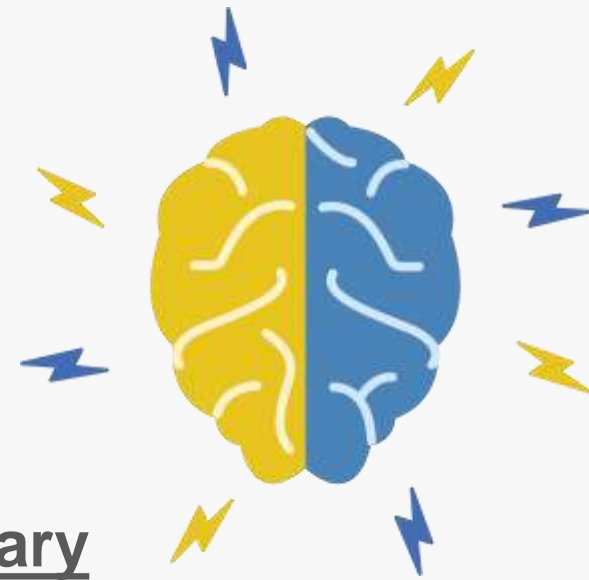
from 31 May 2024 describing the methodology and procedure

## First N+3 decommitment target is 31/12/2025 (for 2022 commitments)

- All allocations of the programme until 2022 included
  - Minus the pre-financing for years 2021-2025
  - Minus payment applications submitted by 31/12/2025

[Decommitment calculator](#) available

# Decommitment in case of amendments



The yearly targets are calculated based on budgetary commitments; it is the year when the budgetary commitment was made that is taken as a reference.



A programme amended in 2023 with an increase of the 2022 allocation, that was budgetary committed only in 2023: **amended part is considered for the 2026 target** (and not 2025 target)

# N+3 decommitment in 2021-2027

## Steps and timing

- Warning letter in February of year N+3
- Reminder in autumn of year N+3
- (Re)assessment on the financial outcome of year N+3 in January of year N+4
  - Amount to decommit established on programme level
- **Adjusting the budget per priority and per fund** by Programme by submitting amended financial plan by 30th June N+4

# Key practices to speed up spending (programme, project & control levels)

## 1. Programme-level acceleration

- Simplify and digitalise processes (e-signature, separated financial/content reporting).
- Use SCOs to shorten reporting and certification cycles (with proper controls).
- Manage calls strategically: early calls, additional/thematic calls, seed-money calls.
- Activate transparent waiting lists to reallocate savings quickly.

## 2. Project-level measures & monitoring

- Strengthen monitoring through mid-term reviews and regular checks of disbursement plans.
- Identify early risks (procurement delays, liquidity issues, unrealistic financial plans).
- Speed up certification via partial claims, reallocations to strong projects and adjusted co-financing.
- Support beneficiaries with guidance, training and continuous communication.

## 3. Verification, control & absorption capacity

- Reinforce control and verification capacity during peak periods to avoid backlog.
- Focus on high-risk areas, especially procurement, and use preventive checks.
- Build absorption capacity via partnership fairs, matchmaking tools and outreach.
- Ensure coordinated MA–JS–Controllers cooperation for smoother financial flow.

# Good practice examples from Interreg programmes

- **Baltic Sea Region (BSR)**
  - Accelerated contracting
  - Faster spending through extensive use of SCOs (real costs reported only every second report).
- **Central Europe (CE)**
  - Disentangled reporting: finance and content reported separately to speed up verification.
  - Structured mid-term reviews to detect delays early and allow corrective actions.
- **IPA Adrion**
  - Faster project start through preparation-cost lump sums and simplified reimbursement procedures.
- **CZ–PL 2014–2020**
  - Extra calls to boost absorption (e.g. thematic and post-COVID calls).
  - Transparent waiting lists to immediately reallocate unspent funds to reserve projects.
- **North-West Europe (NWE)**
  - Annual appraisals of project performance to improve forecasting and reallocation.
- **DE–DK**
  - Mandatory mid-term and final external evaluations to verify delivery and adjust planning.
- **South Baltic / AT–CZ**
  - Matchmaking platforms, partnership fairs and awareness activities to strengthen project pipelines and accelerate contracting.

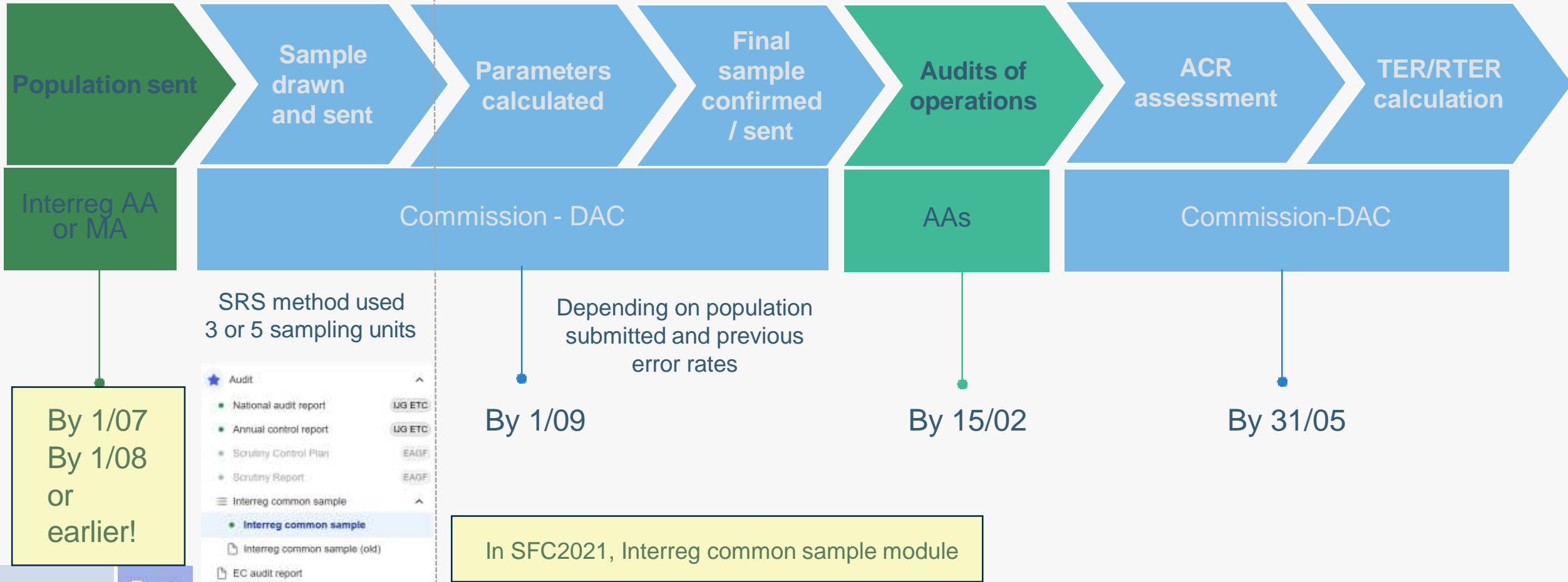
# Interreg Common sample

**Interact**



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# Workflow and timeline



# 1st exercise

- 3<sup>rd</sup> Accounting year 2023/2024
- 15 programmes submitted the population
- Compliance audit by DAC.6 on KR11, KR13, KR15 performed in February 2025
- 8 projects (1 per programme) selected
- No findings with financial impact

Following the assessment of the reported results of the audits of operations (in line with Article 49(6) of the Interreg Regulation 2021-2027), I am pleased to inform you that the Commission services have calculated the global extrapolated error rate with regard to the 15 Interreg programmes that reported expenditure and were thus included in the population from which the common sample was selected: the global extrapolated error rate for the group of 15 Interreg programmes is **0.07%**.

# ACRs 2021-2027 programming period

Type of errors	All (no.)	Interreg (no.)	All (EUR)	Interreg (EUR)
Ineligible expenditure	175	5	20,071,334.91	525.67
Public procurement	51	-	9,326,915.40	-
Missing supporting information or documentation	123	12	4,223,879.94	214.31
State aid	12	1	1,070,937.71	-
Ineligible project	3	-	741,306.00	-
Simplified Cost Options	26	1	298,614.46	7.54
Sound Financial Management	14	1	134,747.85	-
Equal Opportunities / Non discrimination	13	-	25,199.38	-
Financial Instruments (FIs)	12	-	760.90	-
Information and publicity measures	22	-	359.26	-
Performance indicators	9	1	-	-
Separate accounting records	2	-	-	-
Environmental rules	1	-	-	-
<b>Total</b>	<b>463</b>	<b>21</b>	<b>35,894,055.81</b>	<b>747.52</b>

# EC Findings

## Project level findings

Lack of publicity on beneficiaries' websites

Public procurement: lack of justification for negotiated procedure

Ineligible expenditure not linked to the project

Travel and accommodation costs declared before travel took place

Double funding: same cost categories covered through 2 forms of reimbursement



# EC Findings Checklists

To cover all necessary aspects

To provide sufficient information on audit tests performed

To avoid Yes/No answers (especially in case of State aid analysis, public procurement, conflict of interest, double funding checks)



# 2nd exercise

- 4<sup>th</sup> Accounting year 2024/2025 (1 July 2024 – 30 June 2025)
- 48 programmes submitted the population by 1 July / 1 August 2025
- Audits of operations running – first audit reports
- Assurance package for this acc. year to be submitted by 15 February 2026



# When sending the population...



Use the template agreed with the Commission

Fill in all data (including category, partner no. in operation)

~~Remove all partners with 0 expenditure~~

All amounts are positive

Column I is to be used for withdrawals in the given accounting year of expenditure related to previous accounting years

# When sending the population...



Sampling unit = cumulated partner expenditure in an operation in an accounting year

No double recordings

For SPF, expenditure to be declared at the level of the beneficiary

AA reconciliation necessary

AA contacts to be added to the list of “Officials in charge” (in SFC) to get notifications

**Anti-fraud measures**  
**Conflict of interest**  
**Financial corrections**

**Interact**



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# Conflict of interest



# Definition of Conflict of Interest

“where the **impartial** and **objective exercise of the functions** ... is **compromised** for reasons involving **family, emotional life, political or national affinity, economic interest** or any other direct or indirect personal interest.”

Article 61, FR 2018





Peter

Anna

# Case 1

Imagine that A&P are colleagues

A is a project manager in an Interreg project

P is a finance manager and reports to A who is his superior

Is there a perception of Col?

But suddenly A falls in love with P and now they are a couple.

What needs to be done in this case? Is there a Col now?

## Case 2

Imagine that A&P is a married couple

A is a Project manager in an Interreg Project

P has a brother who is unemployed

A offers a contract to P's brother to work as finance manager for the next 4 years

Is there a perception of Col? What would you do with this Project?

# Case 3

Imagine that A&P is a married couple

A is a Project manager in an Interreg Project

P works at the MA/BAF

P makes a bank transfer to the project according the payment request submitted by A.

Is there a perception of Col? What would you do?

# Case 4

Imagine that A&P is a married couple

P is public procurement specialist Interreg Project  
(Contracting authority)

A has one-man company offering publicity services

P offers a direct contract to A for 20 000 EUR (below the EU  
and national threshold) to design project publicity materials

Is there a perception of Col? What would you do with this  
contract?

# Case 5

Imagine that A belongs to the board of the institution which implements EUR 8 million Project.

There is a public procurement over the PP threshold

Starprize company is granted contract. A is a beneficial owner of the Starprize company, but at the same time is in the board of the institution which was the granting authority. A signed a declaration of absence of Col.

Is there a Col? What would you do with this contract?

# Case 6

Imagine that P prepares terms for reference for a public procurement procedure.

P later joins the tender committee.

P signs the declaration of impartiality despite previous involvement.

MA failed to verify the impartiality declarations.

Is there a Col? What would you do with this contract?

# Unaddressed CoI - consequences

- Unresolved conflict of interest is considered an irregularity
- Corrective measures necessary (recoveries, penalties ...)
- **“100 % CORRECTION – GOOD DETERRENT EFFECT”**
- CoI is not a fraud directly, but false statements are -> declarations of impartiality
  
- Legal acts may contain additional clauses to address irregularities

# CoI Summary 1

- MC/programme/project level/public procurement contractor/subcontractor/controller/MA/BAF/auditor
- Systematic risk analysis
- Use of declarations of impartiality/declarations of conflict of interest - CoI can pop up unexpectedly and needs to be reported
- System of declaration of impartiality exists at all levels of verification
- Declarations of impartiality checked against hard evidence
- Potential conflict is sufficient – the negative effect does not have to be justified

# CoI Summary 2

- Obligation to notify a risk of CoI to a hierarchical superior
- Use of Arachne / national court and business registers / beneficial owners registers
- Proper reporting (Document all the checks you do, screenshots)
- Red flags: the same surname and the same address
- What about small communities where people can be in family relations?
- Awareness-raising on CoI
- Protection of whistle blowers – no repercussions

# Conflict of interest

[DG Budget's Webinar on Conflict of Interest, 08.06.2023](#)

Webstreaming + presentations

Conflict of Interest guidelines

[Technical Meeting with Audit Authorities, 12.12. 2024](#)

14:20 – 16:07

**Link expires on 11.12.2025**

Guidance + best practices in the folder



Brussels, 16.7.2025  
COM(2025) 546 final

**WHITE PAPER**  
**for the Anti-fraud Architecture Review**

# Double funding

Grants shall be subject to the principles of:  
(d) non-cumulative award and no double financing;

FR, Article 188

- “In no circumstances shall **the same costs** be financed twice **by the budget.**”

FR, Article 191(3)

# Double funding in Interreg

1. The costs for accounting in an Interreg operation were declared as real costs even if the Programme used the 15% flat rate for indirect costs (covering also accounting).
2. The same staff of an operation was simultaneously employed in four other projects, which lead to over declaration of hours worked and of expenditure declared (400%) .
3. The project approved in one programme was submitted as the same proposal to another programme (keep.eu, Index).



# Double funding

## Demarcation

- a timing criterion (RRF, 2014-2020, 2021-2027)
- a theme criterion (eligible themes covered)
- a beneficiary criterion (specific types of beneficiary)
- a territory criterion

## Delination

- different implementation phases
- breaking down different cost items and attributing

# Double funding



# Financial corrections

## Article 103 corrections

### Financial corrections by Member States

Member States shall protect the Union budget and apply financial corrections by cancelling all or part of the support from the Funds to an operation or programme where expenditure declared to the Commission is found to be irregular. (...)

The support from the Funds cancelled may be reused by the Member State within the programme concerned except for an operation that was subject of that correction or, where a financial correction is made for a systemic irregularity, for any operation affected by the systemic irregularity.

## Article 104 corrections

### Financial corrections by the Commission

In 2021-2027 all irregularities (irrespective of the amount) contained in accepted accounts, and which were not detected and reported first by the MS but are identified by EC or ECA audits or OLAF investigations will lead to net financial corrections except for:

- 1.the MS removes the amounts from the accounts before their submission or acceptance;
- 2.the MS detected (and reported) the irregularity first even if the irregularity was not correctly treated in the accounts.

# Reporting in IMS

## Template for electronic reporting via the Irregularity Management System (IMS) – Annex XII to CPR

IMS access usually coordinated by national Anti-Fraud Coordination Service (AFCOS)

IMS used in 35 countries (EU+IPA)

Non fraudulent / fraudulent irregularities

The screenshot displays the AFIS PORTAL interface for creating a case. The main content area is green and contains the following information:

- REQUEST TO CREATE A CASE: 141**
- Reference number - OLAF - AMIR / PS / IR / 2017 / 141
- Programming period: 2014-2020
- Currency: EUR
- Request ID: 010
- Request origin: User Input
- [View history](#)

Below this information is a horizontal navigation bar with 11 tabs:

- 1 Identification
- 2 Personal data
- 3 Operation - general
- 4 Operation - Specific - Project
- 5 Operation - Specific - Agriculture
- 6 Irregularity
- 7 Detection
- 8 Amounts
- 9 Recovery
- 10 Sanctions
- 11 Comments

The 'Identification' tab is active, showing the following form fields:

- 1.1 Fund:** A dropdown menu with a search icon.
- 1.2 Year:** A dropdown menu.
- 1.3 Programming period:** A dropdown menu with the value '2014-2020' selected.
- 1.4 Reference number - national:** A text input field.

At the bottom of the form, there are five buttons: 'Save as draft', 'Finalise', 'Delete request', 'Export', and 'Cancel'.

# Reporting in IMS

## Irregularities to be reported

1. have been the subject of a first written assessment by a competent authority, either administrative or judicial (PACA)
2. give rise to the initiation of administrative or judicial proceedings at national level in order to establish the presence of fraud or other criminal offences (suspected fraud)
3. preceding a bankruptcy;
4. for which the Commission submits a written request for information to the Member State following the initial reporting from a Member State

# Reporting in IMS

## Irregularities not to be reported

1. for an amount lower than EUR 10 000 in contribution from the Funds, BUT if interlinked and total amount > EUR 10 000 have to be reported
2. Consist solely of failure to execute an operation included in the co-financed programme owing to the non-fraudulent bankruptcy
3. cases reported to MA / BAF by the beneficiary voluntarily and before detection by either authority, whether before or after the payment of the public contribution, **BUT suspected fraud YES**
4. cases which are detected and corrected by the managing authority before inclusion in a payment application submitted to the Commission, **BUT suspected fraud YES**

# Irregularities in 2021-2027

## When to report?

Report irregularities within two months following the end of each quarter from their detection or as soon as additional information on the reported irregularities becomes available.

immediately report irregularities if other Member State is concerned or repercussions outside MS territory.

Suspected fraud reported without delay to prosecutor / police / OLAF / EPPO depending on the national provisions!

Reporting in IMS does not institute any legal proceedings!



# Irregularities in 2021-2027

## Who reports?

The Member State in which the irregular expenditure is incurred by the beneficiary and paid in implementing the operation shall be responsible for reporting

For programmes under the European territorial cooperation goal (Interreg), **the reporting Member State shall inform the managing authority and the audit authority of the programme.**



# Risk scoring systems (Arachne+)

Providing the data will be obligatory under the next MFF:

## on the recipient, legal person

- recipient's full legal name, VAT identification number or another unique identifier established at country level
- the address
- the beneficial owner(s) of the recipient, where the recipient is not a natural person: the first name(s), last name(s), date of birth, and VAT identification number(s) or tax identification number(s) where available or another unique identifier at country level

## on the recipient, natural person

- the first and last name; the date of birth;
- the region on NUTS 2 level when the recipient is a natural person and is domiciled in the Union or the country when the recipient is a natural person and is not domiciled in the Union;

# Risk scoring systems (Arachne+)

## on the operation:

- the amount committed and, in case of a commitment with multiple recipients, the breakdown of this amount per recipient where available;
- the nature and purpose of the measure.

Article 36, recast Financial Regulation

# Risk scoring systems (Arachne+)

## Annex 1: Consolidation of risk indicators

Current Arachne Risk Indicators	Arachne+ Risk Indicators
4.1.1 Lead time between publication and contract signature	4.1.1 Lead time between publication and contract signature
4.1.2 Percentage disqualified tender offers vs received	4.1.2 Percentage disqualified tender offers vs received
4.1.3 Number of valid tenders	4.1.3 Number of valid tenders
4.1.4 Contracted amounts via restricted procedures / total project cost	4.1.4 Contracted amounts via restricted procedures / total project cost
4.1.5 Number of contract addenda compared to sector average	4.1.5 Number of contract addenda compared to sector average
4.1.6 Financial correction	4.1.6 Financial correction
4.2.1 Contractors with invalid VAT number	4.2.1 Contract companies with invalid VAT number
4.2.2 SubContractors with invalid VAT number	<b>consolidated with 4.2.1</b>
4.2.3 Contract addenda cost vs project cost	4.2.3 Contract addenda cost vs project cost
4.2.4 Contract addenda cost vs contracted amount	4.2.4 Contract addenda cost vs contracted amount
4.2.5 Difference between final contract end date and initial contract end date	4.2.5 Difference between final contract end date and initial contract end date
4.2.6 Number of consortium members	4.2.6 Number of contract companies
4.2.7 Contract modifications	4.2.7 Contract modifications
4.2.8 Key experts change	4.2.8 Key experts change
4.2.9 Key experts linked to multiple projects	4.2.9 Key experts linked to multiple projects
4.2.10 Contracted amount vs annual turnover of the contractor	4.2.10 Contracted amount vs annual turnover of the contractor
4.2.11 External service provider	<b>consolidated with 4.2.6</b>
4.3.1 Project costs outside eligibility period - before start date	4.3.1 Project costs outside eligibility period
4.3.2 Project costs outside eligibility period - after end dat	<b>consolidated with 4.3.1</b>
4.3.3 Difference between invoice and payment dates	4.3.3 Difference between invoice and payment dates
4.3.4 High percentage of cost allocated at the end of the project	4.3.4 Suspicious expense patterns
4.3.5 Expenses with round amounts	<b>consolidated with 4.3.4</b>

# EDES

- Information on cases of early detection, exclusion and/or financial penalties
- Info about entities, in certain cases of fraud or conflict of interest confirmed by a final judgement or administrative decisions and reported by MS
- EC to grant access to EDES to “all persons and entities involved in budget implementation”
- all persons and entities involved in budget implementation shall enforce such decisions with regard to the person or entity applying for or selected to implement Union funds;


Article 144, recast Financial Regulation 2024

# Whistle-blowers

One whistle-blower can be 100 times more effective than 100 of hours spent on data-mining



← ↻ <https://www.interreg-central.eu/anti-fraud/> ⌵ ⌵ ⌵ ⌵ ⌵ ⌵

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## How to report fraud

If you suspect fraud or corruption linked to funding from the Interreg CE Programme, please get in touch with the [Managing Authority](#).

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### Legal information

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- [Data transmission](#)
- [Cookie policy](#)
- [Fraud fight statement](#)
- [Imprint](#)

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[f](#) [in](#) [v](#) [i](#)





# What Audits and Evaluations Teach Us

**The Interreg Path from 2014–2020 through 2021–2027 and Looking Ahead to 2028+**

Porto, 3-4 Dec 2005



# Purpose of the Session

## BAF meeting - Porto 2025

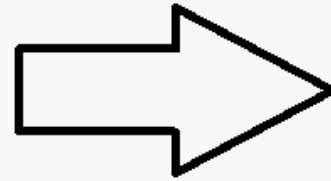
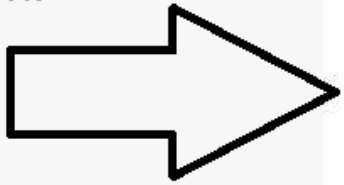
### Purpose

- Understand **EU-wide error dynamics** with a focus on **cohesion** and their relevance for Interreg.
- Identify **root causes of errors**: procurement, eligibility/SCOs, and systemic weaknesses in management and control systems.
- Analyze how these weaknesses affect **risk at payment, annual accounts and assurance packages** in the 2021–2027 period.
- Translate cross-cutting findings into **concrete lessons and recommendations for Interreg programmes**.

The aim of this presentation is to show the broader context for your work with Interregs and the factors that may influence it.

The anthill symbolises the EU budget as well as the performance framework and results generated through the implementation of EU policies.

your work



impact to  
territory



accounting year

EU cohesion

# Sources:

- *ECA Annual report on the implementation of the EU budget for the 2024 financial year 2024*
- *AAR 2024 – Annual Activity Report (DG REGIO & DG EMPL)*
- *Reflection Paper on Audit Documentation (DG REGIO Audit Community)*
- *Ex Post Evaluation of ERDF & CF 2014–2020 (SWD 2025)*
- *Mid-term Evaluation 2021–2027 – Annex 6.5 Interreg Fiche (2025)*
- *Open Cohesion Data (EU Cohesion Open Data Platform)*
- *RV-2025-02 – Review Document on Cohesion Delivery System (2025)*

# Cash flow from the EU budget. Acceleration needed

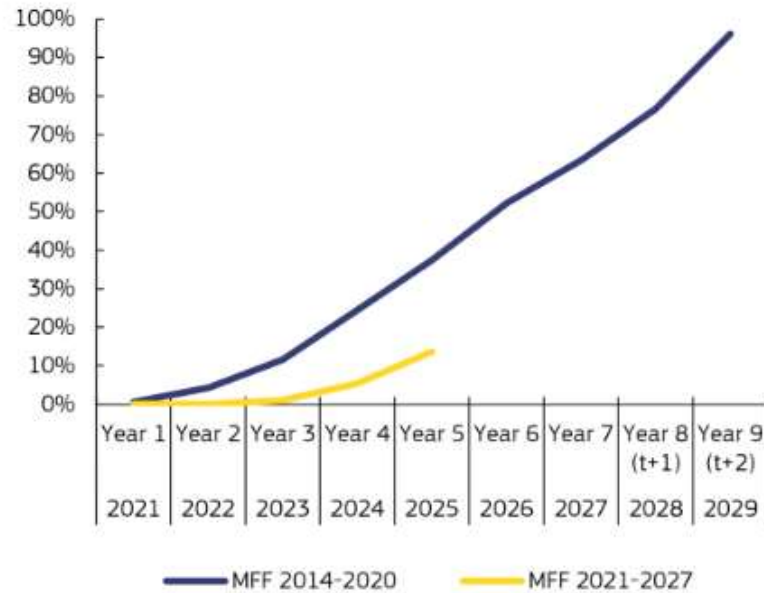
Implications of COM(2024) 276 - Report From The Commission To The European Parliament And The Council. Long-term forecast of future inflows and outflows of the EU budget (2025-2029) – (relevant for Interreg 2021–2027 also)

- The Commission’s 2025–2029 payment forecast shows a critical gap between allocations and current absorption.

Implementation of 2021–2027 programmes is significantly delayed, creating a **real risk of major decommitments** in the second half of the period.

- *Interreg programmes must shift into “high-implementation mode” in 2025–2027 — combining faster absorption with stronger quality control to protect budgets and ensure reliable annual accounts and assurance.*

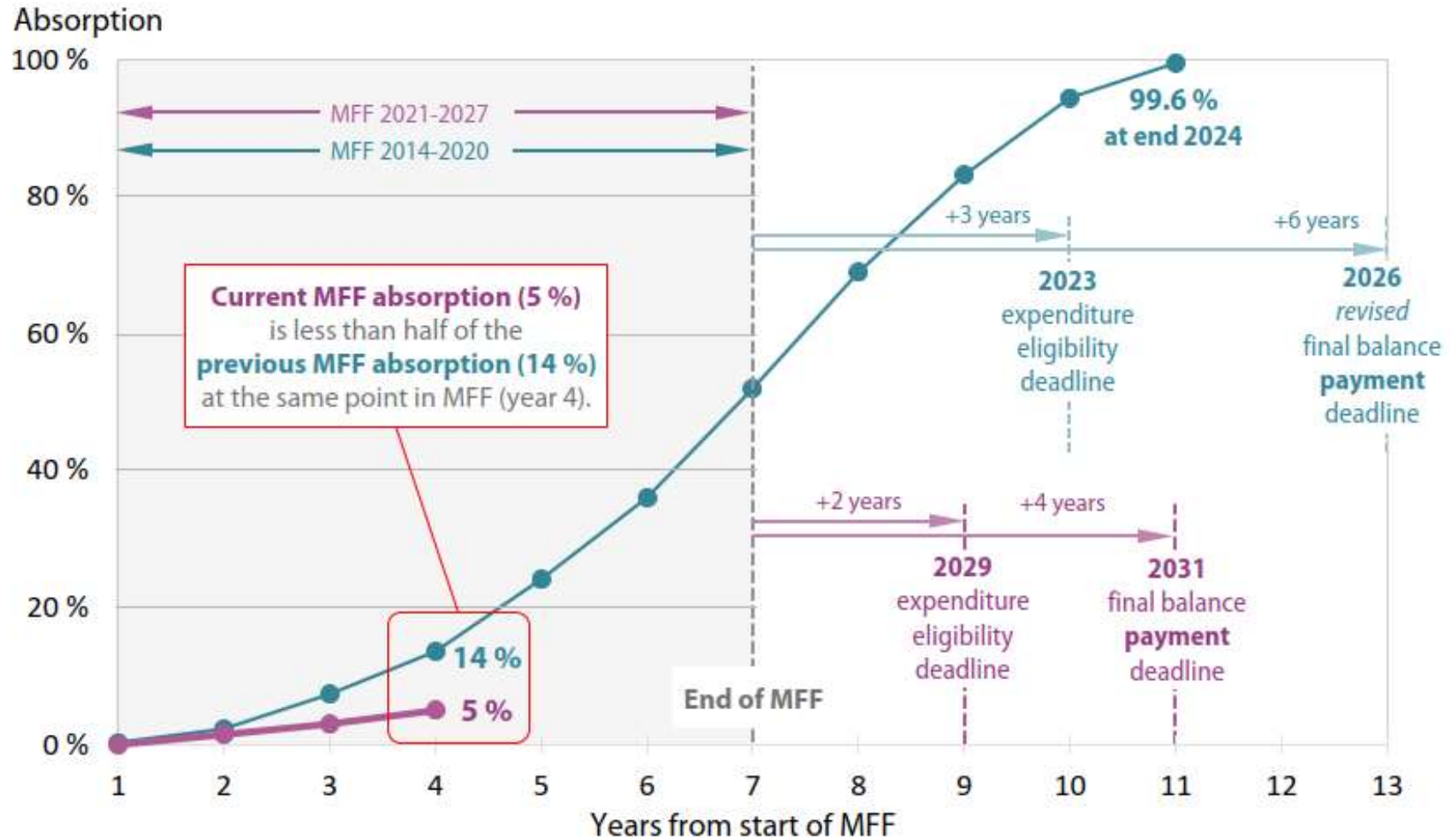
Graph 1: Cumulative cohesion policy spending in the EU (% of total envelope)



The horizontal axis shows the implementation years of the current Multiannual Financial Framework, and the respective years of the previous MFF cycle. The figure for 2025 is an estimate based on spending data for January-August.

Source: Cohesion Open Data Platform.

**Figure 2.7 – Implementation of cohesion funds in year 4: current MFF at less than half the rate of the previous MFF**



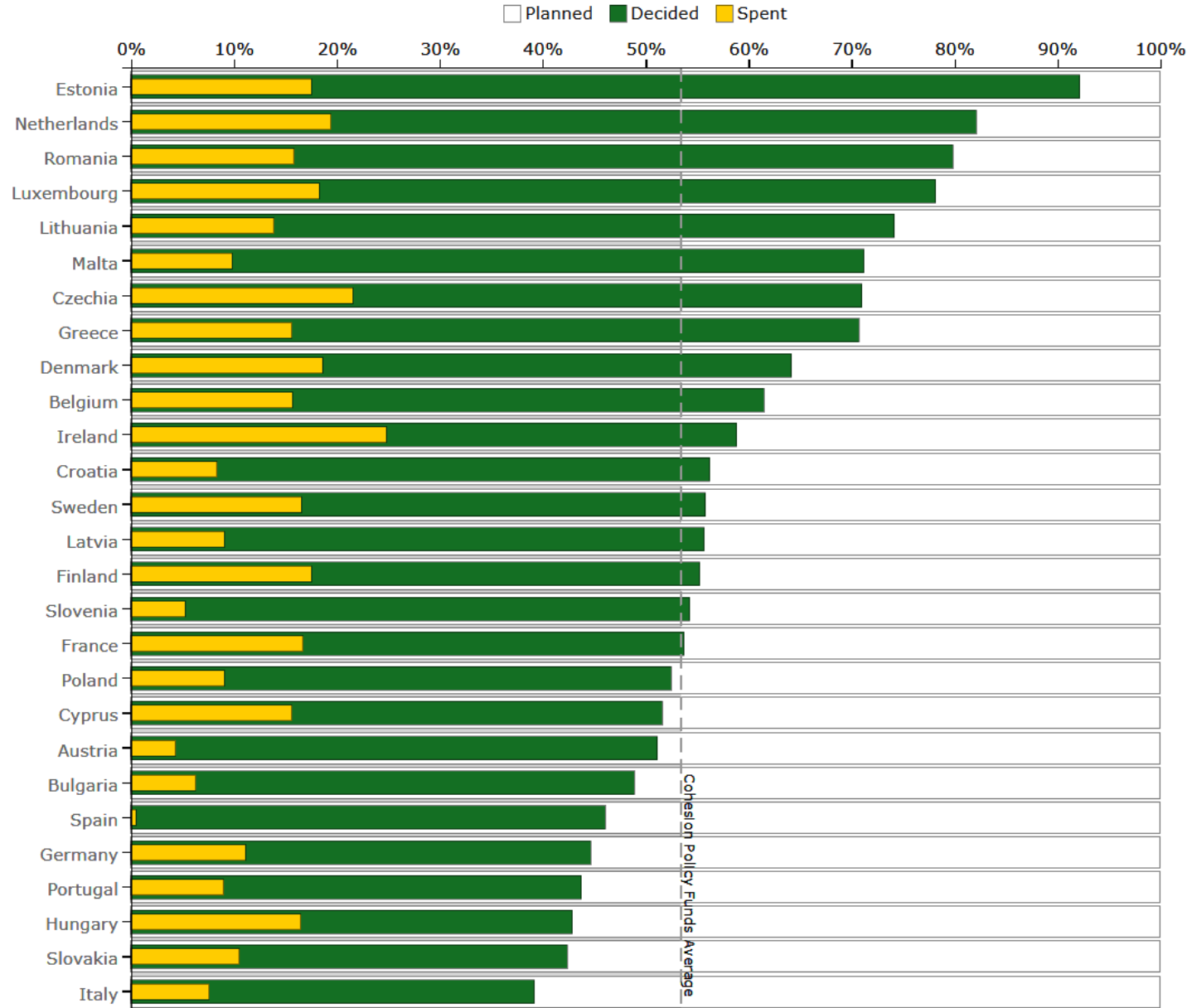
*Note:* Including prefinancing and interim payments.

*Source:* ECA, based on [Commission's open data platform](#) as at 6 January 2025.

2021-2027: Cohesion Policy financial implementation (total cost) by Country

Explore this Data

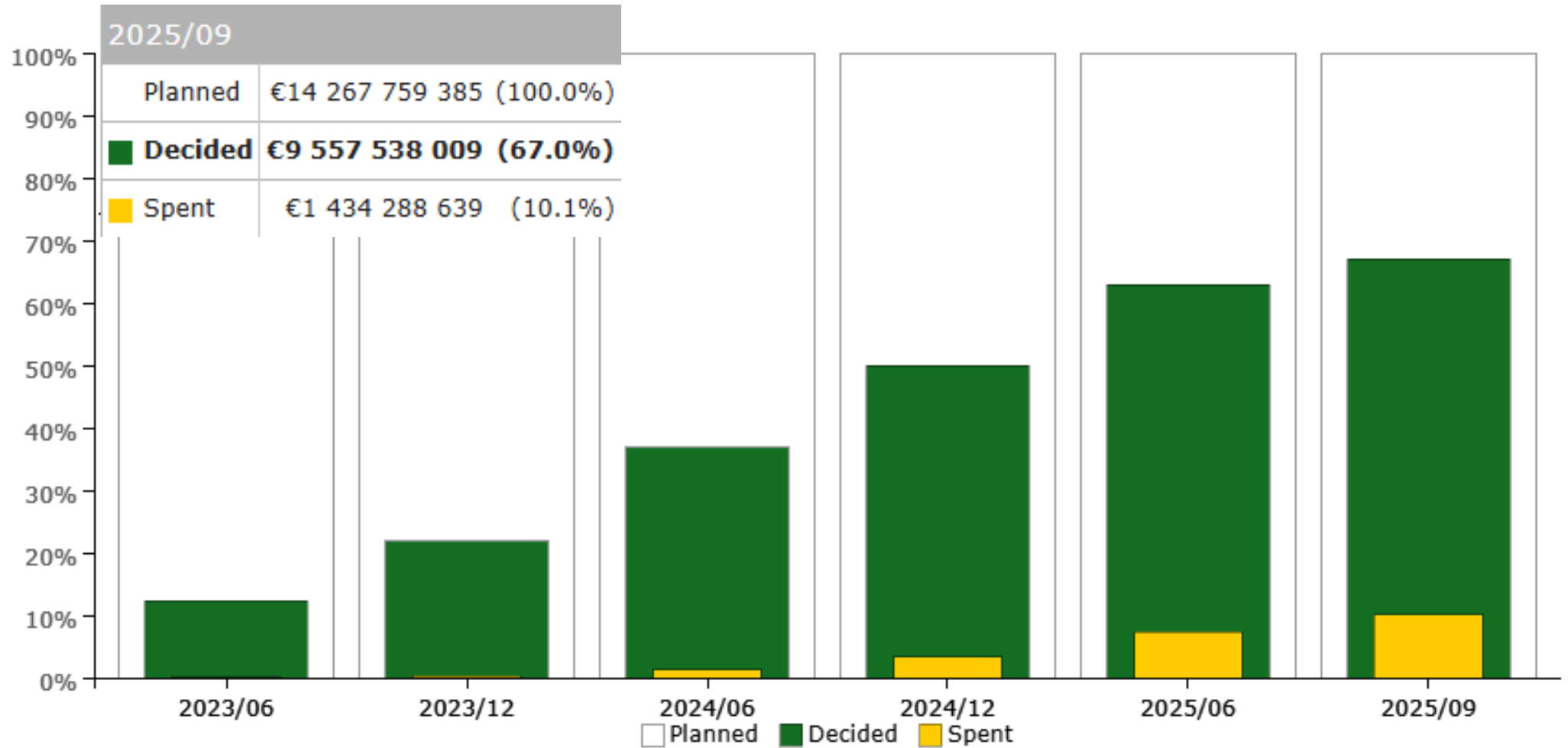
Export Image Share to twitter Embed Chart



**2021  
2027** Implementation progress (total cost) for Interreg

Explore this Data

Export Image Share to twitter Embed Chart



Period Covered: up to 30/09/2025

Refresh Date: 14/11/2025

# EU-wide Error Landscape (2024)

## Audit & Error Rates

- Commission assessed **22/119 audit authorities** (15 MS + UK), covering **30 assurance packages**.
- Audit authorities reported **RTER  $\leq$  2%** in all but one case.
- After Commission + ECA checks, **16/30 packages** showed **RTER > 2%**.

## Risk at Payment (2024)

- **EU budget overall: 1.6%. Cohesion policy (Heading 2 incl. Interregs): 2.9%** (DG estimates).
- **All cohesion funds combined: 2.3–3.2%**. DG REGIO & DG EMPL conclude that **material irregular expenditure persists** in 2024 accounts.

## Method (context)

- Amount at risk = **weighted RTER for 2022–2023**  $\times$  *relevant 2024 expenditure* (excluding new pre-financing; including retentions and cleared pre-financing). **ECA Context**

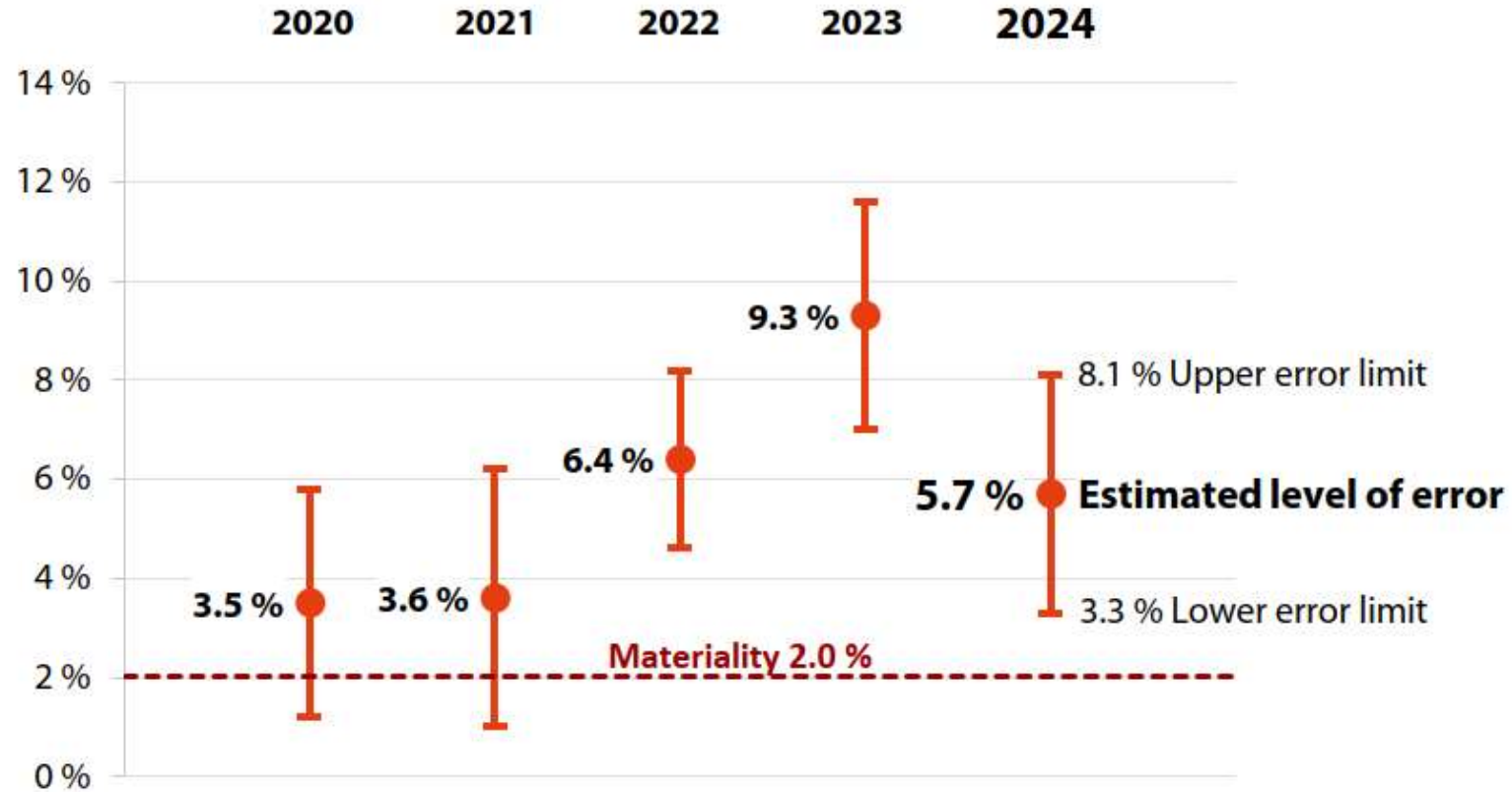
**Impact on** Commission's KPIs for cohesion remain **below ECA's estimated error range**, indicating **structurally higher risk** in cohesion spending.

## Accounts & Assurance

- **Risk at payment > 2% materiality**  $\Rightarrow$  DG REGIO & DG EMPL must **qualify their assurance** on legality/regularity.
- These qualifications feed directly into **assurance packages** and affect the **quality of annual accounts**, including **Interreg**.

Figure 6.6 – Estimated impact of quantifiable errors

**Estimated level of error (ELE)**



**Sample size (transactions)**

2020	2021	2022	2023	2024
213	243	260	238	223

Source: ECA.

# What Annex 7e Actually Measures (Methodological Context)

Annex 7e (AAR 2024) provides the validated error rates for each ERDF/CF 2014–2020 programme, including Interreg V-A/B/C.

It contains:

- Total error rate – calculated before corrections.
- Residual total error rate – after financial corrections (key indicator for assurance).

**How the rates are established (AAR 2024):**

- Based on Annual Control Reports (ACRs) and audit opinions from Audit Authorities.
- Assessed and adjusted by the Joint Audit Directorate for Cohesion (DAC).

**Two-step audit process:**

- Desk review of all programmes,
- Risk-based compliance audits on selected programmes.

Confirmed error rates may still evolve after the contradictory procedure with Member States.

# Key points

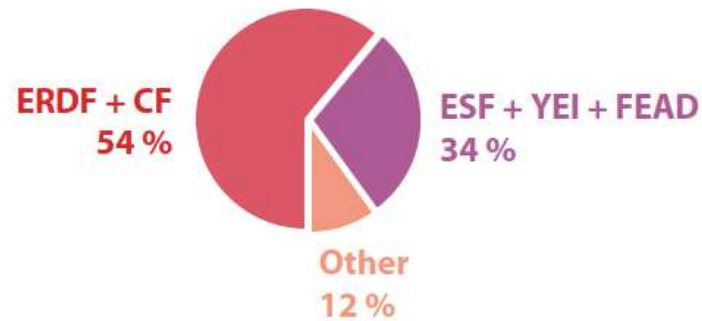
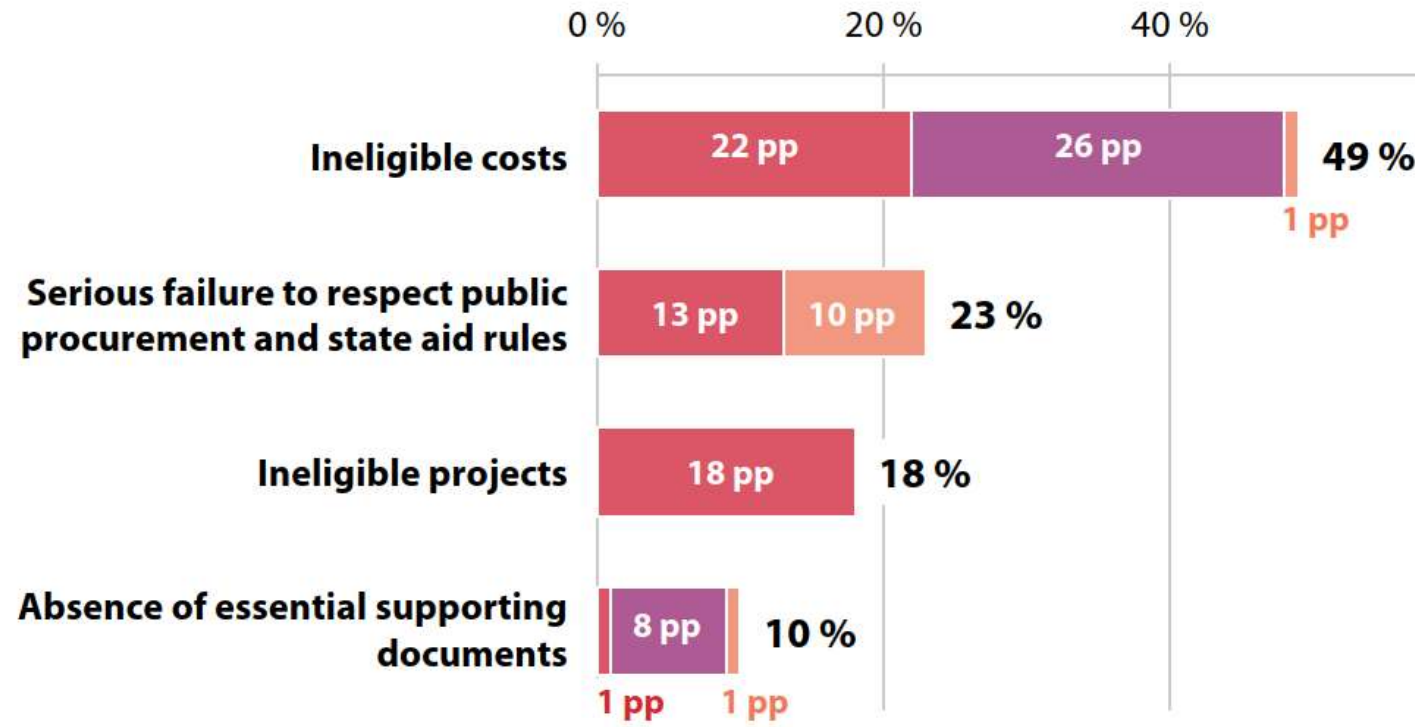
For the **2022/2023 accounting year**, DG REGIO reported a higher **residual total error rate** for 2014–2020 programmes: **2.5%** (vs 2.1% in 2021/2022); maximum **3.6%**. DG EMPL: **2.2%** (vs 1.6%), max **3.0%**. *The estimated overall risk at payment for DG REGIO's 2024 paid expenditure (including all programming periods and management modes) ranges between 2.30 % and 3.29 %. The maximum rate is intended to address the risk of errors outside the sample of transactions in OPs on which the error rates are based. Maximum rates may also include 'top-ups' and flat rates for unaudited OPs.*

**ECA notes 44 errors undetected** by audit authorities and concludes that **management and control systems did not function effectively in all Member States at the end of the period.**

## **Impact on accounts & assurance:**

The 2014–2020 experience shows that **even with multiannual corrections**, residual error remained material and some errors were never detected by national audits. This directly influences how cautious the Commission must be in **accepting accounts and assessing assurance** for 2021–2027, including Interreg.

Figure 6.8 – Contribution of the errors we found to the overall error rate



pp: percentage points

Source: ECA.

# Context of systemic drivers: Why Errors Persist

**Different concepts: “risk at payment” vs “ECA error rate”**

- Commission and ECA use different concepts and sometimes disagree on the classification of individual errors.

**In case of shared-management programmes dependence on national systems**

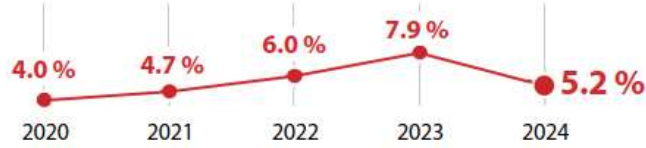
- Commission explicitly relies on **national management and control systems** and national audit authorities to obtain reasonable assurance below 2%.
- **Too many errors remain undetected at national level**
- ECA stresses that “too many errors remain undetected in cohesion policy despite two layers of control”.
- As a reaction, Commission + cohesion audit community adopted an **action plan in Dec 2024**.

**Impact on accounts & assurance:**

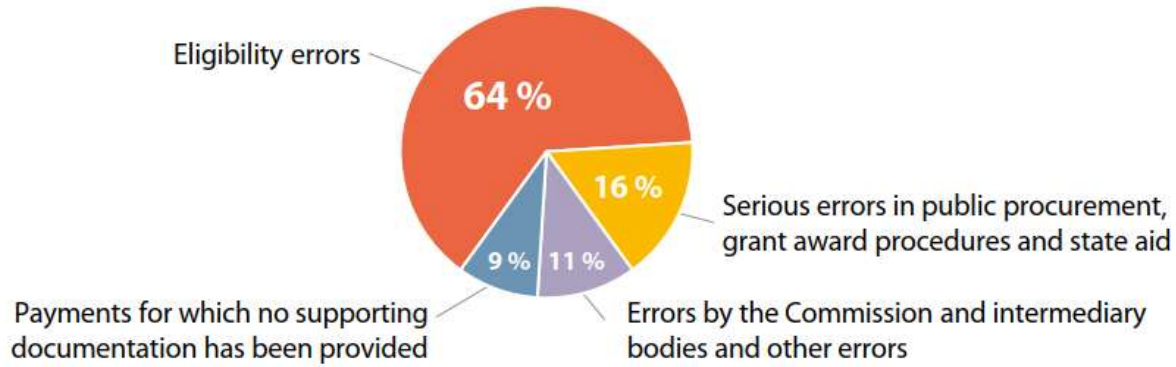
Because EU-level assurance is **built on national systems**, any undetected errors or systemic weaknesses at MS level directly weaken the **assurance packages** and **reliability of annual accounts**, including for Interreg programmes operating under shared management.

**Figure 1.10 – Estimated level of error for the part of expenditure affected by material error and contribution of each error type**

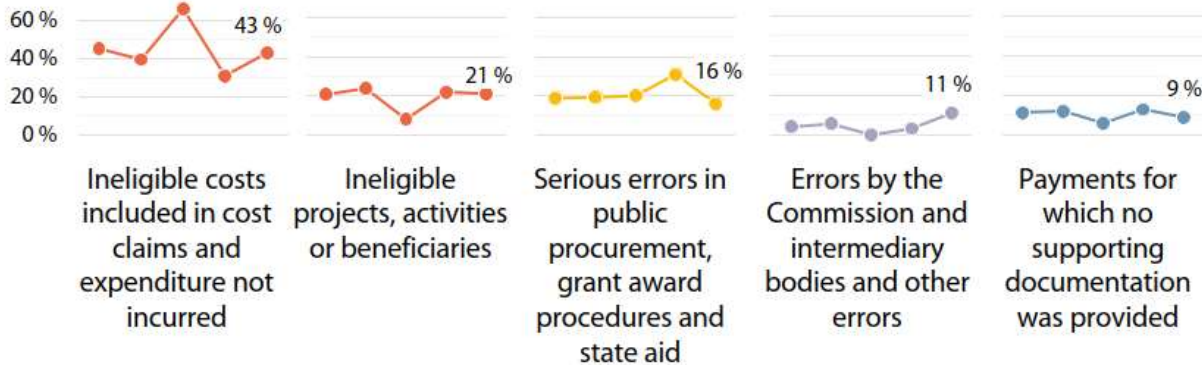
**Estimated level of error**



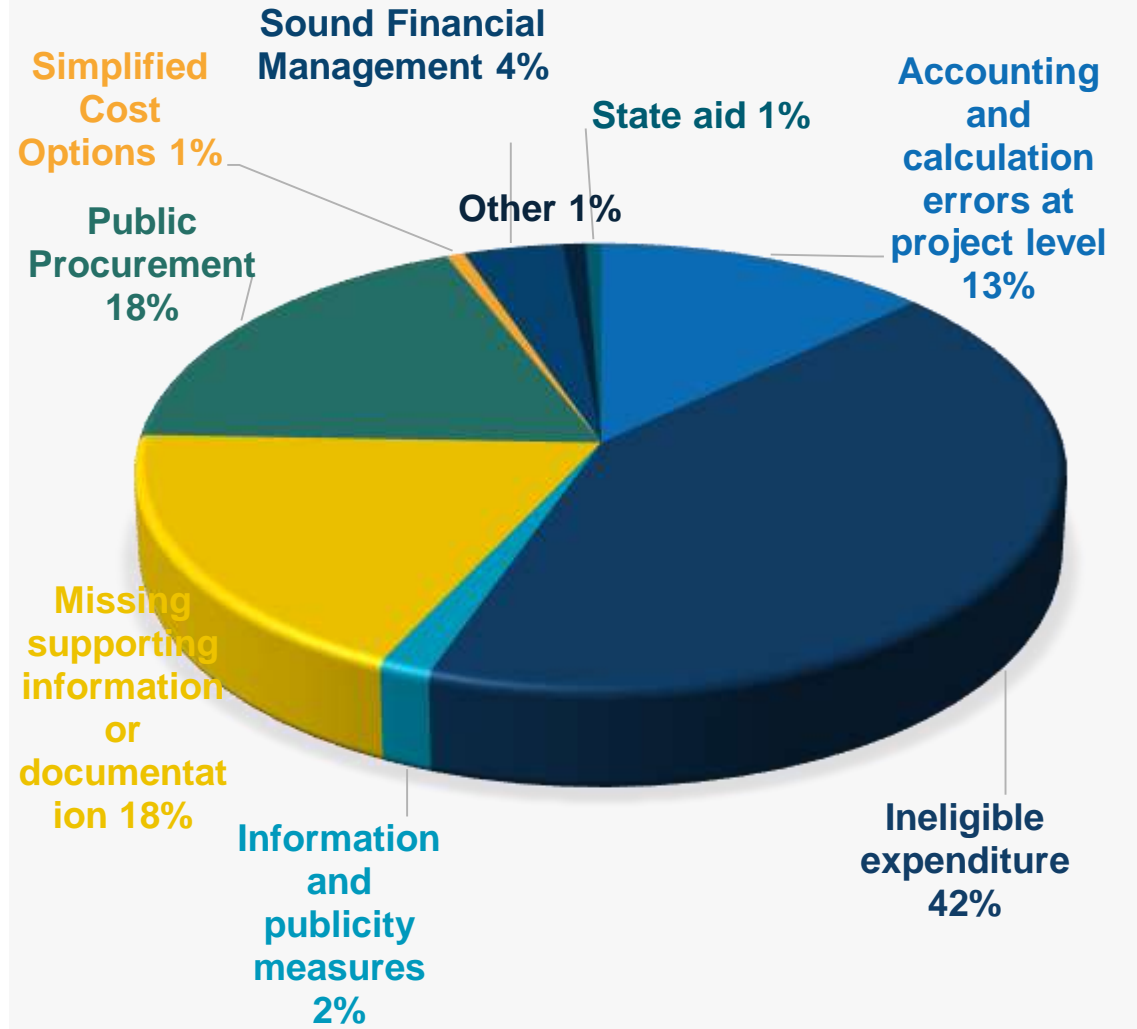
**Proportions of error types in 2024**



**Evolution of the error types for 2020-2024**



Cohesion Funds



Interreg Programmes

# Cohesion Management & Control Systems (2024)

## Commission assessment for cohesion (all 2014–2020 + early 2021–2027):

- Based on AARs and AMPR (Annual Management and Performance Report), Commission concluded that the **risk at payment for cohesion remained material** (above 2%) in 2024. **91% of 431 open cohesion programmes**: systems considered to function well.
- **9% of programmes** (30 full + parts of 7) show **serious weaknesses**, mainly in **management verifications** (controls).
- For **12 audit authorities out of 116**, undetected errors raised doubts about the **reliability of their audit work** and triggered remedial measures.

## Impact on accounts & assurance:

These weaknesses in a minority of programmes and audit authorities can **disproportionately contaminate the assurance picture**, because Commission error rates and AA opinions are used to support acceptance of annual accounts and Directors-General assurance. Interreg programmes hosted in those systems are **directly exposed** to higher risk at payment and stricter scrutiny of their assurance packages.

# 2021–2027: Assurance Status – national programmes

For 2021–2027 programmes:

- In 2024, DG REGIO + DG EMPL received only **11 assurance packages** for 2021–2027 programmes. Due to this limited, non-representative sample, the Commission used a **flat 2% risk at payment** for these programmes.

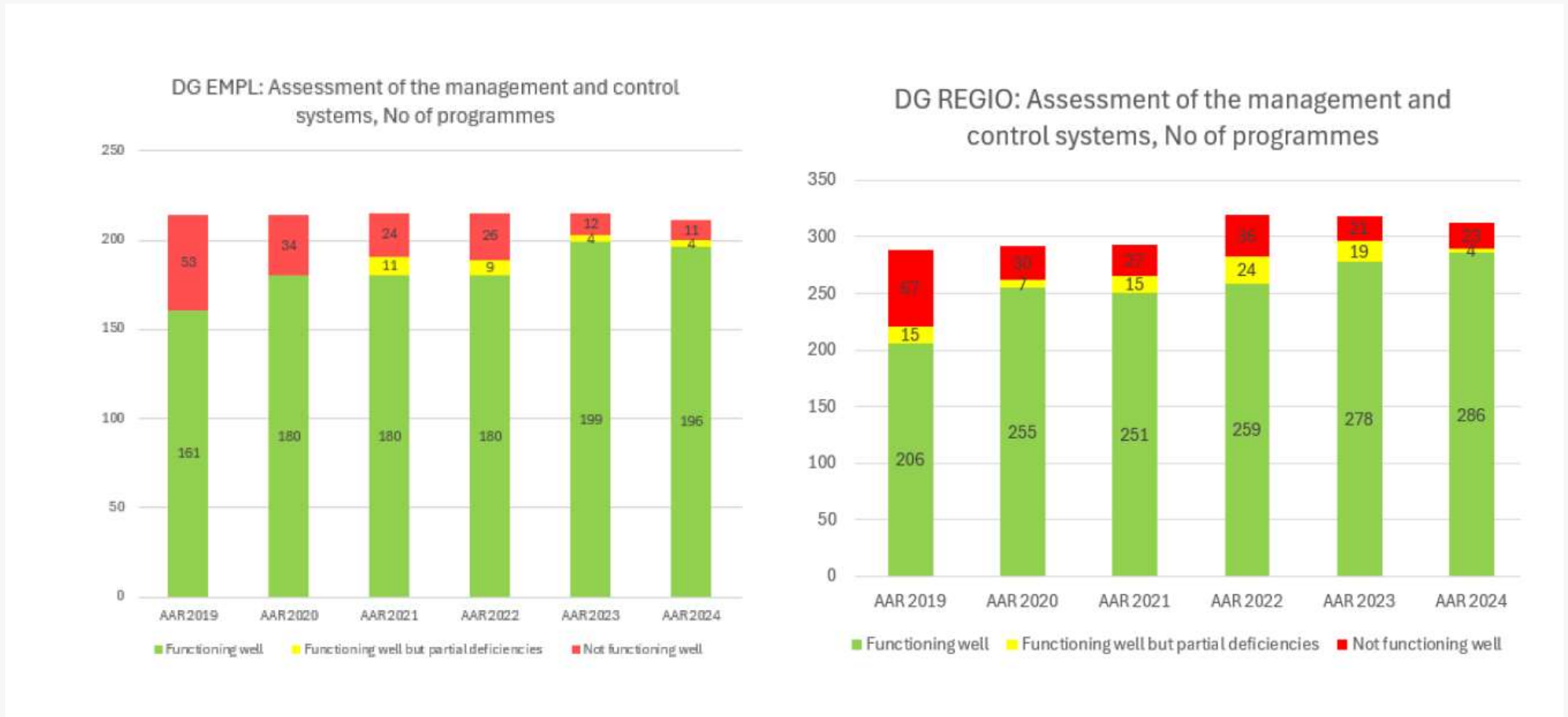
Context from the report:

- ECA underlines that this flat rate is a **precautionary estimate** due to insufficient evidence from assurance packages, not an empirically observed reduction in errors.

Impact on accounts & assurance:

For now, **accepted accounts for 2021–2027 rest on limited direct evidence**, so the Commission compensates with a conservative flat rate. This means that **future audit results (including ECA work) can significantly affect risk at closure**, and **programmes should not assume that actual error is as low as the 2% flat rate**.

# Share of programmes with effective, partially effective or ineffective systems.



# How Interreg Programmes Performed 2021-2027

Residual error rates reflect real audit performance of systems, not programme size.

For 2021–2027 Interreg:

- The Commission has calculated a global extrapolated error rate of **0.07%** for the first common Interreg sample covering 15 programmes in accounting year 2023–2024.
- This result is well below the 2% materiality threshold and provides the Commission with reasonable assurance regarding the quality of expenditure audited so far.
- EC applies **precautionary flat 2% risk** → If no specific error rates do not yet exist

# ...and 2014–2020

## Overall picture (Annex 7e):

- Most Interreg programmes finish with residual total error  $\leq 2\%$  in accounting year 2023–2024.
- Many programmes reach near-zero values (0.00–0.5%).
- Only a small group record residual error 2–5%.

## Examples of “best” performers (residual = 0.00%):

- Interreg V-A Germany/Brandenburg–Poland
- Interreg V-A Poland–Slovakia
- Interreg V-A Ireland–Wales
- Several others in the range 0.00–0.05%

## Examples of “weakest” performers:

- Interreg V-A Lithuania–Poland – 5.20% residual
- Interreg V-A Slovenia–Austria – 5.00% residual
- Interreg V-A Sweden–Finland–Norway – 2.00% residual

# Interreg vs Mainstream ERDF/CF Programmes

## Similarity of patterns (Annex 7e):

- Both mainstream programmes and Interreg show large clusters with residual error < 2%.
- In both groups, a long tail of outliers exists (2–5%).
- Extreme total error rates (20%+) appear primarily in mainstream OPs, not Interreg.

## Examples of mainstream outliers:

- FR – Guadeloupe OP: total error 23.53%, residual 2.00%
- ES – Murcia OP: total error 23.92%, residual 0.14%
- Several ES, FR, DE OPs: residual 2–2.6%

## Distribution comparison:

- 0–1%: many ERDF OPs + many Interreg programmes
- 1–2%: sizable number in both families
- 2–5%: a few Interreg + more numerous regional OPs
- >5%: very rare in both groups

## Impact on assurance:

Interreg's overall distribution supports solid portfolio-level assurance

# Trends Across Accounting Years

**Interreg 2014–2020: Three-year pattern**

**2021–2022:**

- Mostly low initial total error (1–3%),
- Many programmes only desk-reviewed, limited audit coverage.

**2022–2023:**

- Spikes in total error where audits identify significant weaknesses
- e.g., the first programm (10.10%), the 2nd (9.11%)

**2023–2024:**

- After corrections → residual error drops to 0–2% for most programmes
- Only few remain above 2–5%.

# Main Types of Errors (Cohesion & Related Areas for Interreg)

Verified categories:

- **Weak checks on conflict of interest, double funding, fraud and corruption**
  - Numerous open recommendations, many overdue.
- **Insufficient checks on compliance with EU/national rules**
  - Including **public procurement and state aid**, and DNSH.
- **Eligibility & payment request errors**
  - Ineligible projects/items declared; weak justification or documentation.
- **Weaknesses in audits by national audit bodies**
  - Incorrect assessments; methodological weaknesses.
- **Inadequate or weak audit trail / data management**
  - Up to **60 open recommendations** in some MS.

**Context from the report:**

ECA stresses that many of these weaknesses are **recurrent** and remain open beyond the deadlines set in audit reports – 64% of critical/very important recommendations are overdue.

**Impact on accounts & assurance:**

These categories correspond directly to **core elements of assurance packages** (management declarations, AA opinions, reliability of control statistics). Persistent weaknesses mean that

**Commission and ECA may question the reliability of accounts**, apply **financial corrections** and request additional audit work before closure.

# Types of deficiencies identified for INTERREG programmes

Across Interreg VI programmes, deficiencies fall into **four recurring categories**:

## a) Public procurement weaknesses

Issues include non-detected procurement irregularities and procurement linked to cartel behaviour.  
Example: flagged for deficiencies in public procurement linked to cartel findings.

## b) Weaknesses in management verifications (KR4)

Problems with verifying eligibility, documentation and procurement compliance.  
This includes cases where MAs did not detect irregularities in predecessor programmes.  
Typical for overseas Interreg where no updated ACRs were submitted and weaknesses were carried over.

## c) Systemic issues in internal organisation

Examples include **lack of separation of functions**, insufficient written procedures for delegated tasks, and unclear reporting and supervisory arrangements.  
Example: early preventive audit revealed issues in separation of functions and monitoring delegated tasks.

## d) Fraud-prevention and accounting function weaknesses

Example: weaknesses in MA fraud prevention + risk because CA function is contracted annually without stable staff.

# General recommendations for Interreg (Operational)

## 1. Pre-testing of assurance (2026–2027)

Request **early testing** of Interreg-relevant systems by national AAs (procurement, SCOs, audit trail). Coordinate with MA/AA to ensure Interreg is **explicitly covered** in early assurance packages.

### Impact on accounts & assurance:

Early detection and correction of weaknesses **reduces the need for ex post financial corrections** and strengthens the credibility of Interreg's assurance package at closure.

## 2. Strengthen procurement capacity & tools

Develop **micro-guidelines and checklists** tailored to small, cross-border procurements. Promote simple templates on **conflict of interest** and documentation of award criteria.

### Impact on accounts & assurance:

Better procurement compliance reduces one of the **most frequent sources of quantifiable error**, directly lowering risk at payment and improving the robustness of Interreg accounts.

### 3. Improve SCO design & documentation

Require clear **methodology files** for all SCOs used in Interreg (including cross-border logic).  
Ensure that **outputs and results** linked to SCOs are measurable and well documented.

#### Impact on accounts & assurance:

Well-designed and documented SCOs are easier to defend in audits and reduce disputes between EC and ECA on error classification, which otherwise can affect both **reported error rates** and **financial corrections** at closure.

### 4. Address systemic vulnerabilities jointly with MS

Align Interreg requirements with national action plans responding to ECA findings (Dec 2024 action plan).

Encourage MS to close **open recommendations** related to audit trail, data management and national audits in a way that explicitly covers Interreg operations.

#### Impact on accounts & assurance:

Closing systemic recommendations improves the **overall reliability of national systems**, which is the backbone of the assurance packages and reduces the likelihood that ECA will challenge Interreg-related accounts ex post.

## 5. Prepare actively for closure (2027–2029)

Simulate **residual error** for Interreg based on current findings and corrections.

Identify projects or measures that may need to be **corrected or withdrawn from accounts** before final closure.

### **Impact on accounts & assurance:**

Proactive planning aligns Interreg with the Commission's expectation that **risk at closure falls below materiality**, and minimizes surprises from late corrections that would otherwise affect both national and programme-level assurance.

# Assurance package 2021-2027

**Interact**



Co-funded by  
the European Union  
Interreg

# Assurance package 2021-2027

1. **Accounts** (CPR Annex XIV) including
2. **Management declaration** (CPR Annex XVIII)
3. **Annual audit opinion** (CPR Annex XIX)

---

4. **Annual control report** (CPR Annex XX)  
(Interreg common sample)

CPR Article 98 Content and submission of accounts

CPR Annex XVII Data to be recorded and stored electronically (Fields 124-130)

The screenshot shows a menu with the following items:

- Execution
  - Payment application (IJG)
  - Payment application (ETC)
  - Payment forecast (IJG)
  - Payment forecast (ETC)
  - Accounts (IJG)
  - Accounts (ETC)** (highlighted in pink)
  - Annual Accounts (IPARD III)
  - Financial management (dropdown arrow)
  - Debit note
  - Decommitment n+3
- Audit
  - National audit report (IJG ETC)
  - Annual control report (IJG ETC)** (highlighted in pink)
  - Scrutiny Control Plan (EAGF)
  - Scrutiny Report (EAGF)
  - Interreg common sample (dropdown arrow)
  - Interreg common sample
  - Interreg common sample (old)** (highlighted in orange)
- EC audit report

A blue arrow points from the 'Annual control report' item to the 'Interreg common sample (old)' item.

# Accounts

- Accounts 
- Declarations
- ERDF
  - Appendix 1
  - Appendix 2
  - Appendix 3
  - Appendix 4
  - Appendix 7
- Annual control report
- Management declaration 
- Audit opinion 
  - Introduction
  - Responsibilities
  - Scope limitation
  - Opinion
  - Emphasis of matter

# Preparation of Accounts

<p>Appendix 1</p>	}	<ul style="list-style-type: none"> <li>• Amounts entered into the accounting system of the body carrying out the accounting function</li> </ul>
<p>Appendix 2</p>	}	<ul style="list-style-type: none"> <li>• Amounts withdrawn during the accounting year</li> </ul>
<p>Appendix 3 <i>(ex-Appendix 6)</i></p>	}	<ul style="list-style-type: none"> <li>• Amounts of programme contributions paid to financial instruments</li> </ul>
<p>Appendix 4 <i>(ex-Appendix 8)</i></p>	}	<ul style="list-style-type: none"> <li>• Reconciliation of expenditure</li> </ul>
<p>Appendixes 5/6 <b>(NEW!)</b></p>	}	<ul style="list-style-type: none"> <li>• Information on expenditure linked to specific objectives for which enabling conditions are not fulfilled</li> </ul>
<p>Appendix 7</p>	}	<ul style="list-style-type: none"> <li>• Advances paid in the context of State aid under Article 91(5)</li> </ul>

**You have the data for Appendix 1,2, and 4 in Jems!**

# Payment application (PAP)

Expenditure broken down by priority as entered into the accounts of the body carrying out the accounting function (Including programme contributions paid to financial instruments (Article 92 and advances paid in the context of State Aid (Article 91(5)))

This table shall not include expenditure linked to specific objectives for which enabling conditions are not fulfilled, with the exception of operations that contribute to the fulfilment of enabling conditions

Priority	Calculation basis (A)	Total amount of eligible expenditure (B)	Total amount of Union contribution (C)	Amount for technical assistance (D)	Total amount of public contribution made or to be made (E)
1	Public		0.00		
<b>Grand total</b>			0.00		

Real costs + SCOs from programme-beneficiary level

Total amount of Article 94 & 95

Calculated automatically  
**Filled in by EC Front Desk**

**Always filled in!**

programme SCOs and FNLC

5 programmes using these SCOs:, Belgium-the Netherlands, Slovenia-Hungary, Slovenia-Austria, Slovenia-Croatia, ESPON

**Filled in for them only!**

SFC Versioning of payment apps:  
 Per accounting year:



- 1.0
- 1.1**
- 2.0**
- 3.0
- 3.1**



# PAP Appendix 4

## Appendix 4

Advances paid in the context of State aid (Article 91(5)) and included in the payment applications (cumulative from the start of the programme)

Priority	Total amount paid as advances (A)	Amount which has been covered by expenditure paid within three years  (B)	Amount which has not been covered by expenditure paid  (C)
1	0.00	0.00	0.00
<b>Grand total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

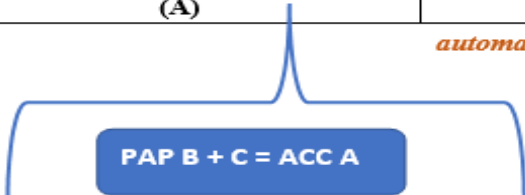
# Appendix 1 – Expenditure declared

!! NO payments to beneficiaries

ACCOUNTS (ACC)- Article 98(1)(a)			
APPENDIX 1 - Amounts entered into the accounting system of the body carrying out the accounting function, Article 98(3)(a)			
Priority / Specific objective	Total amount of eligible expenditure entered into the accounting systems of the body carrying out the accounting function which has been included in payment applications for the accounting year in accordance with point (a) of Article 98(3)	The amount for technical assistance in accordance with point (b) of Article 91(3)	Total amount of the corresponding public contribution made or to be made in accordance with point (a) of Article 98(3)
	(A)	(B)	(C)

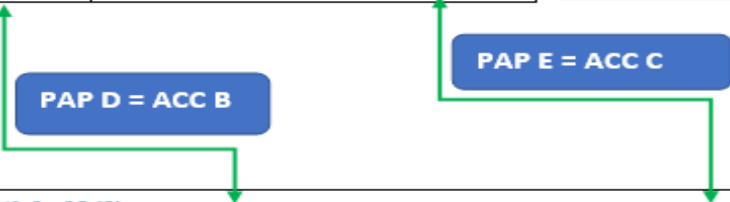
ACC C ≤ ACC A

automatic in SFC2021



PAP D = ACC B

PAP E = ACC C



PAYMENT APPLICATION (PAP) - Article 91(3)					
Priority	Calculation basis (public or total)	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in accordance with point (a) of Article 91(3) and point (c) of Article 91(4)	Total amount of Union contribution pursuant to points (a) and (b) of Article 91(4)	Amount for technical assistance in accordance with point (b) of Article 91(3)	Total amount of public contribution made or to be made in accordance with point (c) of Article 91(3)
	(A)	(B)	(C)	(D)	(E)




automatic in SFC2021

# Appendix 1 – *Expenditure declared*

## Appendix 1

Amounts entered into the accounting systems of the accounting function – point (a) of Article 98(3)

*This table shall not include expenditure linked to specific objectives for which enabling conditions are not fulfilled, with the exception of operations that contribute to the fulfilment of enabling conditions*

Priority	Total amount of eligible expenditure  (A)	The amount for technical assistance  (B)	Total amount of the corresponding public contribution made or to be made  (C)
1			
<b>Grand total</b>			

# Irregularities

**Irregularity** means any breach of applicable law, resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the budget of the Union by charging unjustified expenditure to that budget;

**Established irregularity** when the costs have been claimed in the payment application to the EC

subject of a first written assessment by a competent authority, either administrative or judicial, -> irregularity has been committed (PACA)

**Reporting in CPR Annex XII** + Handbook on requirement to report irregularities, COCOLAF/23-05-17/8.2/EN



# Withdrawals and deductions in 2021-2027

**Withdrawals** financial corrections for irregular expenditure corrected (withdrawn) in the next payment application

Applicable to the current or previous accounting years

**Deductions** financial corrections for irregular expenditure corrected (deducted) in the accounts

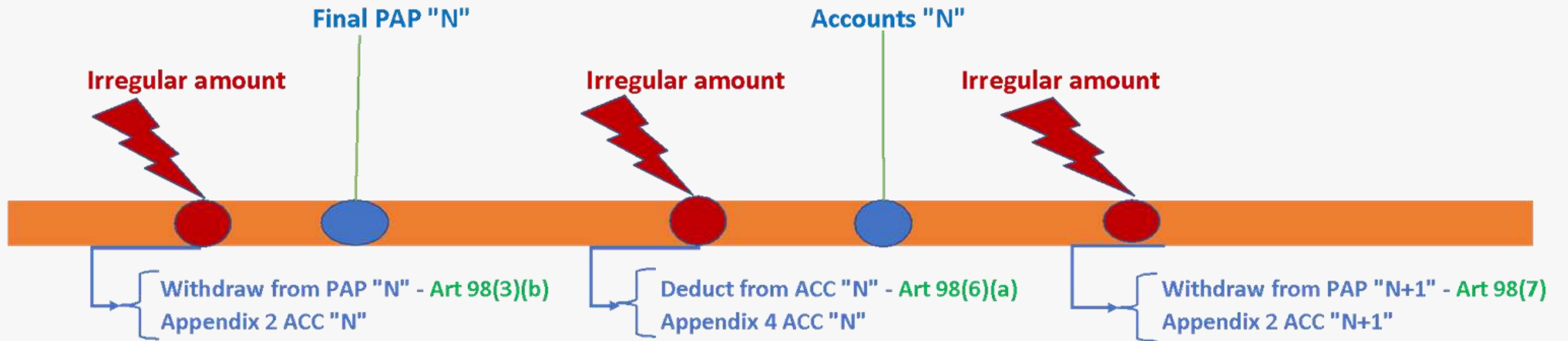
Applicable only to the current accounting year

Always negative amounts



# Financial Corrections

- Timeline for applying Financial Corrections (FC) cf. Art 103 **Definitive**



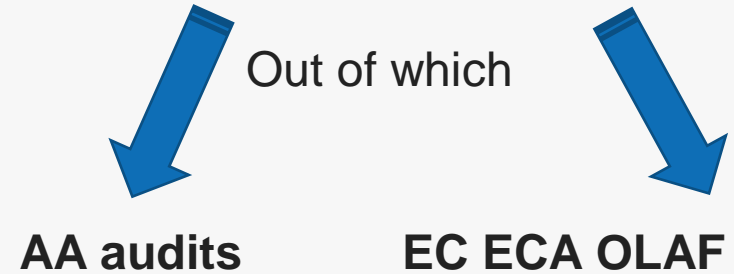
- Other amounts deducted from the Accounts

- amounts under ongoing assessment – Art 98(6)(b) **Temporary**
- amounts to reduce the RER below 2% – Art 98(6)(c) **Definitive**

# Appendix 2 – Withdrawals

Priority / Specific objective	Withdrawals	
	Total amount of expenditure included in payment applications	Corresponding public contribution
	(A)	(B)
Priority (category of region)		
Split of amounts withdrawn during the accounting year by accounting year of declaration of the corresponding expenditure		
In relation to accounting year ending 30 June XX ... (total)		
Out of which amounts corrected as a result of AA audits		
Out of which accounts corrected as a result EC and ECA audits and OLAF investigations		

- **Withdrawals** = corrections for irregular expenditure during the accounting year



- Broken down per accounting year
- **NO info on recoveries (incl. Amounts be recovered, Irrecoverable amounts)**
- Interreg Art. 52 Recoveries – MA recovers, but no information needs to be provided to the Commission!

# Appendix 2 – Withdrawals

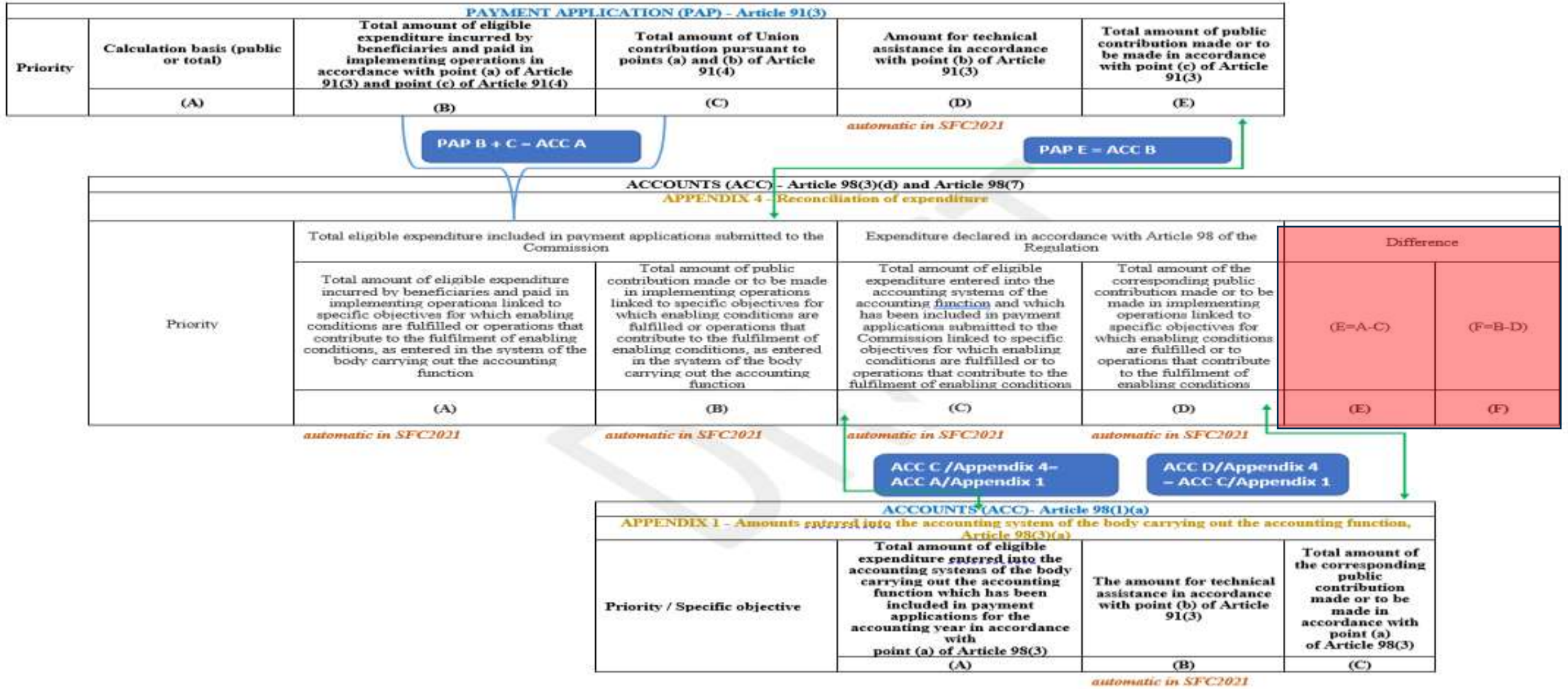
> ACCOUNTS ▶ ERDF

## Appendix 2 📘

Amounts withdrawn during the accounting year – point (b) of Article 98(3) and Article 98(7)

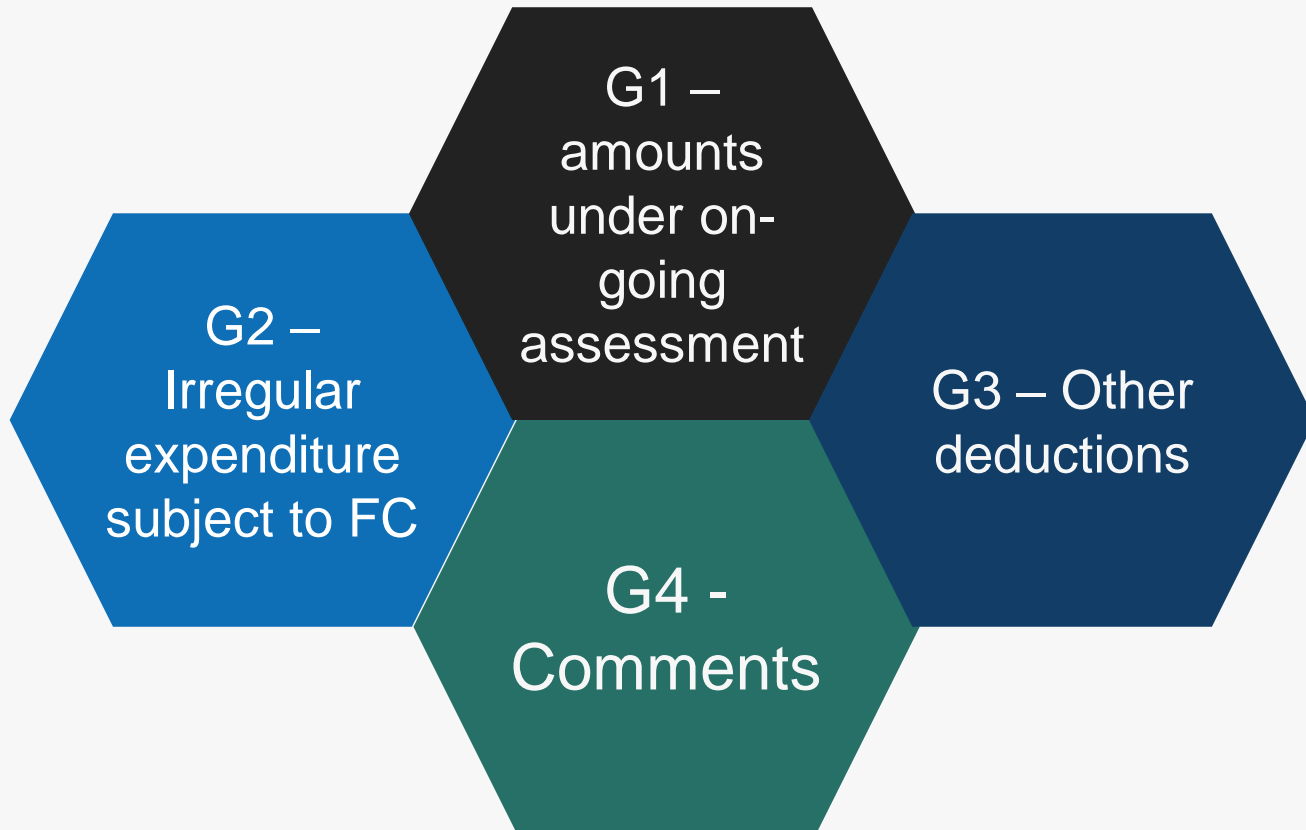
Priority	Category of region	Withdrawals	
		Total amount of expenditure included in payment applications (A)	Corresponding public contribution (B)
1		0.00	0.00
<b>Grand total</b>		<b>0.00</b>	<b>0.00</b>
<b>Split of amounts withdrawn during the accounting year by accounting year of declaration of the corresponding expenditure</b>			
	In relation to accounting year ending 30 June 2024 (total)	0.00	0.00
	Out of which amounts corrected as a result of AA audits	0.00	0.00
	Out of which amounts corrected as a result of EC and ECA audits and OLAF investigations	0.00	0.00
	In relation to accounting year ending 30 June 2023 (total)	0.00	0.00
	Out of which amounts corrected as a result of AA audits	0.00	0.00
	Out of which amounts corrected as a result of EC and ECA audits and OLAF investigations	0.00	0.00
	In relation to accounting year ending 30 June 2022 (total)	0.00	0.00
	Out of which amounts corrected as a result of AA audits	0.00	0.00
	Out of which amounts corrected as a result of EC and ECA audits and OLAF investigations	0.00	0.00

# Appendix 4 – Mapping ACC and PAP



# Appendix 4 – Reconciliation ACC and PAP

**! NEW** Explain differences col. E • Total amounts broken down per priority/specific objective



- Deductions from Accounts ONLY for the current accounting year
- ONLY negative differences (ACC < PAP)

# Clerical and technical mistakes

Corrections other than irregular expenditure (e.g. clerical or technical mistakes) implemented in the payment applications via withdrawals should not be disclosed in Appendix 2!

## **2 possibilities:**

- 1) They are deducted from payment applications for the current accounting year. In this case, they will be automatically reflected in Appendix 1 of the Accounts (there is no need to reflect the withdrawal not related to irregularities in Appendix 2);
- 2) They are deducted directly from the accounts. In this case, they will have to be reflected in column G3 - Other deductions of Appendix 4.

# Appendix 4 – Mapping ACC and PAP

> ACCOUNTS > ERDF

## Appendix 4 📌

Reconciliation of expenditure - point (d) of Article 98(3) and Article 98(7)

Priority	Total eligible expenditure included in payment applications submitted to the Commission		Expenditure declared in accordance with Article 98 of the Regulation		Difference		Comments (obligatory in case of difference for each type of deduction in accordance with Article 98(6))			
	Total amount of eligible expenditure <sup>?</sup> (A)	Total amount of public contribution <sup>?</sup> (B)	Total amount of eligible expenditure <sup>?</sup> (C)	Total amount of the corresponding public contribution <sup>?</sup> (D)	(E=A-C)	(F=B-D)	Ongoing legality and regularity <sup>?</sup> (G1)	Financial corrections <sup>?</sup> (G2)	Other deductions (G3)	Comments (G4)
1					0.00	0.00				
<b>Grand total</b>					<b>0.00</b>	<b>0.00</b>				
Out of which amounts corrected in the current accounts as a result of AA audits										
Out of which amounts corrected in the current accounts as a result of EC and ECA audits and OLAF investigations										

# Observations – Appendix 4, Accounts

- Correctly fill in fields in appendix 4 of the accounts

Priority	Total eligible expenditure included in payment applications submitted to the Commission		Expenditure declared in accordance with Article 98 of the Regulation		Difference		Comments (obligatory in case of difference for each type of deduction in accordance with Article 98(6))			
	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations linked to specific objectives for which enabling conditions are fulfilled or operations that contribute to the fulfilment of enabling conditions, as entered in the system of the body carrying out the accounting function	Total amount of public contribution made or to be made in implementing operations linked to specific objectives for which enabling conditions are fulfilled or operations that contribute to the fulfilment of enabling conditions, as entered in the system of the body carrying out the accounting function	Total amount of eligible expenditure entered into the accounting systems of the accounting function and which has been included in payment applications submitted to the Commission linked to specific objectives for which enabling conditions are fulfilled or to operations that contribute to the fulfilment of enabling conditions	Total amount of the corresponding public contribution made or to be made in implementing operations linked to specific objectives for which enabling conditions are fulfilled or to operations that contribute to the fulfilment of enabling conditions	(E=A-C)	(F=B-D)	Expenditure subject to an ongoing assessment of its legality and regularity	Irregular expenditure subject to financial corrections	Other deductions	Comments
	(A)	(B)	(C)	(D)	(E)	(F)	(G1)	(G2)	(G3)	(G4)
<b>Grand total</b>	8,532,885.00	7,777,480.00	8,532,851.00	7,777,480.00	34.00	0.00	0.00	34.00	0.00	
Out of which amounts corrected in the current accounts as a result of AA audits										
Out of which amounts corrected in the current accounts as a result of EC and ECA audits and OLAF investigations										

# Art. 103 Corrections in Jems

<u>Scenario</u>	<u>Action</u>
<b>Scenario 1</b> (irregularity below 250 EUR)	No correction in the accounts or payment applications
<b>Scenario 2</b> (irregularity detected before 31 July)	Withdrawal in the following payment application <b>Withdrawn</b> in Appendix 2
<b>Scenario 3</b> (irregularity detected after the submission of the last payment application, but before the submission of the accounts)	Reduce the expenditure presented in Appendix 1 <b>Deducted</b> in Appendix 4 (Col. G2 - Irregular expenditure subject to financial corrections)
<b>Scenario 4</b> (irregularity is subject to an ongoing assessment at the time of submission of the accounts)	Reduce the expenditure presented in Appendix 1 <b>Deducted</b> in Appendix 4 (Col. G1 - Expenditure which is subject to an ongoing assessment )
<b>Scenario 5</b> (irregularity detected after the submission of the accounts of the accounting year)	Financial corrections implemented via withdrawal in a payment application of the subsequent accounting year(s) <b>Withdrawn</b> in Appendix 2 N+1

## Declarations

The managing authority / the body carrying out the accounting function responsible for the programme hereby confirms that:

- (1) the accounts are complete, accurate and true;
- (2) the provisions in points (b) and (c) of Article 76(1) are respected.

Representing the managing authority / the body carrying out the accounting function \*

Contact1 1

The managing authority responsible for the programme hereby confirms that:


- (1) the expenditure entered into the accounts complies with applicable law and is legal and regular;
- (2) the provisions in the Fund-specific Regulations, Article 63(5) of the Financial Regulation and in points (a) to (e) of Article 74(1) of this Regulation are respected;
- (3) the provisions in Article 82 with regard to the availability of documents are respected.

Representing the managing authority \*

Contact1 2

Date: *Not signed yet*  
 e-Signature: *Not signed yet*

Cancel 3  
Save

Accounts 

Declarations

ERDF

Appendix 1


Appendix 2


Appendix 3

Appendix 4

Appendix 7

Annual control report

Management declaration 

Audit opinion 

Introduction

Responsibilities

Scope limitation

Opinion

Emphasis of matter

## MANAGEMENT DECLARATION

I/We, the undersigned **Contact1, Presidente**<sup>1</sup>, Head of the managing authority for the programme **2021 TC16RFTN002 (Interreg VI-B) Atlantic Area**

based on the implementation of the **(Interreg VI-B) Atlantic Area** during the accounting year ended 30 June **2023**, based on my/our own judgment and on all information available to me/us at the date of the accounts submitted to the Commission, including the results from management verifications carried out in accordance with Article 74 of Regulation (EU) 2021/1060 of the European Parliament and of the Council and from audits in relation to the expenditure included in the payment applications submitted to the Commission in respect of the accounting year ended 30 June **2023**,

and taking into account my/our obligations under Regulation (EU) 2021/1060

hereby declare that:

(a) the information in the accounts is properly presented, complete and accurate in accordance with Article 98 of Regulation (EU) 2021/1060,

(b) the expenditure entered in the accounts complies with applicable law and was used for its intended purpose,

I/We confirm that irregularities identified in the final audit and control reports in relation to the accounting year have been appropriately treated in the accounts, in particular to comply with Article 98 for submitting accounts. I/We also confirm that expenditure which is subject to an ongoing assessment of its legality and regularity has been excluded from the accounts pending conclusion of the assessment, for possible inclusion in a payment application in a subsequent accounting year.

Furthermore, I/we confirm the reliability of data relating to indicators, milestones and the progress of the programme.

I/we also confirm that effective and proportionate anti-fraud measures are in place and that these take account of the risks identified in that respect.

Finally, I/we confirm that I/we am/are not aware of any undisclosed reputational matter related to the implementation of the programme.

Date: *Not signed yet*  
On behalf of: *Not signed yet*  
e-Signature: *Not signed yet*

Cancel **Save**<sup>2</sup>

### Accounts

Declarations

#### ERDF

Appendix 1


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Appendix 7

Annual control report

**Management declaration **

#### Audit opinion

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# Annual audit opinion

AUDIT OPINION

5. Opinion ⓘ

Unqualified  Qualified  Adverse  Disclaimer of opinion

Cancel Save

*(A red box highlights the radio buttons with a '1' in a circle. A hand cursor points to the 'Save' button with a '2' in a circle.)*

- Accounts
- Declarations
- ERDF
  - Appendix 1
  - Appendix 2
  - Appendix 3
  - Appendix 4
  - Appendix 7
- Annual control report
- Management declaration
- Audit opinion
- Introduction
- Responsibilities
- Scope limitation
- Opinion
- Emphasis of matter

# Annual audit opinion

Type of audit opinion	Element of the audit opinion and overall assurance				Corrective measures needed (either financial corrections or system/procedural improvements or both)
	Functioning of MCS (results of system audits confirmed or amended by results of audits of operations – TER or/and improvements to overcome deficiencies in the MCS)		Legality and Regularity of expenditure in the accounts <sup>42</sup>	Accounts <sup>43</sup>	
	Results of system audits	TER <sup>44</sup> (results of audits of operations)	RER (TER mitigated by implemented financial corrections before submission of the accounts to the Commission)		
<b>1- Unqualified</b>	System in category 1 or 2	and $TER \leq 2\%$	and $RER \leq 2\%$	and adjustments to be made in the accounts $\leq 2\%$	Corrections of the individual errors in the sample
<b>2 – Qualified</b> (qualification with <b>limited</b> impact)	System in category 2	and/or $2\% < TER < 5\%$	NA <sup>45</sup>	NA	Corrections of the individual errors in the sample + improvements to overcome any deficiencies in the MCS
<b>3 - Qualified</b> (qualification with <b>significant</b> impact)	System in category 3	and/or $5\% \leq TER \leq 10\%$	and/or $RER > 2\%$ <sup>46</sup>	and/or adjustments to be made in the accounts $> 2\%$	Extrapolated financial corrections to bring the RER to $\leq 2\%$ , taking account of corrections already applied as a result of the AA's audits (including corrections of individual errors in the sample as accounts are inadmissible if RER is $> 2\%$ ) + improvements to overcome any deficiencies in the MCS
<b>4 - Adverse</b>	System in category 4	and/or $TER > 10\%$	and/or $RER > 2\%$ <sup>47</sup>	and/or adjustments to be made in the accounts $> 2\%$	+ implementation of the adjustments to be made in the accounts

# Observations – Audit opinion

SFC2021:

Printed version:

AUDIT OPINION

## 5. Opinion 1

### Unqualified

In my opinion, and based on the audit work performed:

#### (1) Accounts

– the accounts give a true and fair view;

#### (2) Legality and regularity of the expenditure included in the accounts

– the expenditure included in the accounts is legal and regular,

#### (3) The management and control system in place as at the date of this audit opinion

– the management and control system functions properly

The audit work carried out does not put in doubt the assertions made in the management declaration.

In my opinion, and based on the audit work performed:

#### (1) Accounts

– the accounts give a true and fair view

#### (2) Legality and regularity of the expenditure included in the accounts

– the expenditure included in the accounts is legal and regular <sup>1</sup>

#### (3) The management and control system in place as at the date of this audit opinion

– the management and control system functions properly




The audit work carried out does not put in doubt the assertions made in the management declaration.

<sup>1</sup> Except for the Interreg programmes that fall under the annual sample for audits of operation to be drawn by the Commission as envisaged in Article 48 of the Interreg Regulation.



**Table of Contents** < GENERAL

Documents annexed ⓘ




DOCUMENTS ANNEXED TO THIS VERSION + Add

Title	Document type	Document date	Local reference	Commission reference	Files	Sent date	Sent by	Actions
ACR	Other Member State document	08/02/2023			1			  

ATTACHED FILES + Add

Title	Type	Language	File / Upload	Action
ACR	Main	en. English	ACR.docx	 

Cancel Save **Save & Send**

- Accounts 
  - Declarations
  - ERDF
    - Appendix 1
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    - Appendix 3
    - Appendix 4
    - Appendix 7
    - Annual control report**
    - Management declaration 
    - Audit opinion 
      - Introduction
      - Responsibilities
      - Scope limitation
      - Opinion
      - Emphasis of matter

[MN on the annual control report, audit opinion and treatment of errors](#) + Annex IV - Audit findings (typology of findings - used as a basis in Jems)

# ACR Annex 1

## Results of system audits

Table of Contents < ANNEX 1 - RESULTS OF SYSTEM AUDITS

CC(s)	Fund(s)	Audited entity	Title of the audit	Date of final audit report	KR1	KR2	KR3	KR4	KR5	KR6	KR7	KR8	KR9	KR10	Overall assessment (Category)
					2		1	1	1	1	1	1	1		2
					1					1				1	1

Table of Contents: Type to filter TOC

- General
- Programmes covered
- Annex 1
- Annex 2
- Annex 3
- Annex 4
- Annex 5

# ACR Annex 2

## Results of audits of operations

Table of Contents < ANEX 2 - RESULTS OF AUDITS OF OPERATIONS ⓘ

Type to filter TOC ↑ ↓

- General
- Programmes covered
- Annex 1
- Annex 2
- Annex 3
- Annex 4
- Annex 5

CCI(s)	Funds	Amount in euros corresponding to the population from which the sample was drawn	Expenditure in reference to the accounting year audited for the random sample		Amount of irregular expenditure in random sample	Total error rate	Corrections implemented as a result of the total error rate	Residual total error rate	Other expenditure audited	Amount of irregular expenditure in other expenditure audited
		(A)	Amount (B.1)	% (B.2)	(C)	(D)	(E)	(F)	(G)	(H)
			0.00	0%	0.00	0%	0.00	0%	0.00	0.00

# Observations – Annex 2 SFC

- Interreg programmes in the common sample – TER/RTER to indicate -> 0%

## ANNEX 2 - RESULTS OF AUDITS OF OPERATIONS

CCI(s)	Funds	Amount in euros corresponding to the population from which the sample was drawn	Expenditure in reference to the accounting year audited for the random sample		Amount of irregular expenditure in random sample	Total error rate	Corrections implemented as a result of the total error rate	Residual total error rate	Other expenditure
		(A)	Amount (B.1)	% (B.2)	(C)	(D)	(E)	(F)	(G)
2021TC16RFTN004	ERDF	8,532,885.00	58,962.00	0.69%	34.00	0%	0.00	0%	

# ACR Annex 4

## Audit findings

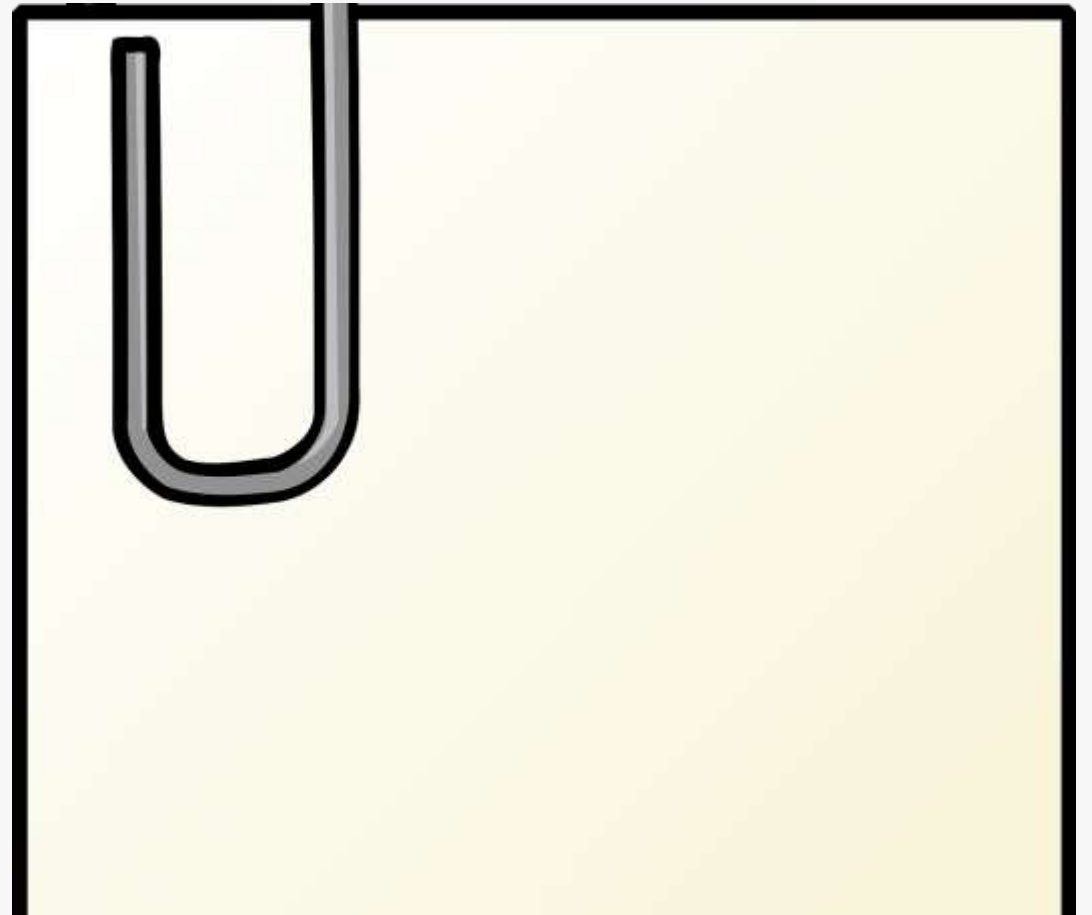
Table of Contents < ANNEX 4 - AUDIT FINDINGS

Category	Sub-category	Fund	Cases of suspected fraud	Cases of gold-plating	Frequency (Number of cases)	Amount of the irregularities (in total costs and €)	Comments
14: Sound Financial Management	14.1. Non-compliance with the principle of sound financial management (e.g. poor project management, failure to comply with obligations assumed by the beneficiary, including failure to respect the deadlines for submitting documents, unused cash discounts/reductions).	ERDF	0	0	1	0.00	
<b>Total</b>			<b>0</b>	<b>0</b>	<b>1</b>	<b>0.00</b>	

Annex IV - Audit findings (typology of findings - used as a basis in Jems correction module)

# ACR submission - Observations

File with audit results to be attached to the ACR



# Recommendations ACR

- ACRs should disclose the results of the audits of operations
- The results of the audits of operations should be also reported in the template in which AA received the sample
- The filled in template should be annexed to the ACR. This will allow the EC to compute an overall error rate for the Interreg programmes
- Additionally, if available, AA should include the follow up of the KR 11 audits as well as Early Preventive System Audits (EPSA) especially if the measures have been taken after the EC audits
- As stated in the regulations no opinion on legality and regularity must be issued and no TER must be calculated per programme

# Accounts, Annual Control Report Tools

Methodological notes, SFC guidance, common sample documents etc.

<https://www.interact.eu/finance-and-control/audit-and-control/audit>

<https://www.interact.eu/finance-and-control/audit-and-control/accounts>



# Post27

## Financial flows

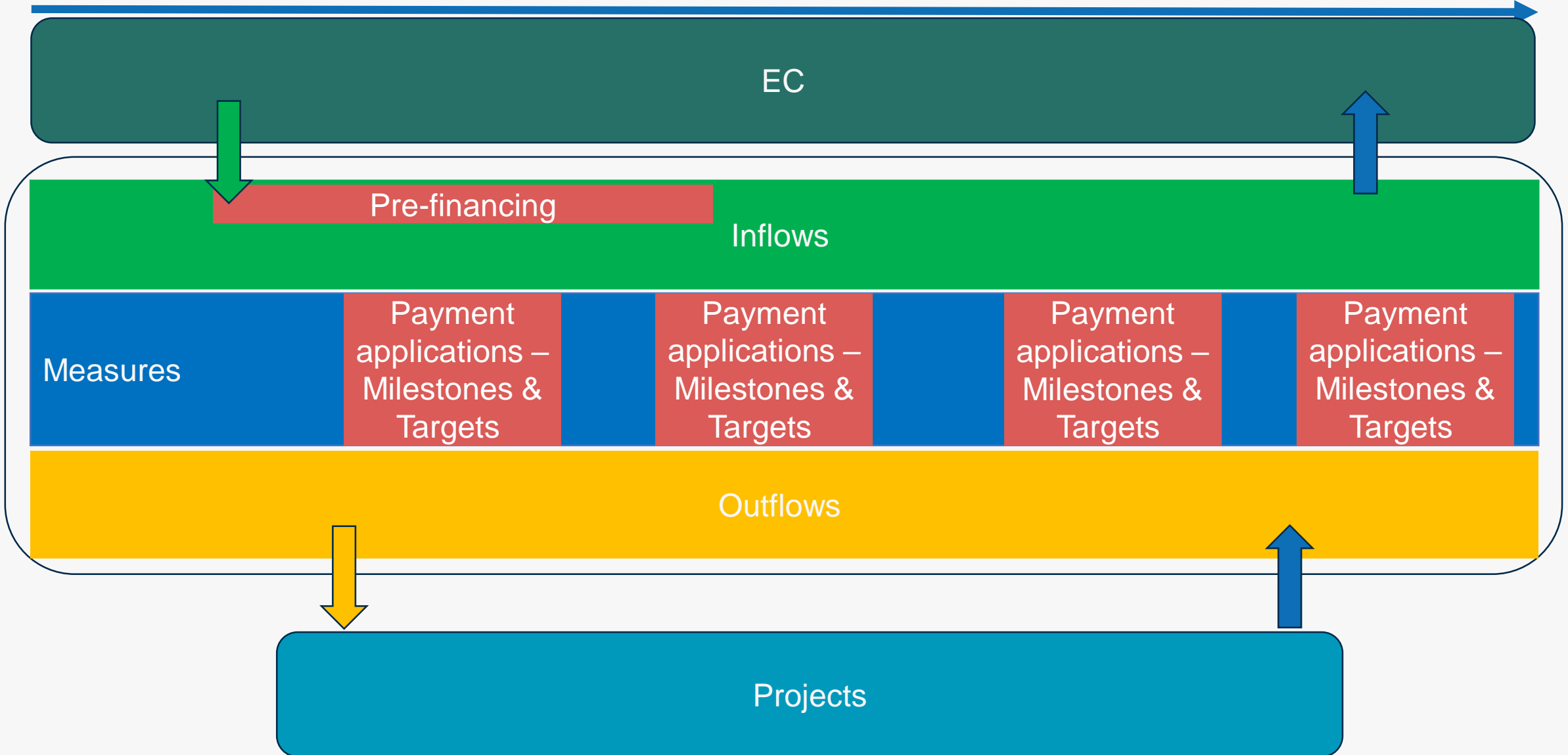


# Programme financial flows in 2028-2034

Porto 2025

2028

2035



# Inflows in 2028-2034

2028

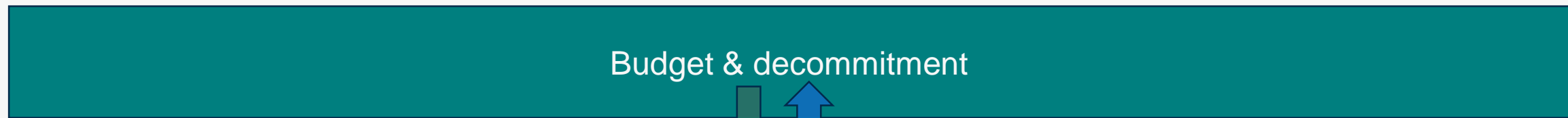
2035

**Budget (from MFF):**

2028	2029	2030	2031	2032	2033	2034
0 %	17 %	17 %	18 %	18 %	15 %	15 %

**Decommitment rules:**

- a) N+1 (or N+10 months)
- b) pre-financing and sum of payment applications count



**Pre-financing rules**

- a) 4% in 3 consecutive years → 12 %
- b) Cleared at closure
- c) Interreg Plan setting the level for Global Europe Instrument

**Payment application rules**

- a) Based on fulfilment of milestones and targets
- b) Max 6 times in financial year
- c) Last submission by 31.10.
- d) 60 days to pay by COM
- e) Tied to submission of annual assurance package (from 2<sup>nd</sup> year)
- e) Payment ceiling at 95%

**Irregularities, suspensions, financial corrections**

- a) Financial horizontal rules not respected
- b) Unfulfilled M/T
- c) Payments stopped and/or extrapolated or flat-rate corrections applied

# Measures and flows in 2028-2034

Porto 2025

Payment for achievement certain milestones & targets (M/T) defined as payment triggers for measures:

- a) Procedural milestones
- b) Interim targets
- c) Final targets

Technical assistance – Flat rate 8% (10%)

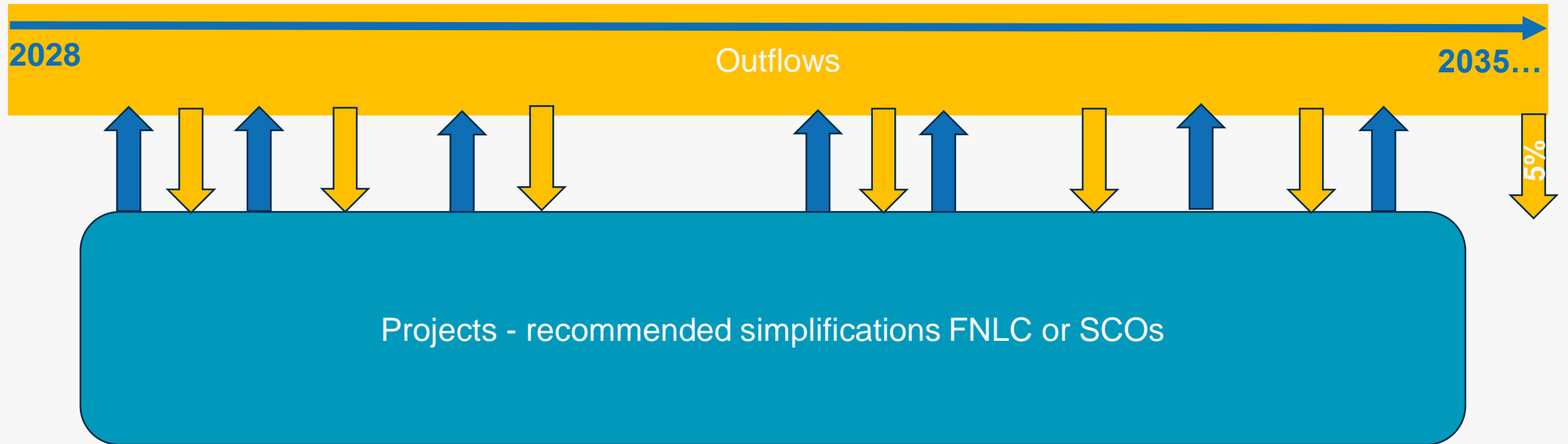
2028

2035

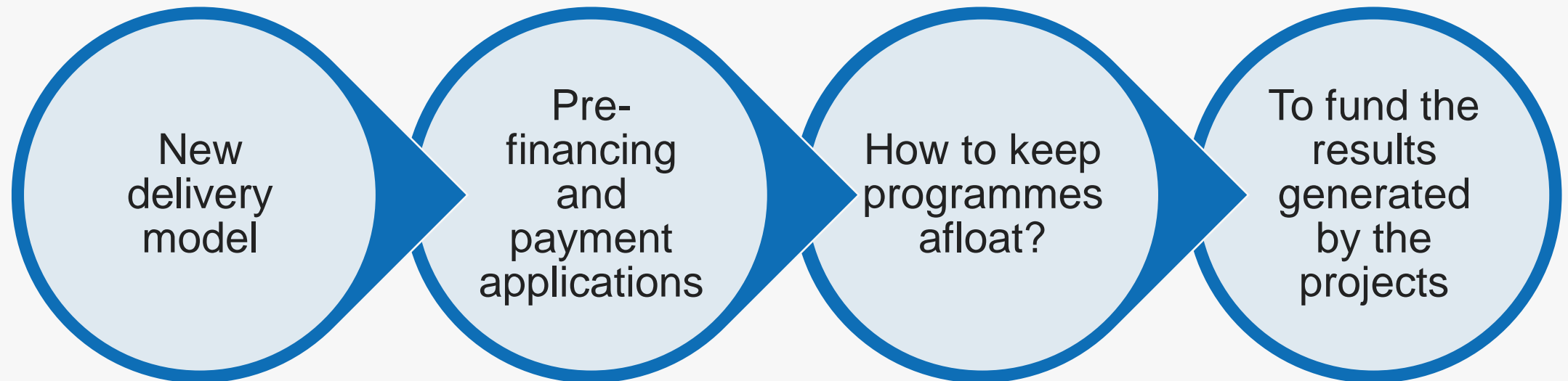


When a milestone or a target is a payment trigger - how to calculate the value of it?

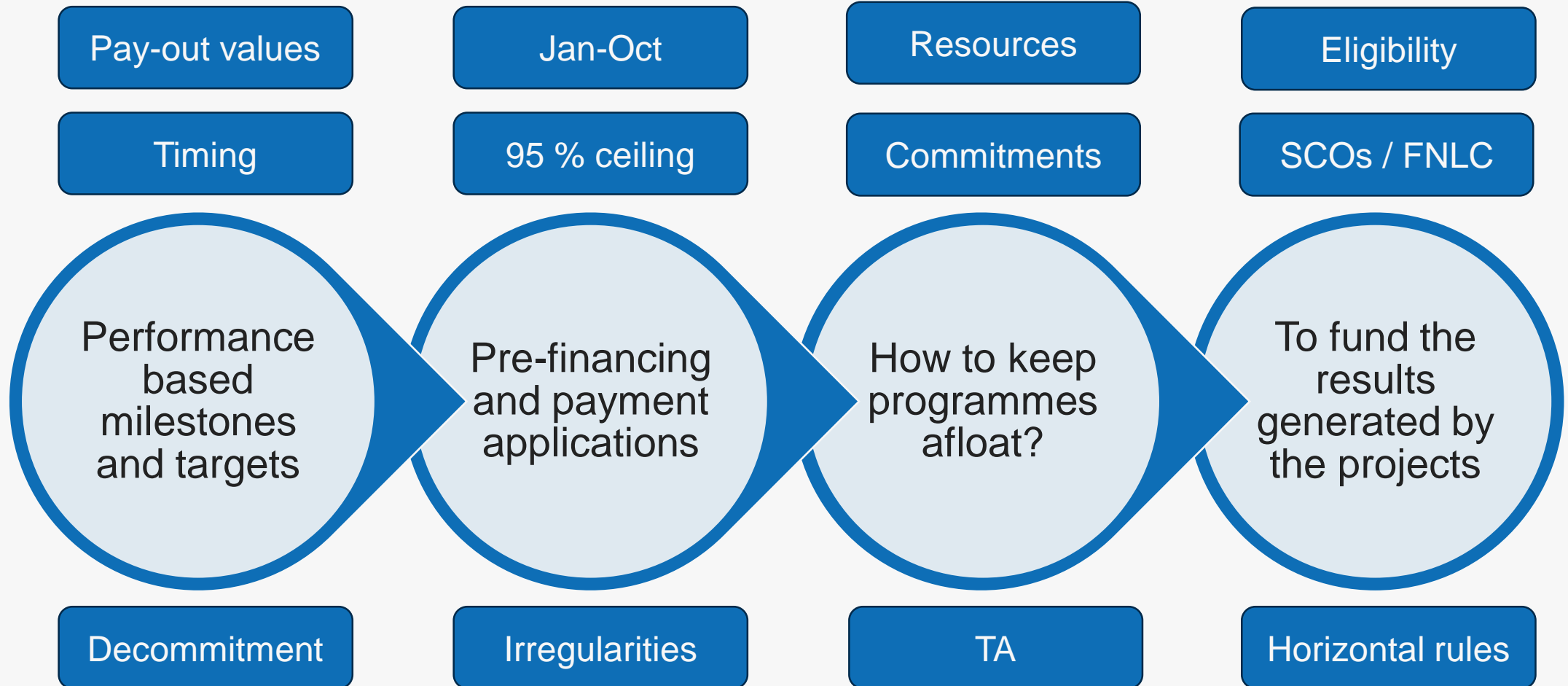
# Outflows in 2028-2034



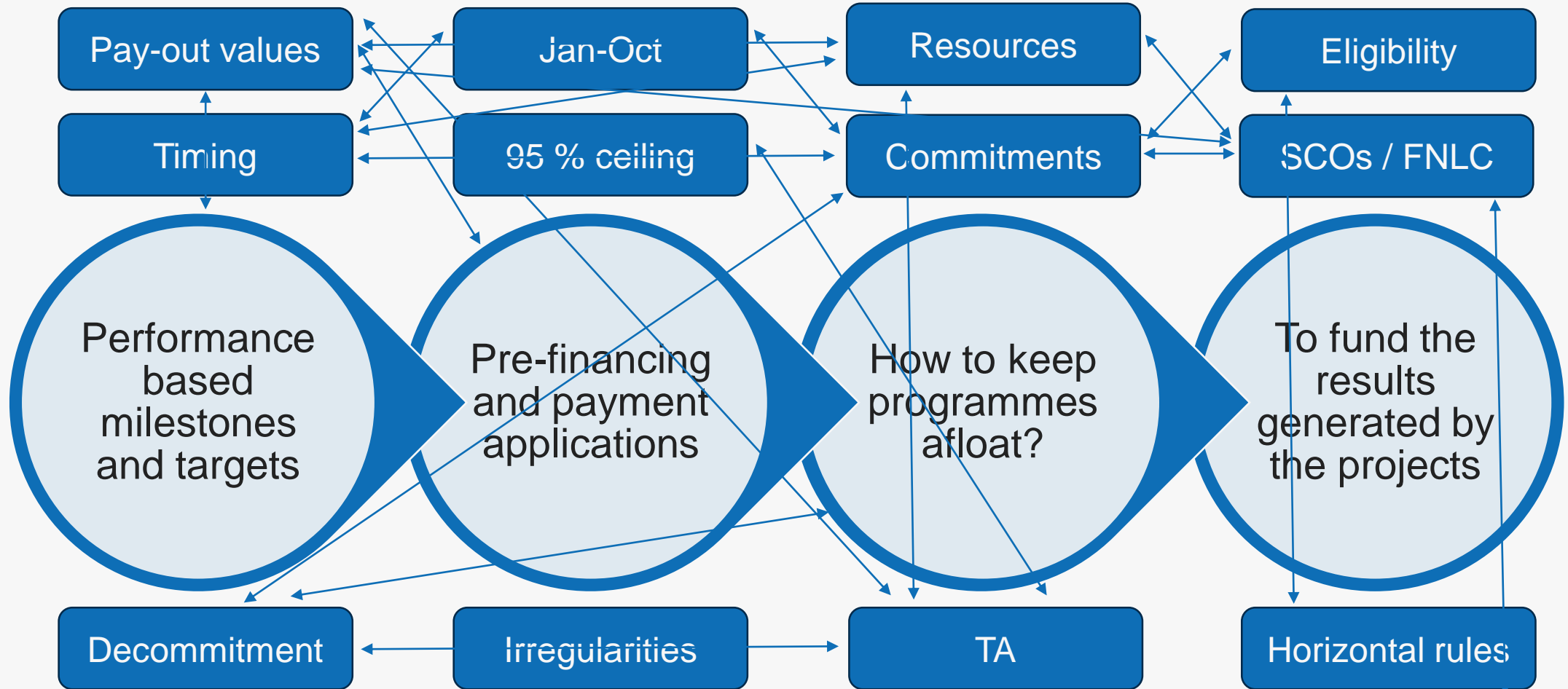
# Programme financial flows in 2028-2034



# Programme financial flows in 2028-2034



# Programme financial flows in 2028-2034



**Performance-based approach  
obligatory only on upper-level or also  
on lower-level?**

# Programme authorities

- A single managing authority, a single audit authority and a joint secretariat for each chapter [Article 10(1) and (4) ERDF]
- Group of auditors per chapter, as in 21-27 [Article 10(5) ERDF]

# Programme authorities

- The main objective of the proposed governance system is to ensure **broad continuity of the existing structures.**
- **The managing authority** should retain responsibility for the functions set out in Article 10(2)(a) [**drawing up and submitting payment applications**] and (b) [**providing forecasts**] ERDF/CF proposal, **although these functions may be carried out by different services under its responsibility and supervision.**
- The template for the payment applications set out in Annex XI NRPP proposal is also to be used within the context of the Interreg Plan chapters.

# Change of approach?

- Work of audit authority (and group of auditors) to be the same, except audit will be of fulfilment of milestones and targets, not expenditure
- Work on verifications to be the same, except on fulfilment of milestones and targets, not on expenditure

# Financial horizontal rules

## Art 58 NRP

1. The Member States shall take appropriate measures to protect the financial interests of the Union and to ensure that the use of funds in the implementation of the Plans complies with the applicable law, including applicable public procurement and State aid rules. They shall in particular ensure the prevention, detection, correction and reporting of irregularities, including fraud, corruption and conflicts of interest.

# Horizontal rules (Financial regulation)

## Sound financial management

- Regulated in FR Art. 63.1 FR

## Arachne+ and Beneficial Owners

- Provision of data mandatory under FR Art 36(6)
- recipient, operation, beneficial owners

## Prevention, detection, correction of irregularities and fraud

- Regulated in FR Art. 63.2(c)

## Conflict of interest

- Regulated in FR Art. 61

# Horizontal rules: State aid

## General Block Exemption Regulation

- Current Reg. valid until end 2026
- Article 20 and Article 20 a based on thresholds (EUR 2,2 million, EUR 22 000 resp.)
- Public consultation finished October 2025
- New reg. needs to take into account PBO

## De minimis

- Aid where the gross grant equivalent of the aid can be calculated ex ante
- Based on threshold (EUR 300 000)
- Applicable until end 2030

# Horizontal rules: Public procurement

## Recent and future developments

- **Regulatory reform:** the Commission is working on a reform proposal for public procurement directives – *expected to be published in the first half of 2026*
- **Stronger** link with the Green Deal: inclusion of green and social award criteria
- **Specific criteria:** social and environmental criteria for Green Public Procurement
- **Emphasis** on e-procurement, market consultation, and innovation partnerships
- **Encourages** joint procurement between EU institutions and Member States to increase efficiency

# Annual assurance package

1. reporting on the implementation progress of the measures in the Plan - template set out in Annex IX [Reporting on progress in implementation of measures], referencing the payment applications submitted in the previous financial year;
2. the summary of the audits
3. a management declaration
4. the annual audit opinion

# Management declaration

- (i) the information submitted with the payment application(s) is complete, accurate and reliable;
- (ii) the funds were properly used;
- (iii) the management and control systems put in place function properly and give the necessary assurance that the funds were managed in accordance with all applicable laws, including on the prevention, detection, reporting and correction of conflicts of interests, corruption, double funding, fraud and other irregularities, and in line with the principle of sound financial management;
- (iv) the information in Implementation progress report provides a true and fair view of the implementation progress.

**ANNEX X****Template for the forecasts of the amount for payment application**

Reference: Article 50(1), point(d) [functions of the coordinating authority]

<b>Expected Union contribution</b>											
<i>[Current calendar year]</i>						<i>[Subsequent calendar year]</i>					
Payment application n°1		Payment application n°[x]		Payment application n°[up to 6 per year]		Payment application n°1		Payment application n°[x]		Payment application n°[up to 6 per year]	
<i>[Expected submission date]</i>		<i>[Expected submission date]</i>		<i>[Expected submission date]</i>		<i>[Expected submission date]</i>		<i>[Expected submission date]</i>		<i>[Expected submission date]</i>	
Seq. Number	Expected amount	Seq. Number	Expected amount	Seq. Number	Expected amount	Seq. Number	Expected amount	Seq. Number	Expected amount	Seq. Number	Expected amount
x	EUR x										
...	...										
<b>Sub-total</b>	<b>EUR x</b>	<b>TOTAL</b>	<b>EUR x</b>	<b>TOTAL</b>	<b>EUR x</b>	<b>TOTAL</b>	<b>EUR x</b>	<b>TOTAL</b>	<b>EUR x</b>	<b>TOTAL</b>	<b>EUR x</b>
<i>Technical assistance</i>	<i>[automatic calculation in SFC]</i>	<i>Technical assistance</i>	<i>[automatic calculation in SFC]</i>	<i>Technical assistance</i>	<i>[automatic calculation in SFC]</i>	<i>Technical assistance</i>	<i>[automatic calculation in SFC]</i>	<i>Technical assistance</i>	<i>[automatic calculation in SFC]</i>	<i>Technical assistance</i>	<i>[automatic calculation in SFC]</i>
<b>TOTAL</b>	<b>EUR x</b>	<b>TOTAL</b>	<b>EUR x</b>	<b>TOTAL</b>	<b>EUR x</b>	<b>TOTAL</b>	<b>EUR x</b>	<b>TOTAL</b>	<b>EUR x</b>	<b>TOTAL</b>	<b>EUR x</b>

**ANNEX XI**  
**Template for the payment applications**

Reference: Article 65(2) [submission and assessment of payment request]

<b>National and Regional Partnership Plan</b>	
Member State:	
Commission decision approving the Plan:	
Date of Commission decision:	
Payment application number:	
Date of submission of the payment application:	
Number of milestones and targets for which a payment is requested	
<i>Of which funded by grants</i>	
<i>Of which funded by loans (if applicable)</i>	
Total amount requested for fulfilled milestones and targets	
Total amount requested for other interventions:	
Amount requested for financial assistance:	
Total amount requested	
<i>Of which funded by grants</i>	
<i>Of which funded by loans (if applicable)</i>	

**LIST OF MILESTONES AND TARGETS FOR WHICH A PAYMENT IS REQUESTED**

Seq. number	Specific Objective	Chapter	Measure	Funded under Grants or Loans	Name of milestone /target	Qualitative indicators (milestones)	Quantitative indicators (targets) as established in Regulation XXX (Performance regulation)				Timeline for achievement		Requested amount	Institution responsible for verifying the fulfilment of relevant milestone/target and for keeping the documents for the audit trail
							Unit of measure	Baseline	Initial Target	Target achieved	Quarter	Year		
<b>Total requested for grants</b>														
<b>Total requested for loans</b>														

**For output-based interventions**

Seq. number	Specific Objective	Chapter	Measure	Output indicator as established in Regulation XXX (Performance regulation)		Requested amount	Institution responsible for verifying the information provided and for keeping the documents for the audit trail
				Unit of measurement	Output reported		
<b>Total requested for output-based interventions</b>							

**The payment will be made on the following bank account:**

<b>Body identified</b>	
<b>Bank</b>	
<b>BIC</b>	
<b>Bank account IBAN</b>	
<b>Holder of account (where not the same as the body identified)</b>	

# Audit Authority

- audit authority shall be responsible for carrying out **audits on the fulfilment of milestones and targets**, and system audits in order to provide assurance to the Commission regarding the effective functioning of the management and control
- including whether the management and control systems ensure the **legality and regularity of the underlying transactions** and the effective and timely protection of the financial interests of the Union
- The audits shall provide **assurance on the effective use of funds** in compliance with the applicable law
- The audit authority is **not expected to verify the underlying costs of the operations for the purpose of its audit work.**

# Timeline after submission of closure documents





## BAF and CA Network Meeting in Porto



# Cooperation works

All materials will be available on:  
[Interact.eu/Library](https://Interact.eu/Library)

Want to discuss it? Join our MS Teams environment!  
[Portal.Interact.eu](https://Portal.Interact.eu) | Programme Financial Management

Interact



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Interreg

# Disclaimer

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Interact Programme

Date updated

3-4 December 2025

Primary knowledge area

Programme Finances, Accounting Function

Author(s)

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