

Interreg



Co-funded by
the European Union

IPA Greece – Albania

Info-Day for the 2nd Call and 3rd Call for Project Proposals – Operations of Strategic Importance

GREECE – ALBANIA 2021-2027

Info Day for Strategic Projects

June 2025

Interreg VI-A IPA CBC 'Greece-Albania 2021-2027' Programme

CCI: 2021TC16IPCB010

C (2022) 8883 final – 29.11.2022



METHODOLOGY FOR CARRYING OUT MANAGEMENT VERIFICATIONS IN “INTERREG 2021–2027” PROGRAMS ON THE BASIS OF A RISK ASSESSMENT



Key elements for 2021–2027

- ✓ Both administrative and on-the-spot management verifications are based on **risk assessment** and are proportionate to the identified risks (Article 74, par. 2 CPR).
- ✓ The Managing Authority prepares **in advance and in writing** a risk assessment that must also cover how the principle of proportionality will be applied in practice (e.g., criteria for carrying out verifications proportionate to the types and levels of risk).
- ✓ Management verifications must be carried out before the submission of accounts to the EU.
- ✓ To ensure equal treatment and align with the cooperation objective of Interreg programs, risk assessments and control decisions must be based on **common principles**, regardless of the country or project.



Use of a **common electronic tool (MIS)** for management verifications.

- ✓ **Joint risk analysis** for both administrative and on-the-spot verifications.
 - ✓ Selection of **risk factors** and **minimum coverage**.
 - ✓ **Centralized and decentralized control systems** apply the risk assessment methodology.



General Principles

- ✓ The **risk assessment** is based on beneficiary and project data and is conducted **electronically via the MIS**.
- ✓ Risk factors receive values and scores **automatically** through the MIS, ensuring reliability and transparency.
- ✓ **Initial assessment** is done immediately after project approval based on data entered into the Application Form.
- ✓ Scores are **automatically updated** during project implementation.
- ✓ Administrative verification is based on **monthly risk assessments**.
- ✓ On-the-spot verification is based on **semi-annual risk assessments**.



Risk Factors (12 total)

Apply to both the **project and the beneficiary**. Scoring for each factor is based on:

- ✓ **Primary data** entered into corresponding MIS fields (from fixed or variable parameters), and
- ✓ **Derived elements** like the percentage of financial corrections imposed on the beneficiary.
- ✓ **Processing and calculations are done automatically by the MIS.**



Indicative Risk Factors

For Beneficiaries:

- ✓ Type of Beneficiary (e.g., public vs. private sector).
- ✓ Correction History (percentage of corrections in past and current projects).
- ✓ Number of Ongoing Projects.

For Projects:

- ✓ Project Complexity (number of deliverables).
- ✓ Duration (>3 years = high risk).
- ✓ Modifications (>5 = high risk).
- ✓ Total budget / expenses.



Administrative Verifications

Rules and criteria apply on two levels:

- ✓ A. **Beneficiary Payment Claim (BPC) level**
- ✓ B. **Expenditure items within each BPC**

BPC Selection Criteria:

- ✓ **High Risk:** Verify **all BPCs**
- ✓ **Medium Risk:** Verify **3 BPCs** (1st, 30%, 70% progress)
- ✓ **Low Risk:** Verify **2 BPCs** (1st and 70% progress)



Selecting BPCs for Verification

- ✓ The **first BPC** of every beneficiary **must** be verified.
- ✓ For **infrastructure projects**, the **first relevant request** is verified.
- ✓ Based on risk level, the **minimum number** of BPCs to be verified is defined.
- ✓ BPCs to be verified are flagged in the MIS as **“for verification”** (visible to controllers, not to beneficiaries).
- ✓ Beneficiaries attach to the BPC all required documentation as normal.
- ✓ Controllers may select additional BPCs with proper justification



Minimum Coverage:

- ✓ 20% of total expenditure
- ✓ 30% of items per BPC
- ✓ For large number of items (>150): 15% of value & 15% of items

Selection Based On:

- ✓ Items with high amount ($\geq 10\%$)
- ✓ Unusual or suspicious items (controller's professional judgment)
- ✓ Random sampling

Controllers may **increase coverage** percentages.



Sample Expansion

If **irregularities** are found:

- ✓ Identify items with **common characteristics** (e.g., processes, documents).
- ✓ If similar findings are found in the expanded sample, the controller may:
 - ✓ Further **expand the sample**, and/or
 - ✓ Decide to carry out an **on-the-spot verification**

If findings in the BPC may affect previous BPCs, an **on-the-spot verification** can be planned.



On-the-Spot Verifications

Steps:

1. Risk assessment
2. Define initial population
3. Determine sample size (15% of projects + 20% of expenditure)
4. Select based on predefined criteria (e.g., completion status, issues, complaints)
5. Population stratification (50% high risk, 30% medium, 20% low)
6. Finalize sample
7. Include projects with no financial activity
8. Schedule "on-the-spot" verifications in MIS
9. Monitor the "on-the-spot" plan



Review – Revision of the Methodology

Conducted **annually**, considering:

- ✓ Reports from the Audit Authority
- ✓ Results of verifications
- ✓ EU and European Court of Auditors inspections
- ✓ Suspected fraud cases
- ✓ Changes in the Management and Control System (MCS)

If necessary:

- ✓ Revise the methodology
- ✓ Adjust the MIS
- ✓ Provide additional training to FLC Authorities and beneficiaries in both countries



Thank you for your attention

Dimitris Karavatos

UNIT C' - "MANAGEMENT VERIFICATIONS"
MANAGING AUTHORITY INTERREG 2021-2027
GENERAL SECRETARIAT FOR NSRF
MINISTRY OF NATIONAL ECONOMY AND FINANCE

Addr.: Leoforos Georgikis Scholis 65, GRC-570 01,
Thessaloniki, Greece

Tel: +30 2310 469600, 614

Email: dkaravatos@mou.gr

Website: www.interreg.gr