

# ESTIF Interactive Forum

## Financial Management, Control & Audit of ESI Funds

24–25 May 2018 | Vienna



### Day 1: Interactive Sessions

In six interactive sessions crucial topics on financial management, control and audit of ESI Funds will be discussed in various case studies, practical exercises and discussion rounds – use the great opportunity to exchange on best practice with your colleagues from all over Europe.

**NEW MEETING FORMAT!**



#### I: Management Verifications

**Zsuzsanna Kondor**

Former Head of Managing Authority of Operational Programme Technical Assistance and Head of Coordination Managing Authority, Budapest



#### IV: Errors, Irregularities and Financial Corrections

**Simon Hannah**

Department for Communities and Local Government, Cambridge



#### II: Annual Accounts

**Irena Dankova**

Ministry of Finance of the Republic of Bulgaria, Sofia



#### V: Revenue Generating Projects

**Andrew Luff**

Structural Funds Expert Adviser and former Head of European Structural Fund Programmes at the East of England Development Agency, Cambridge



#### III: Financial Instruments

**Alexander Rose**

UK Government Legal Department, Newcastle upon Tyne



#### VI: Fraud & Corruption

**Jo Kremers**

Ministry of Finance, The Hague

### Day 2: Workshops

The half-day workshops allow an in-depth examination of the topics. Renowned experts will guide you through the crucial issues and will apply the lessons learnt with you in practical case studies and discussion rounds.



#### I: Simplified Cost Options in ESI Funds

**Louis Vervloet**

ESF Agency Flanders, Brussels



#### III: ESI Funds in Compliance with State Aid

**Daiga Lagzdina**

Ardenis Ltd., Riga



#### II: Audit and Control of ESI Funds

**Marina Ivkovic**

Agency for Audit of European Union Programmes Implementation System, Zagreb



#### IV: ESI Funds in Compliance with Public Procurement

**Christopher Bovis**

University of Hull

## DAY 1 | 24 MAY 2018

8:30 Registration & Welcome Coffee

9:30 Welcome Note on behalf of ESStIF

Rona Michie, *EPRC, University of Strathclyde, Glasgow; ESStIF Editorial Manager*

9:45 Opening Session: ESI Funds Post-2020

- Allocation of Funds after Brexit: Mapping post-2020
- Role and scope of Financial Instruments post-2020
- Simplification and reduction of gold-plating

Chair:

**Dirk Ahner** *Former Director General for Regional Development, European Commission*

**Peter Wostner** *Ministry of Economic Development and Technology, Ljubljana*

**Louis Vervloet** *General Director, ESF Agency Flanders, Brussels*

**Alexander Rose** *UK Government Legal Department, Newcastle upon Tyne*

10:45 Coffee break

11:15 Parallel Practical Sessions



### I: How to Make Management Verifications More Effective

- New legal requirements for verification of expenditures, institutions involved and share of responsibilities
- Key regulations on the eligibility of expenditure
- Management verifications in the programme cycle
- Administrative and on-the-spot verifications: approach, methodology, challenges
- Role of the IT system
- Consequences of the annual financial implementation and control regime

Practical examples on successful management verifications from Hungary



**Zsuzsanna Kondor**

*Former Head of Managing Authority of Operational Programme Technical Assistance and Head of Coordination Managing Authority, Budapest*

### II: How to Draw up, Certify and Submit Annual Accounts to the European Commission

- Lessons learnt from the previous accounting year
- Timeline for structuring annual accounts
- Preparation, documentation and reporting requirements
- Legal requirements for certification
- Which information can be added after submission to the EC
- How to treat irregularities

Participants will go through the template for annual accounts and discuss the challenges of summarizing the information from all payment applications into annual accounts



**Irena Dankova**

*Certification and Financial Management of ESF Department, National Fund Directorate, Ministry of Finance of the Republic of Bulgaria, Sofia*

12:45 Lunch

14:00 Parallel Practical Sessions



### III: How to Compliantly Set up ESI Fund Financial Instruments

- Legislative framework for Financial Instruments
- Structuring Financial Instruments to meet the Commission's Selection Guidance
- Considerations for loans, guarantees, equity and quasi equity funds
- Funding Agreement considerations
- Overview of State aid and Procurement considerations
- The role of the EIB

Practical examples of using loans, guarantees, equity and quasi-equity funds in UK



**Alexander Rose**

*UK Government Legal Department, Newcastle upon Tyne*

### IV: How to Handle Errors, Irregularities and Financial Corrections in ESI Funds

- Most common irregularities in ESI Funds
- Typical procurement errors and irregularities
- When do irregularities lead to recoveries, withdrawals and financial corrections?
- Treatment of irregularities
- Purpose and types of financial corrections
- Remedial actions to be undertaken

Case studies on how to detect and handle irregularities. Participants will apply theoretical knowledge to real-life cases in small working groups



**Simon Hannah**

*Department for Communities and Local Government, ERDF Local Delivery Unit – East of England, Cambridge*

15:30 Coffee Break

## 16:00 Parallel Practical Sessions



### V: How to Use ESI Funds for Revenue Generating Projects

- Legal framework
- Key principles and requirements relating to revenue generating projects
- What are eligible expenditures in revenue generating projects?
- Calculating methods for eligible expenditures
- Management verification of revenue generating projects

Case studies on available options to comply with the regulations for revenue generating projects



#### Andrew Luff

Structural Funds Expert Adviser and former Head of European Structural Fund Programmes at the East of England Development Agency (EEDA), Cambridge

### VI: How to Prevent, Detect and Correct Fraud and Corruption in ESI Funds

- How to set up an effective and proportionate Anti Fraud Cycle
- How to deepen your awareness and knowledge of risks of fraud and corruption
- How to improve your own skills in successful prevention and detection
- Input for your own (national) Management and Control System

Practical case on selection of operations for fraud risk analysis, and definition of effective and proportionate measures based on the outcome of that risk analysis



#### Jo Kremers

Senior Audit Manager, Central Audit Authority, Ministry of Finance, The Haag

## 17:30 End of Day 1

# DAY 2 | 25 MAY 2018

## 8:00 Parallel Interactive Workshops (including coffee break)

### Workshop I: Simplified Cost Options

- Why and how to use Simplified Cost Options?
- Calculation methods for Simplified Cost Options
- Compliance with eligibility rules, public procurement and State aid rules

#### Practical Exercise

- Flat-rates: Where and how to use them?
- Reimbursement on the basis of unit costs: How to calculate?
- Practical insights into lump sum funding



#### Louis Vervloet

General Director, ESF Agency Flanders, Brussels

### Workshop II: Audit and Control of ESI Funds

- Legal requirements for second level control
- Implementation of newest requirements: Chapter on good practices promoted by Audit Community (EC and national AAs) when carrying out audits under ESI funds, DG REGIO
- System audit, audit on operations, projects and payment claims, audit of accounts, audit of management declaration

#### Practical Workshop

During this practical session participants from managing, certifying authorities and intermediate bodies will be asked to brainstorm, what and how they would prepare for audit control. Auditors will be asked to consider their expectations to the auditees. Finally we will examine the gap between auditors and auditees



#### Marina Ivkovic

Senior Auditor in Independent Service for Methodology and Quality Assurance, Agency for Audit of European Union Programmes Implementation System (Croatian Audit Authority), Zagreb

## 11:30 Lunch

## 12:30 Common Interactive Workshops (including coffee break)

### Workshop III:

#### ESI Funds in Compliance with State Aid

- When do ESI Funds managers have to be aware of State aid
- Application of State aid rules and procedures (GBER, Guidelines, etc.; notification vs exemption from notification – what does it mean?)
- Tricky issues with infrastructure funding in compliance with State aid rules

Practical exercises to ensure that ESF/ERDF funds are granted in compliance with State aid rules



#### Daiga Lagzdina

Expert-lawyer, Ardenis Ltd., Riga

### Workshop IV:

#### ESI Funds in Compliance with Public Procurement

- Responsibilities of programme bodies with regard to public procurement
- Public Procurement Proceedings
- Tendering phases

Case study on how to prevent and handle irregularities in public procurement



#### Christopher Bovis

Chair in Law and Professor of European Business Law, University of Hull

## 16:00 End of the ESIF Forum & Distribution of Certificates

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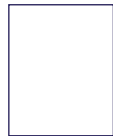
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