



EUROPEAN COMMISSION

Brussels, 19.7.2012
SWD(2012) 227 final

COMMISSION STAFF WORKING DOCUMENT

Implementation of Article 325 by the Member States in 2011

Accompanying the document

**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
TO THE COUNCIL**

**Protection of the European Union's financial interests - Fight against fraud
Annual Report 2011**

{COM(2012) 408 final}
{SWD(2012) 228 final}
{SWD(2012) 229 final}
{SWD(2012) 230 final}

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1. INTRODUCTION

Article 325(5) of the TFEU (ex article 280 of the EC Treaty) requires the Commission, in cooperation with the Member States, to submit a report each year to the European Parliament and the Council on the measures taken to implement that Article. The Commission bases the part of the report relating to the Member States on the answers to the "Article 325" questionnaire, as agreed upon with them within COCOLAF and adapted each year in the light of past experience so as to facilitate the monitoring of anti-fraud measures.

Consequently, each year, the Commission draws up a report in cooperation with the Member States on the measures taken to implement this obligation, according to article 325 of the Treaty on the Functioning of the European Union (TFEU). This report is addressed to the European Parliament and the Council and it is published.

The Commission report is drafted on the basis of the Member States' answers to the "Article 325" questionnaire sent by the Commission to the Member States. The present questionnaire covers the period from 1 January to 31 December 2011.

This document lists all the answers of Member States to the 2011 questionnaire.

Over the time the report had become more and more voluminous. Both the Council and the European Parliament were concerned that its size was increasing and that its being annual, horizontal and multisectoral hampered a detailed assessment of all the aspects of the protection of the EU's financial interests by the Member States. Since 2003, the Commission has therefore applied a new approach. After the traditional question asking Member States to report on new measures taken in 2011, the questionnaire focuses on one **major theme**. The aim is to gather information on topics which go beyond the measures taken in the course of a calendar year, thereby allowing a more detailed analysis of these topics. The topics change from year to year.

As in the previous years, the **first part of the questionnaire** asks the Member States to present the **main measures that give effect to Article 325**, i.e. measures to combat fraud and all illegal activities affecting the financial interests of the EU. This part is structured the same as for the 2011 questionnaire. Member States are invited to describe two or three "key" measures taken in the year 2011 in order to implement Article 325 of the Treaty.

The **second set of questions** concerns the controls to combat irregularities and fraud against the financial interests of the EU in the area of cohesion Policy.

2. SUMMARY OF MEMBER STATES' CONTRIBUTIONS

2.1. Qualitative evaluation: Improvements in the financial control and risk management system in order to prevent fraud against the EU financial interest

2.1.1. *Measures taken in the period 2007-2011 which have substantially contributed to better prevention of cases of suspected fraud in the area of the Cohesion Policy or/and improvements in the risk management system.*

All Member States reported measures either legislative either administrative that they have taken in the period 2007-2011. In the views of the Member States, these have substantially

contributed to better prevention of fraud in the area of the Cohesion Policy and/or to improvements in the risk management system.

These measures concern among other thing the eligibility of rules; on the spot-checks and control; reporting and processing of fraud and general irregularities, recovery procedures, cross-check mechanisms to detect and eliminate cases of double financing of projects, public procurement procedures, introduction of penalties, actions to counter fraud and corruption, establishment of coordination bodies for combatting fraud affecting the financial interests of the EU, participation by staff in trainings and seminars and prosecution of the beneficiaries and of anyone person involved in case of suspected fraud and corruption.

2.1.2. Description of the outcome of the measures taken in relation to prevention of suspected fraud cases and recovery of misused EU funds

Member States reported as outcome of the above mentioned measures on the performed activities in relation to prevention of suspected fraud cases and recovery of misused EU funds

-in terms of effectiveness and efficiency of operations:

- the strong proactive approach with more irregularities detected before payment¹;
- the decreased number of irregularities²;
- the elimination of cases of suspected fraud³;
- the reduction of errors in tenders and more effective controls on expenditure and public procurement procedures⁴;
- the greater discipline and transparency of the whole process of the project implementation⁵;

-in terms of reliability of financial reporting:

- the higher proportion of accepted eligible amounts by the beneficiary to the managing authorities⁶;

- in terms of compliance with the applicable rules:

Some Member States⁷ mentioned the preventive impact of the Commission Guidelines on public procurement⁸, the Commission Note on fraud indicators⁹, the national provisions on public procurement, the Irregularities Notification Manual and Guidelines and the provisions of Articles 27 to 36 (Irregularities) of Regulation (EC) No 1828/2006.

¹ Except Greece and France.

² DK, ES, IE, IT, CY, LV, LT, LU, MT, NL, AT, PT, SI, SE, UK

³ BG, CZ, EL, EE and UK.

⁴ BE, EE, HU, MT

⁵ CZ, BG, AT

⁶ DE, ES, IE, IT, CY, LV, LT, LU, HU, NL, PL, PT, RO, FI and UK

⁷ BG, DE, EE, EL, ES, LT, LU, HU, MT, NL, AT, RO, SI, SK, SE and UK.

⁸ Guidelines for determining financial corrections to be made to expenditure co-financed by the structural funds or the cohesion fund for non-compliance with the rules on public procurement: COCOF 07/0037/03-EN.

⁹ Information Note on fraud indicators for the ERDF, ESF and CF (COCOF 09/0003/00-EN).

2.1.3. *Use of new control and investigation strategies in order to reduce the risk of fraud and to better detect cases of fraud in the spending of the Cohesion Policy funds*

Based on the lessons learnt from the finding, the majority of Member States¹⁰ reported as measures put in place in order to reduce the risk of fraud and to better detect cases of fraud in the spending of the Cohesion Policy funds the establishment of National strategies (e.g. antifraud committees, audit activities to prevent and detect irregularities, ...) a number¹¹ the establishment of Regional strategies while a number of Member States¹² use the 'types of operations' (development of various sorts of preventive measures -including preliminary procurement checks, further cooperation with law enforcement officers, performance of broader-scale management checks at the behest of the MA. One Member State¹³ reported that the current arrangements for checks appear to serve their purpose and restrict to a satisfactory extent the risk of irregularities while two other Member States¹⁴ reported that no new strategies were put in place or planned during the reporting period as they are satisfied with existing.

2.1.4. *Use of fraud indicators*

Most of the Member States¹⁵ make use of general and or specific indicators (Categories of irregularities; Categories of economic operators; Categories of operations; Categories of modus operandi; Economic sectors; Geographical areas, of Projects; Transactions; Individual economic operators), that may contribute to fraud detection and to the improvement of the results of anti-fraud control activities. However, they mentioned that consider that fraud is no linked only to certain economic operators, economic sectors or categories of operation. As all cases are different, the rapid exchange of information is used to detect irregularities/fraud schemes.

In addition, the use of general fraud indicators are identified in certain Member States¹⁶, in a Manual or Guide for Audit of EU Funds, contains fraud indicators providing help and orientation for the Audit Authority employees in their audit activity, system of preliminary checks of procurement.

Most Member States¹⁷ replied that they use general indicators to redirect their controls and that these contribute to detecting fraud and to improving the results of anti-fraud control activities.

Some fraud indicators are identified as:

- non-compliance with legislation in the area of public procurement, corruption practices, undeclared conflict of interests, agreements inconsistent with the law, manipulation of financial results, unusual financial transactions¹⁸; un-transparent procurement procedure; submission of false data that is difficult to check¹⁹.

¹⁰ BG, CZ, EE, ES, FR, IT, CY, LU, HU, MT, NL, AT, PT, RO, SI, SK and FI,

¹¹ BE, UK.

¹² DE, EL, LV

¹³ PL

¹⁴ NL, UK

¹⁵ BG, CZ, DE, EE, EL, ES, FR, IT, CY, LU, LV, HU, MT, PL, PT, RO, SI, SK, UK

¹⁶ BG, HU, PT, RO,

¹⁷ BG, CZ, DE, EE, EL, ES, IE, HU, MT, PL, RO, SI, SK and UK.

¹⁸ BG, EE

¹⁹ BG; EE, ES, DE., LV

A limited number of Member States²⁰ reported that they do not use fraud indicators as all projects are checked at least once in their lifetime or twice or not applicable due to low level of fraud detected thus far or all working methods are geared to uncovering fraud and identifying irregularities in the early stage of the process.

2.1.5. *Financial controls systems sufficiently oriented towards detecting fraud*

All the Member States consider their financial control to be sufficiently targeted on detecting fraud.. Most of them consider that the established control structures and mechanisms have strengthened desk checks of public procurement procedures held on the spot checks of project implementation. On double side answer the less positive aspect was regarding the competence of officials which must be improved²¹.

2.1.6. *Improvements of the detection record*

Most of Member States presented concrete aspects through the detection record could be improved. Human, technical and financial resources are proposed mostly for improving fraud detection²².

- Human aspects – enhancing administrative capacity, training of competent staff²³
- Financial – increase of financial resources, as to reduce the risk of corrupt attitudes and practices, competitive wage²⁴;
- Technical - the drawing up of a handbook and compilation of best practices, development of a common platform and databases, database access and checks²⁵.

2.1.7. *Cost benefit analysis when conducting anti-fraud investigations*

A limited number of Member States²⁶ reported that they apply cost benefit analysis when conducting anti-fraud investigations and the majority of Member States²⁷ replied no as fraud is investigated irrespective of the amount involved, and all incidences of irregularities and fraud detected are pursued.

2.1.8. Has your Member State administration adopted guidelines to distinguish between fraud and irregularities?

Most of Member States answered positive to this question. Many of them replied that the distinction based on The EU legal framework (PIF Regulation and PIF Convention).

²⁰ BE, DK, IE, NL,

²¹ EE, SI

²² BE, BG, CZ, DE, EE, IE, EL, ES, FR, IT, LV, LT, LU, HU, MT, NL, AT, PL, PT, SE

²³ BE, BG, CZ, DE, EE, ES, LT, HU, MT, CY, PL, PT, SI, SK, FI, UK

²⁴ BG, CZ, EE, ES, IT, CY, LT, LU, , MT, NL, AT, PL, PT, RO, SE, SK

²⁵ BE, DE, LV, LT, AT, RO, SI, SE, UK, HU

²⁶ BG, CZ, FR, EL, IT, MT, RO

²⁷ BE, DK, EE, ES, IE, LU, NL, AT, PL, PT, SI, SK, FI, SE, UK

2.1.9. How often do you audit the reporting of suspected fraud to OLAF?

Most of Member States replied that they audit the reporting of suspected fraud annually and another part declared biannually.

2.1.10. How often trainings have been given to staff dealing with reporting of suspected fraud to OLAF?

The replies vary from biannually to never.

2.2. Statistical elements

2.2.1. *Performed anti-fraud investigations and finalised criminal proceedings the end of 2011, related to projects financed under the programming periods 2000-2006 and 2007-2013 in Cohesion Policy area*

All Member States reported on performed anti-fraud investigations and finalised criminal proceedings related to projects financed under the programming periods 2000-2006 and 2007-2013 in Cohesion Policy area. Some Member States included the obligatory 'on-the-spot-checks' provided for in the EU regulations in the framework of the anti-fraud administrative investigations. In a number of Member States, the possibility of cases of fraud is checked by performing on-the-spot checks, payments claim checks, preliminary procurement checks and sample checks of systems audits and experience. If suspicion arises, additional checks are carried out and, where necessary, a report is lodged with the law enforcement. In some Member States, the administrative fraud investigations are treated separately.

Some large Member States²⁸ reported a very limited number of ongoing criminal investigations. Some Member States²⁹ provided valuable data on anti-fraud investigations performed and criminal proceedings completed, but others³⁰ provided no data concerning the criminal proceedings completed along with the court decisions.

The table 1 below summarises the data reported by the Member States:

²⁸ DE, FR and ES.

²⁹ BG, CZ, EE, HU, PL, PT, SK and SE.

³⁰ DE, EL, ES, FR, IT, LT, LU, HU, AT and RO.

MS	Total number of anti-fraud administrative investigations (including on-the-spot checks)	Total number of criminal investigations	The number of finalised criminal proceedings with the court decision (guilty or not guilty)
BE	615	0	0
BG	2.867	2.293	245
CZ	404	13	5
DK	3	3	3
DE	no data available		no data available
EE	68	19	11
IE	5	3	0
EL	SDOE : 41 ; EDEL : 1227	7	no data available
ES	4	13	no data available
FR	N/A		no data available
IT	26.944		161
CY	N/A	0	0
LV	24		1
LT	1.429	60	no data available
LU	423	19	no data available
HU	38	338	50
MT	2	0	0
NL	2	2	2
AT	N/A		no data available
PL	766	265	60
PT	9.630	112	30
RO	56	1.371	no data available
SI	4	4	0
SK	148	225	102
FI	17.039	7	3
SE		166 preliminary investigations	42
UK	51	23	5

2.2.2. Amounts recovered in relation to anti-fraud investigations pertaining to programming period 2000-2006 and 2007-2013

The information provided by the Member States concerning the amounts recovered in relation to anti-fraud investigations pertaining to programming periods 2000-2006 and 2007-2013 indicates that the data are not homogenous and sequentially could not be comparable. In fact, no link could be established between the reported in the Irregularity Management System and those reported under this exercise. Two Member States³¹ reported large amounts and only one third³² reported that amounts above EUR 1 million had been recovered following an anti-fraud investigation. For another third³³ the amounts reported in this exercise are of low value, while some Member States³⁴ reported no amount at all or indicated as "non applicable". Two Member States³⁵ indicate that this is due to the fact that the irregular amounts have been deducted before the payment claim of expenditure concerned has been presented to the Commission.

The table 2 below summarises the amounts recovered reported by the Member States related to administrative and criminal investigations:

³¹ IT and PT.
³² BG, EE, ES, IT, LV, LT, PT, SK, FI and UK.
³³ BE, CZ, IE and RO.
³⁴ DE, EL, FR, HU, MT, AT, SE and SI.
³⁵ DK, CY

MS	Amounts recovered (excluding financial penalties and interests) in	Amounts of financial penalties in €
BE	10.018	0
BG	1.461.165	5.800.504
CZ	2.582	15.718
DK	973.607	973.607
DE		
EE	3.021.725	0
IE	31.343	0
EL		N/A
ES	15.041.348	N/A
FR		N/A
IT	516.653.844 *	306.656
CY	one case identified that related to fraud, involving an amount of €5.000 (public	
LV	1.515.736	N/A
LT	4.497.566	13.875.310
LU	Irregularities: €44 000 (ESF)5.791.800	N/A
HU		N/A
MT		N/A
NL	533.250	unknown
AT		N/A
PL	3.031.418	224.805
PT	597.573.777 *	
RO	76.895	
SI	0	
SK	1.951.783	0
FI	24.520.146	7.591
SE	N/A	
UK	1.050.000	0

*(figure subject to variation; figure does not include the total value of property seizures by the Guardia di Finanza in the context of criminal proceedings, which is € 322 181 684.00)

2.2.3. Personnel assigned and involved in anti-fraud investigations

Finally the table 3 below summarises the situation with regard to personnel assigned and involved in anti-fraud investigations. The data shows that a number of Member States included all staff involved in systems audits and even in audits of transactions because this staff may be involved in anti-fraud operations. As in the case of point 1.2.2 the reported data with regard to the personnel assigned are not homogenous and sequentially not comparable; hence conclusions are difficult to be drawn.

The table 3 bellow summarises the number of personnel assigned and involved in ant-fraud investigations for the period 2007-2011

MS	Personnel assigned and involved in anti-fraud investigations 2007-2011)
BE	44
BG	64
CZ	17
DK	3
DE	no data available
EE	217
IE	Fraud investigation undertaken by: An Garda Síochána (Police Force) - and the Management and Internal Audit Unit of FAS
EL	SDOE : 313 ; EDEL : 491
ES	6
FR	All staff involved in systems audits and audits of transactions may be involved in anti-fraud operations.
IT	3.634
CY	N/A
LV	293
LT	125
LU	9
HU	1.120
MT	2
NL	0
AT	N/A
PL	1.343
PT	347
RO	25
SI	0
SK	317
FI	750
SE	13,5
UK	16

In conclusion, the Member States' responses to the questionnaire point to improvements in the financial control and risk management system to prevent fraud in the area of cohesion policy. These include legal provisions and guidelines, national or regional strategies, use of risk indicators, administrative procedures and cooperation between national authorities.

Conversely, further progress is needed on monitoring the results of the administrative and criminal anti-fraud investigations, including recovery of the amounts concerned³⁶.

It is also clear that better fraud statistics are necessary so that the Commission and the Member States can focus their efforts in higher-risk areas. In that respect, the Commission intends to put more emphasis in the reporting in this area.

³⁶ See Tables 1 and 2 of the relevant Commission Staff Working Paper accompanying this report, pp. 9-11, which summarise the data reported by the Member States.

ANNEX: REPLIES OF MEMBER STATES TO THE QUESTIONNAIRE "IMPLEMENTATION OF ARTICLE 325 TFEU BY THE MEMBER STATES IN 2011"

1. KEY DEVELOPMENTS CONCERNING THE IMPLEMENTATION OF ARTICLE 325 OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION (TFEU)

Maximum three most important legislative or administrative measures taken in the course of 2011 for the protection of the EU's financial interests and the fight against fraud. These should be measures adopted at Member State's own initiative and not measures which simply transpose EU legislation.

In particular, Member States are asked to indicate:

- Type of measure (law, regulation, etc.) and references (number, date of adoption and/or publication, name of programme, etc.)
- Its scope (horizontal, specific field)
- Why it was needed
- Improvements made to the existing system. (see Annex).

BE	<p>Prosecution Service: College of Public Prosecutors</p> <p>1.1. Law of 14 April 2011 on various provisions (including Articles 55-57 on the lifting of bank secrecy in cases where there is evidence of tax evasion) (published 6 May 2011).</p> <p>Since 1 July 2011 the tax authorities have been able to access information held by financial institutions about taxpayers if there is evidence of tax fraud within the meaning of the law of 14 April 2001 amending the 1992 Income Tax Code (CIR 92). This possibility of access to banking information also extends to foreign tax authorities bound by a cooperation agreement with Belgium in the framework of reciprocal exchanges of banking information where there is evidence of tax fraud. In such cases the principle of banking secrecy no longer applies and is no longer enforceable.</p> <p>In its report of 12 September 2011 the Organisation for Economic Cooperation and Development (OECD) found that Belgium had adopted an adequate legislative framework for the transfer of tax data on foreign taxpayers; its implementation will be discussed in more detail by the OECD in 2012 (www.oecd.org).</p> <p>1.2. The law of 11 July 2011 amending Articles 216bis and 216ter of the Code of Criminal Procedure and Article 7 of the law of 6 June 2010 introducing the Social Penal Code (published 1 August 2011).</p>
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	<p>This legislative change enables the prosecution service to offer plea bargaining through the payment to the Federal Public Finance Service of a sum of money proportionate to the seriousness of the charges for all offences, including economic and financial (ECOFIN) offences liable to punishment by imprisonment not exceeding two years or to a more severe sanction, including confiscation, not entailing serious physical damage, at any stage of the proceedings even if the examining magistrate has already started investigations or the case is already in court, if the suspect or defendant expresses a desire to make good the wrong caused to another person, provided that no judgment or decision with the force of res judicata has been issued. This judicial measure should make it easier to act more quickly and more appropriately by shortening proceedings in minor cases of fraud prejudicial to the interests of the European Union.</p> <p>1.3. (Internal) Memo No 9/2011 of 10 May 2011 from the federal prosecutor's office (parquet fédéral) on international cooperation in relation to collaboration between the Belgian federal prosecutor's office and OLAF.</p> <p>This general memo regulates international cooperation between the federal prosecutor's office and OLAF, and describes the role of each within their respective jurisdictions. It also sets out the principles governing OLAF investigations, taking into account the specific environment in which these investigations are conducted.</p> <p>After setting out the principles of OLAF's powers of investigation in the EU countries, paragraph 8 of this memo provides that the initial processing of a file from OLAF should be carried out by the federal prosecutor's office, which acts as the central contact point for international legal institutions, including OLAF.</p> <p>Notification of files on acts constituting fraud against the interests of the EU should be sent by OLAF to the federal prosecutor's office, which will deal with all those destined for the Brussels prosecutor's office at federal level in the interests of uniformity of prosecution and will deal with those destined for other offices on a case-by-case basis with a view to federalising them as well.</p> <p>This measure to centralise OLAF cases will prevent their dispersion among different national judicial authorities and will mark a significant improvement in the quality of their handling, which will henceforth be standardised at national level by the federal prosecutor's office, including the choice of the police force to conduct the investigation, usually the federal police.</p> <p>On the subject of prosecution policy, point 4.2 of the memo sets out the general principle of 'zero tolerance' in the investigation of 'internal' cases brought by OLAF.</p> <p>This general memo also falls within the framework of the criminal policy guidelines set out in the circular on OLAF from the College of Public Prosecutors of 23 July 2003 (COL 9/2003), which also provides for the sending of a copy of the charges to the main coordinator of the College's ECOFIN experts network.</p>
BG	<p>1. Act Amending and Supplementing the Public Procurement Act (State Gazette (SG) No 93 of 25 November 2011). The adopted law has changed the model for exercising ex-ante control of public procurement procedures that are either fully or partially financed by the EU. The model involves control of the contract notices, the methodology of evaluation of the tenders and, in certain cases, the procedures and decisions for launching procedures. Control will be exercised in two stages: before and after the publication of the contract notice, which will</p>

allow a follow-up check of results. The existing practice of exercising joint control by the Public Procurement Agency and the respective Managing Authorities or Intermediate Bodies will be discontinued and only the Agency will be vested with these powers. The anticipated result of exercising ex-ante control is to cover an increased number of procedures and raise their level of compliance with the law. The law envisages a possibility for a contracting authority to appoint a commission to inspect information submitted by the applicants. The commission may request additional details from the applicants as well as from other bodies and persons. Under a new provision an applicant may be disqualified on the grounds of supplying false information to certify compliance with the selection requirements. The new law also introduces a new template for a "decision on change". It allows the contracting authority the possibility to change the terms of the procedure once within 14 days of its opening. It stipulates that every interested party is eligible to request the contracting authority to make changes. This will allow the elimination of infringements and missing information, including those established during the ex-ante control of the Public Procurement Agency, without the need to terminate the procedure. Therefore, time is saved and unnecessary appeals delaying the procedure are avoided. The change does not affect the time schedule of public procurement procedures and does not prejudice the right of the interested party to appeal any decision, action or inaction of the contracting authority.

2. Act Amending and Supplementing the Public Financial Inspection Act (SG No 60 of 5 August 2011). The legislative framework that was in force prior to these changes did not allow the Public Financial Inspection Agency (ADFI), on its own initiative and following an analysis of reports on public procurement activities, to identify contracting authorities subject to control. This prompted a change to the model of ex-post control by the introduction of a new function and regulation of financial controls for awarding and implementing public procurement contracts, conducted periodically by ADFI on the basis of an approved annual schedule. The amendments to the Public Financial Inspections Act and the introduction of a new function of conducting scheduled financial inspections make it possible to identify the specific public procurement contracting authorities, subject to control for the respective year, on the basis of an analysis of reports on their performance and assessment of risk factors. The new law allows for extending the scope of the exercised control so as to focus on the contracting authorities that entail the highest risk. Therefore, more efficient prevention will be ensured and the risk of unregulated disbursement of public finances will be reduced.

3. Act Amending and Supplementing the Customs Act (SG No 82 of 21 October 2011). The amended law vests customs authorities with the following powers:

- investigation of customs offences through the establishment of the institute of the investigating customs inspector (Article 10a of the Customs Act);
- detention, for a period of 24 hours, of persons for customs, currency and tax offences as set out in Articles 234, 242, 242a, 251, 255 and 256 of the Criminal Code (Articles 16a and 16b of the Customs Act).

Paragraph 10 of the Final Provisions of the Act Amending and Supplementing the Customs Act changes the Excise Duties and Tax Warehouses Act (ZADS) and invests police officers with the power to issue statements of administrative infringement, as set out in Article

123(1), (2) and (6) of ZADS (offences related to the sale of goods without excise duty stamps, respectively, forged stamps or ones that have expired or goods that have a DUTY FREE stamp but are sold outside duty free commercial outlets). In these cases the issuing of penal orders and the conducting of criminal proceedings remain within the competence of the Customs Agency. Police authorities will be competent only to institute criminal proceedings (Article 128(3) of ZADS).

Administrative measures

1. An order of the Minister of Finance approved a new administrative structure of the Operational Programme Administrative Capacity (OPAC) Directorate under the Ministry of Finance. A new department, Control and Irregularities, has been established to ensure prevention, ex-ante and ex-post control for the purpose of avoiding and reducing irregularities and suspected fraud with regards to OPAC-financed projects. The restructuring covers a specific area and is prompted by the need for additional separation and clarification of the main functions of the OPAC Managing Authority carried out by the respective departments. It is prompted by the European Commission audit report on the OPAC management and control system, recommendations of the Executive Agency Audit of European Union Funds and of the Anti-fraud Coordination Service (AFCOS) Directorate under the Ministry of Interior. The improvements of the existing system are aimed at strengthening the control mechanism at the OPAC Managing Authority, including combating irregularities and fraud, reducing the number of prevented and detected irregularities and attempted fraud within OPAC projects and accelerating the procedures for recovery of unduly received sums. The control mechanism is detailed in the updated Handbook for OPAC Implementation, effective as from 18 May 2011.

2. The Deputy Prime Minister, Minister of Interior and Chair of the Council for Coordination of the Combat of Fraud Affecting the Financial Interests of the EU issued an order on the establishment of a Standing Working Group on Irregularities. The Working Group has two heads and a secretary, nominated by AFCOS under the Ministry of Interior, while its 34 members are nominated by the competent institutions, represented in the Council and involved in the management, audit and certification of the EU funds disbursement. The Working Group carries out analytical activity, resolves problematic and controversial cases involving irregularities, and establishes benchmarks for the settlement of identical problems; discusses errors made on a regular basis by the officers in charge of irregularities; exchanges experience, good practices and information about new practices; analyses and summarises information about more typical irregularities, cases, opinions etc, so as to compile them into a handbook when enough of these are gathered; where necessary, acts on requests for information, on-spot checks or assistance by the European Anti-Fraud Office (OLAF)/European Commission.

3. Specialised training and exchange of experience between the Italian and Bulgarian authorities in the implementation of the project on sharing of Italian experience in prevention and countering fraud against EU funds with the competent Bulgarian authorities. The project was implemented under the Hercule II Programme. The project beneficiary was Guardia di Finanza and AFCOS Directorate, under the Ministry of Interior, the Bulgarian partner within the project.

In the period 23 January to 11 February 2011, 25 prosecutors, investigators, police investigators and experts working in the field of administrative and criminal investigation of fraud involving EU funds were trained under the project at the structures of Guardia di Finanza.

	<p>The training was conducted in two stages: a theoretical module at the police school of Guardia di Finanza in Lido di Ostia from 23 January to 6 February and practical training in four regional structures of Guardia di Finanza in Italy from 7 February to 11 February.</p> <p>The results achieved during training and the possibilities for the Italian experience to be used by the Bulgarian competent authorities were discussed and summarised during the conclusive module of the project held at the Interior Ministry Academy in Sofia on 17-18 February 2011. The Deputy Prime Minister, Minister of Interior, Chair of the Council for Coordination of the Combat of Fraud Affecting the Financial Interests of the EU and the Italian Ambassador in Sofia all took part.</p>
CZ	<p>Amendments to the binding procedures for the award of contracts co-financed from EU resources not covered by Act 137/2006 on public procurement for the 2007-2013 programming period (approved by means of Government Resolution No 48/2009). Table of penalties drawn up in line with COCOF (Guidelines for determining financial corrections to be made to expenditure co-financed by the Structural Funds or the Cohesion Fund for non-compliance with the rules on public procurement) with a view to harmonising penalties relating to the awarding of contracts co-financed from EU resources not covered by Act 137/2006. An amendment to Act 137/2006, which was intended to be a significant improvement in the fight against corruption, is currently going through the legislative procedure (expected to enter into force on 1 January 2012). The major changes introduced by the amendment include a lower threshold of CZK 1 million triggering an obligation to issue a call for tender for supplies and services, and CZK 3 million for construction (the current thresholds are 2 million and 6 million, respectively, excluding VAT). Another change is an obligation to disclose information about the final price. The Act also lays down an obligation to advertise all contracts for a value exceeding CZK 500 000.</p>
DK	<p>No significant new measures were taken in 2011 for the protection of the EU's financial interests and the fight against fraud.</p>
DE	<p>N/A</p>
EE	<p>1. Government of the Republic Regulation No 278 'Conditions and procedure for recovering and repaying aid and for providing information on irregularities arising during the granting and use of aid'. Amendments entered into force on 8 July 2011, in part on 1 January 2012.</p> <ul style="list-style-type: none"> - The Act further specified the requirements for public procurements below the public procurement threshold. - The amendments standardise the rules, comparable errors will result in equivalent recoveries. - Irregularities in public procurements are increasingly being detected, sanctions have been harmonised https://www.riigiteataja.ee/akt/13348007?leiaKehtiv <p>2. On 13 February 2011 amendments to the 2007-2013 Structural Assistance Act entered into force. Expenditure must be linked to the supported project and may not already have been reimbursed from EU funds; restriction on the granting of funds to local governments whose debt obligations exceed the permitted threshold; stopping aid payments by the implementing body, i.e. where there is doubt as to the continued viability of the project for further information to be requested and investigation to be carried out -</p>

	Amendments further define and harmonise the rules helps reduce the risks and encourages the implementing bodies to carry out more thorough checks - Emphasising the ban on double-financing https://www.riigiteataja.ee/akt/103022011002
IE	N/A
ES	<p>Law 6/2011 of the 30th of June, which amends the Law of 12/1995 of the fight against contraband (Ley Orgánica 6/2011, de 30 de junio, modifica la Ley Orgánica 12/1995 de represión del contrabando)</p> <p>To guarantee proper and fair trading and to protect EU financial interests, Spanish legislation classifies certain types of associated conduct as smuggling. In particular, and in line with this objective, Spain classifies as an offence actions intended to illicitly introduce goods, in complement to the regulation of offences affecting EU finances provided for in the Penal Code and amended in 2010. As a result, the reform undertaken is likely to have an impact on EU financial interests, and specifically the duties of the customs authorities as regards the avoidance of customs controls and the payment of EU resources.</p> <p>The key points of the reform in relation to the part directly concerning the illicit introduction of goods are as follows:</p> <ul style="list-style-type: none"> - Increase in the quantitative assessment threshold of goods for the re-classification as an unlawful offence as opposed to an administrative infringement. - Increase in the maximum sentences for the offence and the maximum pecuniary fines for committing offences and for administrative smuggling infringements. - Regulation of the system of criminal responsibility for legal persons similar to that provided for in the Penal Code for offences affecting national or EU public finances. - Specific inclusion in the concept of civil responsibility arising from the offence of unpaid tax and customs liabilities, which the authorities have not been able to clear for any legal grounds provided for in national or EU legislation. - Specific introduction by the tax authorities of an assistance mechanism for judges and courts to impose fines and civil responsibility. - Introduction as an aggravating factor of the sanction for an administrative smuggling infringement of the filing of an incorrect customs statement with the intention of avoiding the computerised control thereof. <p>Decision of 2 February 2011 of the Directorate-General of the State Tax Authority establishing new wording for the general guidelines of the general plan for tax control</p>

	<p>The introduction of these guidelines is intended to promote and give greater visibility to the action against fraud in 2011 so as to optimise their use as a tool in the prevention of and fight against tax fraud</p> <p>Ley 6/2011, de 23 de marzo, de Subvenciones de la Comunidad Autónoma de Extremadura [Law No 6 of 23 March 2011 on grants of the Autonomous Community of Extremadura].</p> <p>In the Autonomous Community of Extremadura (administrative measures): boosting physical or material inspections of subsidised projects or assets to obtain sufficient evidence of the investment having been carried out.</p>
EL	<p>(1) Articles 1 and 2 of Law 3932/2011 (Government Gazette 49/10.3.2011) established the ‘Authority for the Prevention of Money Laundering and the Financing of Terrorism and for Control of Declarations of Assets.’ In this way the pre-existing Committee under Article 7 of Law 3691/2008 was upgraded to an Authority for combating three particularly harmful types of criminal behaviour: (a) money laundering, (b) the financing of terrorism, and (c) unlawful enrichment.</p> <p>(2) Law 3961/2011 (Government Gazette 97/29.4.2011), revised the existing law on the responsibility of ministers. It provided for the following:</p> <ul style="list-style-type: none"> • The extension of the time limitation of crimes of ministers, in line with what applies to ordinary citizens; • The possibility of imposing restrictive conditions on ministers, such as a ban on leaving the country; • The compulsory seizure of the financial gains associated with the criminal offence under investigation, by decision of the Parliamentary Committee; • The possibility of freezing accounts, securities and financial products. <p>(3) Under Law 3843/2011 amending the National Customs Code (Law 2960/01), Article 157(1)(C) of Law 2960/01 was replaced; as a result for large cases of duty and tax evasion of over €150 000, the penalties are more severe and punishable by the competent criminal courts as serious crimes, with no upper limit on sentencing.</p>
FI	<p>Government Decree No 501/2011 on the eligibility of expenditure co-financed by the structural funds. Under this Decree, a percentage of the indirect expenditure on structural fund projects may be reimbursed on the basis of an application, thereby making it easier for eligible indirect expenditure to be verified, checked and certified.</p>
FR	<p>As regards the CICC for EU funds (ERDF-ESF-EFF), Law No 2011-900 of 29 July 2011 on amending finances for 2011 reinforced the</p>

	<p>national audit authority (ERDF-ESF-EFF) by linking general economic and financial audits (audit bodies of financial ministers)</p> <p>We would remind you that the CICC for EU funds is responsible for notifying any irregularities detected (systems audits and audits for ERDF-ESF and EFF transactions) to OLAF.</p>
IT	<p>1) Lombardy Region: Review and approval by decree n. 7258 of 02/08/2011 of the irregularity manuals and on-site inspections (new check list for on site control and implementing the new procedures IMS) and review of approval of "Operational models for functioning of the Group of Verifiers on site for control activities in Level I of Operational regional Programme ERDF Competitiveness 2007-2013 "adopted by decree no. Of 3317 12/04/2011.</p> <p>2) Marche Region: Regional Law No 29 April 2011. Article 7. 55 "Revocation of company support interventions." It is a law of horizontal scope, which was necessary to regulate better the manner of calculation of interest and any sanctions for revocation, even partial, of the benefits granted in connection with operations of the Region to support the companies where, as a result of checks carried out for whatever reason, are detected irregularities or breaches of contracts for acts which are attributable to the beneficiary and not remediable</p> <p>3) Calabria Region: Circular no. 2274 of 14/04/2011 concerning the Recoveries of irregular amounts, to put into effects the Article. 70 b) of EC Regulation 1083/2006 about the obligation of Member States to correct irregularities and recover amounts properly paid. With this Circular are defined the persons in charge for the initiation of the recovery procedures (Arrangement of the revocation, decree, injunction decree, etc..) and communication with the Managing and Certification Authority</p>
CY	No important measures have been taken in 2011
LT	The Rules for the administration of European Union Cohesion Fund resources in Lithuania, approved by Resolution No 1026 of the Government of the Republic of Lithuania of 24 August 2001 (Official Gazette 2001, Nos 74-2596; 2008, 87-3483), as amended by Resolution No 905 of the Government of the Republic of Lithuania of 24 August 2011 (Official Gazette 2011, No 105-4914). The main amendment makes it clear that irregularities are investigated by the implementing bodies or, if the suspected irregularities relate to public procurement carried out by the implementing bodies, by intermediate bodies, the latter taking decisions on any irregularities detected. Arrangements for notifying suspected and detected irregularities and suspected criminal acts and for recording information in the computerised information management and monitoring system for EU structural assistance (SFMIS) have also been revised.
LU	EU legislation applied fully in second-level controls by the audit authority, which include taking additional samples if necessary.
HU	1. In order to detect and handle irregularities in a quicker and more efficient manner and to implement corrections Government Decree 4/2011

of 28 January 2011 on the rules governing utilisation of the European Regional Development Fund, the European Social Fund and the Cohesion Fund and Order 24/2011 of 6 May 2011 of the Minister for National Development on the Common Operational Handbook were introduced in the programming period 2007-2013. In accordance with the new rules, the Public Procurement Supervisory Department set up within the National Development Agency examines the public procurement of the beneficiaries by audits integrated in the process and by ex-post audits. If infringements are detected it may turn to the Public Procurement Arbitration Board. Appeals against the decisions of the institutional system have been introduced. Upon request the National Development Agency examines at second instance the lawfulness of the decision made at first instance. The right of the inspecting authority to establish irregularities, the setting up of the simplified irregularity procedure to assess simple instance the lawfulness of the decision made at first instance. The right of the inspecting authority to establish irregularities, the setting up of the simplified irregularity procedure to assess simple cases, and the possibility of suspending payments at any time throughout the whole inspection period have been introduced.

2. Section 122 of Act XXXVIII of 1992 on the state budget has been in force since 1 January 2011. Section 122(1) of the State Budget Act, referring to the supervision of aid, states that any person receiving aid from the national budget or from EU sources shall cooperate with the organisations participating in and supervising the aid procedure and shall assist the representatives of the inspecting bodies – in particular the European Court of Auditors, the competent services of the European Commission, the State Audit Office, the state audit body, the audit bodies of the chapters, the treasury, the authorities managing EU aid, the paying, certifying and inspection authority - in the audit by making available the relevant documents, invoices, certificates and reports proving accomplishment and by assisting with on-the-spot inspection of physical performance. If, in the course of the inspection, the beneficiary obstructs the work of the inspection bodies through conduct attributable to him/her, the aid decision shall cease to be valid, the aid agreement shall be terminated and no further aid shall be disbursed to the beneficiary, and the beneficiary shall be obliged to repay the aid used to that date.

(2) The bodies conducting external and internal financial audit of the state budget shall cooperate with the European Anti-Fraud Office (OLAF) investigating the lawfulness of the utilisation of aid from EU resources.

(3) The inspection powers of the body appointed by the Government to examine EU and other international aid shall apply to inspection relating to aid granted from resources laid down in a separate Government Decree

(a) of the institutions involved in settlement,

(b) of the legal entities, organisations without legal personality, and natural persons receiving aid,

(c) of procurements relating to the aid, the performance of contracts concluded for this purpose and, in this connection, of contracting parties responsible for the performance of the contract or collaborating in it.

3. Section 310 of Act IV of 1978 on the Criminal Code (in force from 1 January 2012). In connection with budget fraud, Section 310 states:

- (1) It is an offence punishable by imprisonment of up to two years
- (a) to mislead, deliberately foster misapprehension or conceal facts in respect of budgetary payment obligations or budgetary funds,
 - (b) to use unlawfully any benefits connected to budgetary payment obligations,
 - (c) to use budgetary funds for a purpose other than that approved, and thereby cause financial loss to one or more budgets.
- (2) Imprisonment shall be for up to three years if
- (a) the budgetary fraud causes greater financial loss,
 - (b) the budgetary fraud referred to under paragraph (1) is committed
 - (ba) in a criminal organisation,
 - (bb) for gain.
- (3) Imprisonment shall be for up to five years if
- (a) the budgetary fraud causes significant financial loss,
 - (b) the budgetary fraud causing greater financial loss as referred to in (2)(a) is committed in the manner specified in paragraph (2)(b), subpoints (ba) and (bb).
- (4) Imprisonment shall be between two and eight years if
- (a) the budgetary fraud causes particularly large financial loss,
 - (b) the budgetary fraud causing significant financial loss as referred to in (3)(a) is committed in the manner specified in paragraph (2)(b), subpoints (ba) and (bb).
- (5) Imprisonment shall be between five and ten years if
- (a) the budgetary fraud causes major financial loss,
 - (b) the budgetary fraud causing particularly large financial loss as referred to in (4)(a) is committed in the manner specified in paragraph (2)(b), subpoints (ba) and (bb).
- (6) Any person who produces, acquires, holds, places on the market or sells excise goods in the absence of the conditions laid down in the

	<p>act on excise duties and special rules governing the distribution of excise goods and in the legislative act based on the authorisation of the latter act or without an official permit, and thereby causes financial loss to the budget, shall be punishable in accordance with paragraphs (1)-(5).</p> <p>(7) Failure to comply with or to comply fully with the accounting or reporting obligation laid down for budgetary funds, the making of an inaccurate statement or use of inaccurate, false or falsified documents constitutes an offence punishable by imprisonment of up to five years.</p> <p>(8) Punishment may be reduced without limitation for any person who repays the financial loss caused by the crime specified under paragraphs (1)-(6) before the indictment is submitted. The unlimited reduction may not be used if the offence specified under paragraphs (1)-(6) has been committed in a criminal organisation or for gain.</p> <p>Section 310/A states that a manager, member with supervisory powers or employee of a business organisation shall commit an offence punishable by imprisonment of up to five years, if he/she fails to comply with the supervision or control obligations in connection with budgetary fraud, and a member or employee of the business organisation commits a crime punishable under Section 310 in the interests of the business organisation, which could have been prevented by the such supervision or control.</p>
<p>LV</p>	<p>Measures to reduce ineligible expenditure and reduce the risk of corruption:</p> <ul style="list-style-type: none"> - On 1 June 2001, amendments to the Law on the prevention of conflicts of interest in the activities of State officials entered into force. The amendments provide for the legal protection of individuals who have given information on State officials' conflicts of interest. Pursuant to the amendments, the head of a central or local government authority, person responsible for preventing conflicts of interest and corruption at the relevant authority, or a collegiate body are prohibited from disclosing information that has become known to them concerning which official or member of staff of the relevant central or local government authority has provided information on conflicts of interest. Neither are they permitted to directly or indirectly create unfavourable consequences for the individual without due cause. The prohibition to disclose information does not apply to the provision of information to the Corruption Prevention and Combating Bureau (KNAB), State Police, Constitutional Defense Bureau, court or prosecutor's office. Information on conflicts of interest of which a State official is aware and which involve other State officials of the particular government body must be provided to the head of that body or to the KNAB. Information held by a State official employed by the State security services is provided to the Director of the Constitutional Defense Bureau. - On 20 July 2011 amendments to Article 166.33 of the Administrative Infringements Code entered into force. These amendments establish administrative liability relating to the infringement of the aforementioned ban on disclosing information relating to a person who has provided information on the conflicts of interest of another State official, and the creation of unfavourable consequences for the informant without due cause. This legal protection is necessary to ensure the protection of whistleblowers, which could help prevent infringements and make them easier to detect, thereby reducing the risk of corruption and potentially mitigating the threat to the EU's financial interests. - In 2011 amendments were made to Cabinet Regulation No 410 of 26 June 2007 laying down the procedure according to which the bodies

	<p>involved in the management of the EU Structural Funds and Cohesion Fund prepare programming documents and implement the funds. The amendments state that from now on, preliminary checks of procurement will be intensified, with the aim of preventing procurement-related infringements. It is anticipated that from 2 December 2012 onwards, preliminary procurement checks will be carried out not only by the Procurement Monitoring Bureau (PMB), but also by the Responsible Authorities (RA)/Liaison Bodies (LB). Along with performing the checks, the PMB will also provide methodological guidance. A method has already been devised which the RA/LB have to incorporate into their procedures and apply when carrying out preliminary procurement checks. Furthermore, the PMB has the responsibility of keeping the methodology up-to-date and in line with the latest changes to legislation or EU case law. Beyond this, the PMB will also ensure that regular meetings are held with the persons carrying out the preliminary checks of RA/LB procurement, in order to discuss practices and develop a common understanding of procurement infringements.</p> <p>- To prevent irregularities in projects implemented by State authorities, the issue of making disciplinary penalties more stringent was considered at the Cabinet meeting of 8 March 2011 at the initiative of the Ministry of Finance. In addition a proposal has been made to consider whether to establish a similar system of penalties at the local government level.</p> <p>Measures to recover ineligible expenditure</p> <p>- On 10 January 2011 the Guidelines for reporting irregularities in the implementation of EU funds and the recovery of undue expenditure in the 2007-13 programming period were updated. The guidelines were broadened to cover the identification of cases of fraud, information on potential situations in which the project will need to be the subject of increased scrutiny, in what cases the law enforcement authorities need to be contacted, and other clarifications added.</p> <p>– On 26 June 2011 the Guidelines for applying financial corrections to projects financed from EU Funds were updated. Annex 2 to the Guidelines was fundamentally updated and supplemented with practical examples, based on experience, of how a proportionate financial correction is applied.</p> <p>Training: on 27 May 2011 the Managing Authority for the EU Structural Funds and Cohesion Fund held a training course for prosecutors, which covered a range of EU-funds-related issues, including the nature and identification of irregularities etc.</p>
MT	<p>1a. (Value Added Tax) Act IV of 2011 (an act to implement budget measures for the financial year 2011 and other administrative measures) was published on 22/3/2011. This Act amended (amongst others) sub-article 77(d) of the Value Added Tax Act. (Article 77 of the Value Added Tax Act deals with irregularities in records, etc. and false representations). This addition states that it is a criminal offence possessing or supplying to another person software used to erase, destroy, damage or conceal any stored information, records, documents or accounts (with the intent of concealing any evidence which he/she knows is relevant for the purposes of the Value Added Tax Act). 1b. (Value Added Tax) Act IV of 2011 also provides for increased fines regarding sub-articles 77(c) and (d) of the afore mentioned Value Added Tax (VAT) Act, for falsifying records, documents, or accounts required to be kept by the VAT Act, and for destroying, erasing, damaging or concealing</p>

	information or records or documents or accounts relevant for the purposes of the VAT Act.
NL	No important legislative or administrative measures were taken in the course of 2011.
AT	OP Phasing Out Burgenland acc. MA: The management and control system for the programme Phasing Out Burgenland 2007-2013 ESF is structured to guarantee a high degree of security and avoid cases of fraud.
PL	<p>1. Amendment of the 'Guidelines of the Minister for Regional Development on the audit process under the responsibility of the Managing Authority for the Operational Programme'. The amendment covered, inter alia, the drafting of a separate section laying down the conditions for carrying out horizontal cross-checks against projects implemented under the 'Sustainable development of the fisheries sector and coastal fishing areas 2007-13' OP, which should help increase the effectiveness of checks on the double financing of expenses paid using resources from the aforementioned programme and the programmes of the National Strategic Reference Frameworks.</p> <p>2. Adoption of instructions on the principles and methodology for establishing irrecoverability or for deeming traditional EU own resources from customs duties to be irrecoverable and for removing the value of such duties from the TOR report. The instructions were approved by the Head of the Customs Service in December 2011.</p> <p>3. Adoption of a document entitled 'Imposing financial corrections for infringements of public procurement law connected with the implementation of projects cofinanced by the EU from the External Border Fund, the European Refugee Fund and the European Return Fund under the General Programme 'Solidarity and Management of Migration Flows''. The procedure was introduced in January 2011 by decision of the Chairman of the Interministerial Team for the Schengen Fund, the Norwegian Financial Mechanism, the European Refugee Fund, the External Border Fund and the European Return Fund. In the event of infringement of the rules governing the award of public contracts in respect of projects cofinanced by the above funds, the Implementing Authority for European Programmes will implement the procedure for imposing financial corrections in accordance with the aforementioned document.</p>
PT	(A) During 2011 a new import declaration system came in, which will allow for an interface with the Automatic Selection System (SSA). Risk analysis and assessment will become fully automated and customs controls will become more effectively focused on high-risk consignments while customs clearance times will be reduced for regular goods. (B) In 2011, in connection with the PROMAR programme, the managing authority applied the law prohibiting access to PROMAR funding for project organisers with any links to fishing vessels included on the Community or regional lists. (C) In 2011 the PROMAR managing authority improved its template for reports of on-site monitoring visits to operators, to be conducted at the latest by their closure, involving more detailed checks of operations to verify compliance with organisational, financial, accounting, technical and physical elements of public procurement rules and with rules on information and publicity. This will allow irregularities to be identified and corrected, and in future, avoided.
RO	1. Consolidation of the anti fraud regulatory framework

In 2011, the anti fraud regulatory framework has been consolidated through the adoption of Act No 61/2011 on the organisation and functioning of the Anti Fraud Department (DLAF), published in Official Gazette of Romania Part I No 331 of 12 May 2011, and Government Decision No 738/2011 approving the rules governing the organisation and functioning of the Anti Fraud Department (DLAF), published in Official Gazette of Romania Part I No 553 of 4 August 2011. The new institutional framework ensures independent decision making and institutional stability, has extended and consolidated the control powers and has endowed DLAF with legal personality. The legislative framework has also been supplemented by the introduction of penalties for non compliance with a specific duty in carrying out control tasks as regards the protection of the financial interests of the European Union. These amendments have strengthened, from an administrative point of view, DLAF's functional independence and institutional stability, and have created a solid and predictable legal framework for the organisation and functioning of DLAF.

2. Improving the public procurement system

Government Decision No 801/2011 amending Government Decision No 525/2007 on the organisation and functioning of the National Regulatory and Monitoring Authority for Public Procurement (ANRMAP), published in Official Gazette of Romania Part I No 563 of 8 August 2011, has introduced the task of verifying the documentation on the awarding of public procurement contracts with an estimated value of more than the RON equivalent of €15 000, representing the threshold above which it is mandatory to apply a public procurement procedure in accordance with Government Emergency Order No 34/2006. Thus, ANRMAP will be able to verify that the documentation complies with the legislation applicable in the field of public procurement. That check does not cover the technical aspects of the tender specifications. The same package of measures relating to public procurement also included Order No 313/2011 of the President of ANRMAP on interpreting certain provisions concerning the procedures for awarding public procurement contracts, concession contracts for public works and concession contracts for services. That interpretation refers in particular to legal entities that do not act as contracting authorities and do not fall within the scope of Article 9(c) and (c1) of Government Emergency Order No 34/2006 as amended, and which can also be financed/subsidised through the structural instruments. The National Authority for Regulating and Monitoring Public Procurements (ANRMAP) has concluded cooperation agreements with the Managing Authorities, the Unit for Coordinating and Verifying Public Procurements, the National Trade Register Office, the Competition Office, and the Directorate-General for Public Records

3. Measures aimed at protecting revenue for the budget of the EU

The National Tax Administration Agency (ANAF) has developed the software application called 'Traffic Control' for managing information concerning transports of goods representing intra Community acquisitions. The application enables the monitoring and risk analysis of suspect intra Community acquisitions, thus contributing to the efficient control of amounts representing revenue for the national budget and for the budget of the EU.

Order No 1984/2011 of the Minister for Public Finances on criteria applying to registration for VAT purposes has been drawn up in order to reduce fraud and fiscal evasion in the field of VAT (a key source of revenue for the budget of the EU). That regulatory act has established a

	<p>new procedure and the criteria applying to the registration of companies for VAT purposes, in accordance with Article 153(1)(a) and (c). Under the new procedure, registration for VAT purposes consists of two steps: (i) documentary check; (ii) factual check carried out by the Financial Guard at the request of ANAF.</p>
SE	<p>European Fisheries Fund (EFF)</p> <p>Fisheries Project</p> <p>On 1 July 2011 the Swedish Board of Agriculture (Statens Jordbruksverk) took over the administration of the EFF from the Swedish Board of Fisheries (Fiskeriverket). The move has meant that there will be opportunities for synergies through coordination with the Board of Agriculture's existing work and the systems available there.</p> <p>On 11 April 2011 the Board of Fisheries adopted a quality assurance system, the purpose of which is to monitor whether the Managing Authority is operating according to the rules and complying with established administrative procedures. By extension, this will ensure that the Managing Authority can guarantee that the content of a particular declaration of expenditure is truthful, correct and complete. The quality assurance system includes a quality control of the procedures of the Provincial Administration and the Board of Agriculture/Fisheries which is carried out by an official who was not involved in the aid measure to be verified. The Board of Agriculture will follow up all of the control reports for the control period up until 31 August 2011. The quality assurance system also includes physical checks on projects receiving support.</p> <p>The planning of the changes, which will lead to the development of administrative measures aimed at protecting the EU's financial interests and preventing fraud, will take place in the course of 2011. With the transfer of the EFF to the Board of Agriculture, the processing of EFF matters will be coordinated with other forms of aid dealt with by the Board of Agriculture, which means that attention has been focused on the potential for developing EFF operations. The quality assurance system will be updated, follow-up to quality controls will be improved, the selection of targets for physical controls will be reviewed and a data system for procedures with different versions will be introduced.</p>
SI	<p>The Commission for the Prevention of Fraud has launched a web application called Supervizor (available at: http://supervizor.kpk-rs.si/) for monitoring the expenditure of public institutions. This web service allows the general public, media, businesses and State bodies to view expenditure by public institutions on goods and services. Transparency in the flow of money between the public and private sector makes holders of public office more responsible for using public funds efficiently and effectively, facilitates debate on adopted and planned investments, reduces the risk of mismanagement and the abuse of authority, and, in particular, limits systemic corruption, unfair competition and clientelism. Progress is also apparent in the latest reports on the reporting of irregularities to OLAF which show more reporting of IRQ5s and IRQ3s, thus ensuring more coherent and effective oversight of all national institutions.</p>
SK	<p>1. The document "Problematic areas of implementation of operational programmes and horizontal priorities of the National Strategic Reference Framework", adopted by Government Resolution No 323/2011 of 18 May 2011. Its purpose is to provide comprehensive</p>

	<p>information on problematic areas of implementation. For each problematic area identified, the facts of the situation and the specific tasks required to improve it are described. Successful completion of the specified tasks is expected to make the implementation of the operational programmes and horizontal priorities both faster and more effective.</p> <p>2. By Resolution No 689 of 2 November 2011 the Slovak Government approved a proposal for a new register of projects financed through recoverable and non-recoverable financial assistance from public funds. The register enables information on projects on Slovak territory financed from recoverable and non-recoverable financial assistance to be coordinated and shared, the aim being to prevent duplicate project financing. The deadline for completing the register of projects financed through recoverable and non-recoverable financial assistance from public funds is twelve months from the adoption of the Government Resolution.</p> <p>3. Update No 3 to Ministry of Finance Guideline No 16/2008-U on irregularities in the financial management of the Structural Funds, the Cohesion Fund and the European Fisheries Fund lays down the detailed procedure for eliminating financial-management irregularities in the 2007-2013 programming period, concerning the data processing of irregularities and reconciled funds via interconnecting IT systems (the ITMS monitoring system and the ISUF accounting system) and the calculation of net reciprocal obligations from a non-recoverable financial contribution; the Irregularities Notification Manual Version 4.0 addresses inter alia the recording and reporting of irregularities in the IMS system, which has operated at national level since 2009, and the methodology for classifying irregularities that are the subject of criminal proceedings.</p>
UK	<p>SG: No significant changes for 2011. DCLG: No significant changes in 2011, DFPNI: The Bribery Act came into force on 1 July. The aims of the Act are</p> <p>to reduce the levels of corruption across the UK without being burdensome to business.</p> <p>There are four key offences under the Act:</p> <p>General Offences: bribery of another person (section 1); accepting a bribe (section 2)</p> <p>Commercial Offences: bribing a foreign public official (section 6); failure of a commercial organisation to prevent bribery (section 7). A revised copy of the NI Civil Service's Managing the Risk of Fraud Guide was issued to all departments in NI in December 2011. "Dear Accounting Officer" letters were also issued to departments alerting them to the introduction of the Bribery Act; highlighting the risk of supplier details changes leading to fraudulent loss; and outlining arrangements for departments to notify the NI Charity Commission where potential fraud issues are identified within charitable bodies. WG: Last year we identified the appointment of a new Head of Counter Fraud for the Welsh Government, the development and acceptance of our new Counter Fraud Strategy and the planning and preparation for new legislation in relation to Bribery for 2011. Building on from this the Welsh Governments, Counter Fraud Branch has introduced separate Fraud and Corruption Risk Assessments authorised and supported by the Corporate Governance Committee, for each area of the business, including European Funding. These risk assessments identify and grade the risk areas and identifying the measures to minimise, eradicate or</p>

manage the risk on a regular basis. Each area of business within the Welsh Government has ownership of their identified risk areas and those with a greater risk must reviewed quarterly. They are submitted to the Head of Counter Fraud who identifies the higher risk areas for a Welsh Government Corporate Fraud and Corruption Risk Register. They are discussed with IAS and EFAT to take recognition and influence the Audit Plan for the next 12 months. They also enable us to identify and target higher risk areas such as procurement and grant funding including the EU's financial interests. No fraud risk assessments were in place prior to this. The Bribery Act 2010 went live on the 1st July 2011 and has created two new offences of bribing a foreign official and allowing bribery to occur unless you have adequate precautions in place. The Act also gives guidance from the Secretary of State on what is likely to be acceptable business practice and acceptable corporate hospitality. Anything outside of the guidance is likely to be a criminal offence under the Act. We have and continue to be proactive in communicating and raising awareness of the new and existing legislation across all parts of the Welsh Government.

2. CONTROLS TO COMBAT IRREGULARITIES AND FRAUD AGAINST THE FINANCIAL INTERESTS OF THE EU IN THE AREA OF COHESION POLICY

2.1. Qualitative evaluation: Improvements in the financial control and risk management system in order to prevent fraud against the EU financial interest

Member State:	<p>2.1.1. <i>Briefly describe three measures (within the national legal framework and or administrative procedures) taken in the period 2007-2011 which have substantially contributed to better prevention of cases of suspected fraud in the area of the Cohesion Policy or/and improvements in the risk management system. These measures could be disseminated as best practices among the MS.</i></p>
BE	<p>ERDF Wallonia: Decree of the Walloon Government laying down common eligibility rules for the ERDF and setting up a First-Level Documentary Control Directorate</p> <p>ESF Agency Flanders (ESF-VL): Procedure for MA on-the-spot checks adapted, basic risk analysis of financial reports submitted, so that the check takes place before payment on the basis of the relevant reports.</p> <p>European Social Fund (ESF) Agency: Establishment of a recurrent procedure for the detection of double financing of expenditure within the CPAS financed by the ESF, the Federal government (in the form of the SPP IS, the Federal Public Planning Service for Social Integration) and the Walloon Region (ESF Agency). (2008-2013 Competitiveness Programme for the CPAS or CPAS associations cofinanced by the two Belgian bodies).</p> <p>ERDF Wallonia: Sharing information with administrations functionally responsible at coordination meetings, information meetings with beneficiaries, and reminders about constraints at meetings of the OLAF inter-administrative working party on the importance of adherence to the applicable rules for preventing irregularities and fraud. Emphasis on adhering to public procurement rules, the list of eligible expenditure, the risk of double financing, etc. in documentary and on-the-spot checks.</p> <p>D2 EFRO VL (ERDF Obj. 2 Flanders): increased focus on compliance with public procurement rules (ex ante through practical guidelines and requirement to submit procurement plan before project approval, ex post by carrying out thorough documentary and on-the-spot checks)</p> <p>ERDF Brussels Capital Region: 1) development of a standard procedure with a checklist and a standard report for on-the-spot checks, plus implementation of on-the-spot checks (achievements, administrative and financial/accounting checks) as soon as project implementation starts and at least once per project</p>

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	before the end of programming; 2) double first-level control for each payment request (accounting + R1); 3) development of tools/procedures for beneficiaries (e.g. providing for the obligation to enter an ERDF stamp on the original invoices).
BG	<p>Legislative measures: 1. The State Financial Inspectorate Act has been amended (by SG No 98 of 14 November 2008) to reinforce control of the allocation of EU funds and improve coordination and cooperation with the European Commission's control authorities for the implementation of Articles 14 and 15 of Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities. It ensures that the Commission's auditors can count on the assistance of the Public Financial Inspection Agency (ADFI) when performing audits or on-the-spot checks under the Regulation in the event that the event that the organisations and persons being audited refuse to provide access voluntarily to premises and/or documents for the purpose of controls. For the effectiveness of cooperation, AFI also disposes of appropriate instruments, including means of coercion for gathering information and securing evidence.</p> <p>2. Under subparagraphs 22 and 24 of the Article 19(2) of the Public Procurement Act, in force since 1 January 2009, the Public Procurement Agency (AOP) performs two types of ex ante control. The first concerns procedures for the award of contracts financed wholly or partly by European funds (the Structural Funds, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Fisheries Fund). The terms and conditions for such control are laid down in a Regulation on ex ante control over public procurement procedures wholly or partly financed by European funds. The second type of ex ante control concerns contracting procedures without publication initiated under subparagraphs 3-9 and 12 of Article 90(1) ZOP by contracting authorities referred to in subparagraphs 1-4 of Article 7 ZOP (Article 19(2)(24) ZOP). Control is performed with a view to establishing the legality of the procedure's selection and covers the contracting authority's decisions to initiate the procedures, the invitations to tender adopted and the documents sent out.</p> <p>3. Amendments to Council of Minister's Decree No 18/2003 (SG No 39 of 26 May 2009; SG No 71 of 4 September 2009; SG No 97 of 8 December 2009; SG No 54 of 15 July 2011) establish the Council for Coordination of the Combat of Fraud Affecting the Financial Interests of the EU. They also create a uniform mechanism for reporting irregularities and fraud at national level, which ensures high-level coordination of all structures that administer EU funds and improved coordination and performance when detecting and monitoring irregularities. Furthermore, the powers of AFCOS to carry out administrative checks, ascertain infringements and make recommendations</p>

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	<p>for their elimination, as well as to provide methodological instructions enhances the efficiency of the systems for administration and reporting of irregularities and countering fraud.</p> <p>4. Council of Ministers Decree No 285 of 30 November 2009, which was published in SG No 97 of 8 December 2009 and entered into force the same day, adopted a Regulation laying down the procedures for handling irregularities under funds and programmes cofinanced by the European Union.</p> <p>5. Council of Ministers' Decree No 134/2010 (SG No 53 of 13 July 2010) on the adoption of a methodology for applying financial corrections to expenditure, related to the implementation of the operational programmes co-financed by the structural instruments of the European Union, the European Agricultural Fund for Rural Development and the European Fisheries Fund. The methodology aims at detecting irregularities in the implementation of grant contracts and those stemming from non-compliance with the provisions of the Public Procurement Act, the Regulation on Awarding Small Public Procurement Contracts and Council of Ministers' Decree No 55/2007. The main objective of Decree No 134/2010 is to enhance project management, reduce irregularities and recover unduly disbursed sums. It also ensures uniformity between the type of infringement and the respective size of financial corrections set by the competent control bodies.</p> <p>Administrative measures/procedures:</p> <ol style="list-style-type: none"> 1. Internal rules concerning some of the programmes provide for 100% on-the-spot and document checks, including checks on a sample based on risk analysis for the purposes of management checks. 2. Instructions have been issued by the Minister for Finance concerning implementation of the operational programmes cofinanced by the Structural and Cohesion Fund (Annex 1 - list of current departmental circulars (DNF): <ul style="list-style-type: none"> -- - National Fund Directorate (NFD) No 4 of 26 July 2010 — Instructions on the terms and procedure for the payment of grants under the EU Structural and Cohesion Funds and the respective national co-financing; - NFD No 5 of 21 October 2010 – Instruction on certification of expenditure under the operational programmes co-financed by the EU Structural and Cohesion Funds; - NFD No 6 of 13 December 2010 – Instructions on the organisation of the accounting process of the Managing Authority/Intermediate Bodies, managing the funds under the EU Structural and Cohesion Funds and the respective national co-financing; - NFD No 7 of 22 December 2010 – Instructions on the write-off and recovery of unduly paid or overpaid amounts and unduly received and disbursed amounts within projects financed by the EU Structural and Cohesion Funds. 3. The IT system for the management and monitoring of EU structural instruments in Bulgaria has been set up and an interface built in for

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	exchanging data with ISAC and Popeye for the centralised storage of data on registered applicants, project proposals and grant agreements concluded under the operational programmes cofinanced by the EU's Social and Cohesion Funds, the Rural Development Programme cofinanced by the European Regional Development Fund and the Fisheries Operational Programme cofinanced by the European Fisheries Fund.- National Fund Directorate (NFD) No 4 of 26 July 2010 — Instructions on the terms and procedure for the payment of grants under the EU Structural and Cohesion Funds and the respective national co-financing;
CZ	<p>Legislative measures: An amendment to Act No 218/2000 is being drawn up and will include measures against corruption in the granting of subsidies and refundable financial assistance aimed at fulfilling the task set out in the "Government's Anti-Corruption Strategy for the period 2011-2012"; Act No 141/1961, the Code of Criminal Procedure; Act No 40/2009, the Criminal Code (Section 212 – Definition of Fraud); drafting of an amendment to Act No 320/2001 on financial control in public administration.</p> <p>Administrative measures/procedures: National Strategy to protect the European Communities' financial interests; Methodology of financial flows and the control of programmes co-financed from the Structural Funds, the Cohesion Fund and the European Fisheries Fund for the 2007-2013 programming period (the most recent version in force since 1 January 2011); Methodological guidance - Irregularities (published by the National Coordination Authority, the most recent version - October 2011); checks on tenders in the period between the selection of the most suitable tender and the conclusion of a contract with the successful tenderer; Advertising of small-scale contracts and contracts not covered by the Procurement Act. Ministerial orders – monitoring of risks in connection with fraud, corruption, etc.; manual for beneficiaries – measures against double-financing – beneficiaries have to indicate on each invoice its relation to a particular project. In 2011 the system of checks was reinforced, including financial and public administration checks, on-the-spot checks and monitoring visits. The Code of Conduct was also revised, in relation to both MA staff and subcontractors. Irregularities continue to be analysed (in line with the working procedures) and corrective measures will be taken based on the conclusions drawn from the analyses, in the form of revisions and updates of project manuals and guidelines, and in particular of checklists.(that comment was not from CZ)</p>
DK	<p>In the programming period 2007-2013 for the Regional Fund and the Social Fund, reports have been made bi-annually to the managing authority concerning the status and accounts of the projects.</p> <p>Cooperation has been established with an external auditor, who is responsible for auditing all status reports and accounts issued under the Regional Fund and the Social Fund.</p> <p>The external auditor must visit all projects at least once during their lifetime. In addition, the managing authority carries out verification visits for the Regional Fund and the Social Fund for at least 10% of the commitments made.</p>

Member State:	2.1.1. <i>Briefly describe three measures (within the national legal framework and or administrative procedures) taken in the period 2007-2011 which have substantially contributed to better prevention of cases of suspected fraud in the area of the Cohesion Policy or/and improvements in the risk management system. These measures could be disseminated as best practices among the MS.</i>
DE	<p>Administrative measures/procedures: In accordance with Regulations (EC) Nos 1083/2006 and 1828/2006, the Commission was sent the operational programmes (OP) and descriptions of the management and control systems (MCS), which provide information about the structures and procedures of the administrative authorities, certifying authorities, and intermediate bodies, and about the structure and procedures of the audit authority and other bodies carrying out audits under the responsibility of the authorities. The OP and MCS were approved, and changes to the OP, the MCS or audit strategies are reported regularly through the ordinary procedure. Recent reports have been based, inter alia, on the European Commission's 'Guidance Note on Annual Control Reports and Opinions' of 18 February 2009 (COCOF 09-0004-01-EN) and 'Guidance on treatment of errors disclosed in the Annual Control Reports' of 7 December 2011(COCOF 11-0041-01-EN), which supplement Regulations (EC) Nos 1083/2006 and 1828/2006. The effective functioning of management and control systems are constantly monitored, also taking into account the 'Guidance document on a common methodology for the assessment of management and control systems in the Member States (programming period 2007 - 2013).</p>
EE	<p>Legislative measures: 1) A Section 26(4) was added to the Structural Assistance Act (entered into force on 14 June 2008) under which the administration is required to make the recovery request subject to an enforcement procedure if the beneficiary fails to pay on time the request sent to it. This means the aid is recovered from the beneficiary through a bailiff who has the right to seize the beneficiary's goods in order to satisfy the recovery request. Under the Code of Enforcement Procedure a bailiff is required to take immediately all measures permitted by law in order to enforce an enforcement instrument. 2) Government of the Republic Regulation No 278 'Conditions and procedure for recovering and repaying aid and for providing information on irregularities arising during the granting and use of aid' as amended.</p> <p>Administrative measures/procedures: 1) Seminars are organised twice a year for officials dealing with infringements and recoveries; these also involve partners (the police, Prosecutor's Office, Tax and Customs Board). 2) AFCOS Estonia advises/trains implementers and each quarter compiles statistical overviews of infringements. 3) Partners' contact details are available to implementers - consultation is possible if there is suspicion of fraud.</p>
ES	<p>Law No 6 of 23 March 2011 on grants of the Autonomous Community of Extremadura], which is adapted to the organisational structure of this autonomous community, contributing to the improvement of the recovery processes of public interests and prevention by establishing certain guarantees with regard to regulating state aid awards, the financial control procedures and the regulation of the infringement and sanction system. This law will come into force from 25 June 2011.</p> <p>Orden de 10 de noviembre de 2009 de la Consejería de Economía y Hacienda de Canarias, por la que se establecen normas para la</p>

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	<p>gestión, seguimiento y control de las operaciones cofinanciadas con Fondos Estructurales [Order of 10 November 2009 of the Canary Islands Regional Ministry of Economy and Public Finances establishing rules on the management, monitoring and control of the operations co-financed by the structural funds], published in the Canary Islands Official Gazette No 227 of 19 November. Decreto 36/2009, de 31 de marzo, por el que se establece el régimen general de subvenciones de la Comunidad Autónoma de Canarias [Decree No 36/2009 of 31 March 2009 establishing the Canary Islands general system of aid], published in the Canary Islands Official Gazette No 68 of 8 April.</p> <p>Creation of the Oficina Antifrau de Catalunya [Antifraud Office of Catalonia], set up since the third quarter of 2009 to investigate all public funds. Llei 14/2008 [Law 14/2008].</p> <p>Creation of the Comisión General de Coordinación [General Coordination Committee], made up of the Intervención General de la Administración del Estado [State Public Accounts Department] and the Autonomous Communities' audit departments, whose main purpose is to discuss and approve the rules, plans and procedures used to set up an integrated system that allows the Audit Authority to carry out the functions established by Council Regulation (EC) No 1083/2006. An audit guide on management and control systems and an operational guide have been drawn up for all of Spain.</p> <p>Development of a computerised tool that allows the selection of operations to be controlled, the inclusion of data and information on the controls already carried out and serves as a database to obtain the information required by the Audit Authority to meet the obligations laid down by the Regulations and the Commission.</p> <p>In the Autonomous Community of Extremadura:</p> <ol style="list-style-type: none"> 1.- Strengthening of cross checks, with the aim of detecting inconsistencies in the expense declarations; 2.- Standardisation of the information required from third persons, whether or not they are involved in the subsidised project (suppliers, clients, financial entities, tax authorities): <p>In the Autonomous Community of Valencia:</p> <p>Circular de 15 de marzo de 2010 sobre Régimen Jurídico del control y tramitación de informes de control financiero [Circular of 15 March 2010 on the legal arrangements for the control and processing of financial control reports].</p>

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	<p>In the Autonomous Community of the Canary Islands: Implementation of permanent financial control with the objective of performing ongoing analysis and assessment of the economic and financial management of public sector bodies in order to verify if this is being carried in accordance with the principles of legality, effectiveness, efficiency, quality and other sound management principles, and to propose, if necessary, the adoption of corrective measures for unsound practices that are detected, of preventive measures and of improvements to public management. - Resolución de 13 de junio de 2011, de la Intervención General, [Decision of 13 June 2011, of the Public Accounts Department] issuing instructions on the coordination, the implementation measures and the establishment of criteria and action for recovery procedures proposed by the Public Accounts Department, arising from the audits and financial controls of aid.</p>
IE	Administrative measures/procedures: 1. New National IT certification system for 2007-2013 EU Structural Funds assists in tracking all irregularities (including fraud cases). 2. Increased level of independent audit on ESF co-financed activities compared to the 2000-2006 period. 3. A more systematic procedure to follow up all irregularities (including fraud cases) has been introduced for the 2007-2013 ESF and ERDF co-financed activities. See also Footnote 1 - which explains the inbuilt irregularity protections in terms of binding administrative agreements through the cascade structure (see note 1 below).
EL	2007: Publication of Law 3614/2007 ‘Management, audit and implementation of development interventions for the 2007 13 programming period.’ Detailed reference was made to this law in the questionnaire for the 2007 Article 280 Report. 2008: Pursuant to Law 3614/2007 the following three Decisions were issued: (1) Decision No 2/49837/0004/2.7.2008/Government Gazette II 1334/8.7.08 laying down the responsibilities of the Committee on Financial Control - EDEL, and also specific matters of procedure; (2) Decision No 2/49840/004/2.7.2008/Government Gazette II 1334/8.7.08 laying down the internal organisation, structure and distribution of responsibilities in the individual support Directorates of EDEL; and (3) Decision No 567/EDEL/2.12.2008/Government Gazette II 2486/5.12.08, which established, in the Directorate-General for Management and Control of Programmes co-financed by the EU of the Ministry of Economy and Finance, the Private-Sector Expert Register, from which private-sector experts are selected to participate as members of the audit teams under Article 16(8) of Law 3614/2007. 2010: Publication of Law 3840/2010 amending and supplementing Law 3614/2007 which set up the Operational Programmes Management and Control System of the NSRF. The main provisions of this legislation lie in establishing the Operational Implementation Agreements, abolishing the screening of the procedure for awarding contracts that fall outside the scope of EU directives, broadening the range of operators that can be defined as intermediaries for management of state aid operations, reducing the deadline for objections to

Member State:	<p>2.1.1. <i>Briefly describe three measures (within the national legal framework and or administrative procedures) taken in the period 2007-2011 which have substantially contributed to better prevention of cases of suspected fraud in the area of the Cohesion Policy or/and improvements in the risk management system. These measures could be disseminated as best practices among the MS.</i></p>
	<p>EDEL reports by auditees from 40 days to 20 days to accelerate the finalisation of EDEL reports and establishing the procedure for imposing across-the-board financial corrections and other corrective measures by EDEL following evaluation of the results of its audits.</p> <p>2011: Ministerial Decision No 448/0052/4.3.2011 on the recovery of amounts unduly or illegally paid out of the government budget and/or the European Community budget for programmes co-financed under the NSRF (Objectives 1 and 2), the NSPDF 2007 2013 and the EEA. This Ministerial Decision applies to irregularities detected as a result of EDEL audits.</p> <p>As regards the fight against fraud, the Ministerial Decision provides that: ‘If in the course of the audits there is suspicion of criminal acts or omissions, the final audit reports shall be sent to the Public Prosecutor following a decision by EDEL. Where the EDEL audits find amounts incorrectly or illegally paid that involve mismanagement on the part of a public accounting officer within the meaning of Law 2362/95, or cause actual damage to the state or local government or other public entities, in accordance with Article 46 of Presidential Decree 774/80, the relevant reports shall be sent, following a decision by EDEL, to the Court of Auditors or the General Prosecutor of the State respectively.’</p> <p>2010: As Audit Authority of OP Objectives 1, 2 and 3 of the NSRF and the OP for Fisheries 2007-2013, EDEL has drafted an Audit Manual, which was updated at its 426th meeting on 27 December 2010 and notified to the European Commission. The manual makes systematic reference to the investigation of cases of suspected fraud.</p> <p>2011: As part of its administrative measures, EDEL has adapted both the Managing Authority/Intermediate Body Systems Audit Questionnaire and the Operations Audit Questionnaire. These changes improve instructions to auditors so that they can now verify the correct implementation of new circulars, designed to encourage agencies to strictly follow and properly implement public works legislation as regards the approval of quantity surveys and accounts in public works and checking of certifications of interim accounts of co-financed public works.</p>
FR	<p>The CICC for EU funds is the audit authority within the meaning of Articles 59 and 62 of Regulation (EC) No 1083/2006 of 11 July 2006.</p> <p>The audit authority is in particular responsible for ensuring that audits are performed in order to verify the smooth running of the management and control system for operating programmes and that transaction audits are based on a sample which is appropriate for the purposes of verifying declared expenditure.</p> <p>The performance of systems audits and transaction audits is governed by EU legislation and European Commission guidance notes.</p>

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	<p>During such audits, irregularities or even fraud may be detected. Forms for reporting irregularities to OLAF are produced under the responsibility of the management authority for operational programmes. All such forms meeting the criteria established by EU Regulations are sent to the CICC, which examines them before they are sent to OLAF.</p> <p>The samples for transaction audits are, where necessary, rounded up to take account of the risks which are likely in view of the populations examined (see figures in 2.2.1),</p> <p>The CICC for EU funds also employs trainers for ERDF, ESF and EFF auditors, who are responsible for forwarding irregularity notifications to OLAF.</p> <p>The CICC has also implemented a procedure for the detailed follow-up of close monitoring of audit missions (procedures for approving monitoring plans, monitoring missions).</p>
IT	<p>Administrative measures/procedures:(1) Ministry of Economic Development: the Prime Minister's Circular of 12 October 2007 was aimed at rationalising and making more reliable the exchange of communications with the Commission on irregularities and fraud harmful to the Community budget. The Circular standardised for all bodies responsible for such communication the moment when the obligation to inform the Commission arises. In this way, it has enhanced risk management, inasmuch as unnecessary communications on risks which subsequently prove to be in all or in part non-existent or unfounded are avoided. (2) Interior Ministry: In order to ensure sound financial management of the structural funds, the Management Authority for the NOP 'Security' has established a system of internal checks whereby the verification activity during the implementation stage of projects is carried out by staff chosen by the person in charge of the operational goal and officially appointed by the Management Authority. These employees carry out the checking activity on projects financed under the goal in question and are coordinated, in terms of methods, procedures and measures, by the Monitoring Office of the Technical Secretariat of the NOP 'Security'.</p> <p>(3) Region of Umbria: Management Authority, Inspection Authority and Audit Authority 'Procedural Manuals' adopted in line with ERDF and ESF Regional Operational Plan management and monitoring systems; SIRU and SMG-QSN IT systems making possible the allocation of checking activities between the three authorities, while avoiding financing overlaps and allowing for the full upload of supporting documents for expenses.</p>

Member State:	2.1.1. <i>Briefly describe three measures (within the national legal framework and or administrative procedures) taken in the period 2007-2011 which have substantially contributed to better prevention of cases of suspected fraud in the area of the Cohesion Policy or/and improvements in the risk management system. These measures could be disseminated as best practices among the MS.</i>
CY	Administrative measures/procedures: (1)The issuance of guidance from the Managing Authority to the Intermediate Bodies and Beneficiaries, regarding both Projects and Grant Schemes, in relation to audits and verifications, at all stages of the co-financing procedure (project selection, implementation procedures, closure), for on-the-spot checks and desk reviews. The most important procedures/guidance issued cover the following areas: (a) project selection criteria (b) ex-ante controls on Community Policies (c) Eligibility of expenditure (d) Calculation of revenue-generating projects (e) Verifications (f) Adequate audit trail (g) Payment flows (h) Management Information System (i) Treatment of irregularities and Reporting procedures (issued by the CA). (2) Participation of staff in training seminars and workshops (organised by EC, OLAF or external bodies) has helped to improve knowledge and understanding of the regulations and their application. The above measures have helped to improve the risk management system and to identify errors/irregularities before payment.
LT	<p>On the basis of proposals from and observations by the competent authorities, the Ministry of Finance is constantly improving legislative acts governing the use of EU structural aid and other international financial assistance.</p> <p>1. A European Union (EU) structural assistance management and control system has been set up which assigns the functions of preventing, investigating, detecting and correcting irregularities to the bodies administering EU structural assistance (Rules on the allocation of responsibilities and functions between bodies and authorities with regard to the implementation of the Lithuanian Strategy for the use of European Union structural assistance for 2007-13 and operational programmes, approved by Government Resolution No 1139 of 17 October 2007 (Official Gazette 2007, No 114-4637)).</p> <p>2. The Rules on the repayment into the Lithuanian national budget of financial aid paid and/or used in breach of legislation, approved by Lithuanian Government Resolution No 590 of 30 May 2005 (Official Gazette 2005, No 69-2469; 2010, No 33-1570) (hereinafter 'the rules on recovery') have been updated, laying down the procedure for repaying assistance provided under EU and other international assistance programmes administered in the Republic of Lithuania and paid and/or used in breach of legislation into the national budget and restrictions on allocating that assistance.</p> <p>The rules on recovery:</p> <p>2.1. lay down a common procedure for repaying into the budget assistance provided under EU and other international assistance programmes administered in the Republic of Lithuania and paid and (or) used in breach of legislation.</p> <p>2.2. improve the existing procedure for recovering funds in the light of Lithuania's economic situation and experience in implementing EU and other international assistance programmes:</p>

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	<p>2.2.1. extend the period for recovering funds (from 30 to 60 calendar days);</p> <p>2.2.2. simplify the procedure for adopting decisions on the recovery of funds (a decision on the recovery of funds can now be adopted using the functionalities introduced into information systems, thereby shortening the time needed for adopting decisions and simplifying the administrative process);</p> <p>2.2.3. allow repayable funds to be recovered at the request of the debtor by paying interest in instalments;</p> <p>2.2.4. establish clearer responsibility for the performance of functions related to the collection of funds.</p> <p>2.3. Provisions of directives associated with applying restrictions on granting assistance to employers who employ the citizens of third countries illegally have been transposed.</p> <p>3. Methodological recommendations for investigating and detecting irregularities have been drawn up and approved by Order No 1K-173 of the Minister for Finance of 29 May 2009 (Official Gazette 2009, No 67-2716) (hereinafter 'Methodological recommendations for investigating and detecting irregularities'). These establish the procedure to be followed by authorities when jointly investigating, detecting and rectifying irregularities committed by the manager of a project financed from EU funds (hereinafter 'project') and by Ministries and/or other public bodies when taking decisions on the irregularities committed. Along with the Methodological recommendations for investigating and detecting irregularities, the form for reporting a suspected irregularity and the form for reporting the findings of an investigation into an irregularity have been approved, as have, pursuant to Order No 1K-121 of the Minister for Finance of 20 April 2009 (Official Gazette 2009, No 47-1886), the irregularity reporting form, the instructions for filling it in and the standard form for the registration of suspected irregularities.</p> <p>4. A computerised information management and control system for EU structural assistance for the 2007-13 programming period (hereinafter 'the SFMIS') has been established and is being continuously updated, and its implementing rules have been approved. All project-related information is to be registered in the SFMIS (including irregularities and all related information) and the implementing functionalities of this system enable the risk associated with projects to be analysed and evaluated, double financing of expenditure to be prevented (for instance, the SFMIS is able to ensure that invoices do not repeat across projects), information to be disseminated and categorised rapidly and other irregularity prevention operations to be carried out.</p> <p>5. An irregularities inspector working group has been established by Order No 1K-115 of the Minister for Finance of 16 April 2009 (Official Gazette 2009, No 45-1785; 2012, No 10-402) to examine issues related to the investigation, detection, elimination and prevention of irregularities and coordinate operations related thereto. Representatives of the certifying and audit authorities, ministries and/or other public bodies, the Public Procurement Office and Financial Crimes Investigation Service at the Ministry of the Interior are</p>

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	<p>invited to attend the proceedings of the irregularities inspector working group as observers.</p> <p>Preventive measures. In the course of administering action programmes and implementing projects, prevention and control of suspected cases of fraud in the area covered by cohesion policy is carried out systematically, i.e. monitoring and control activities take place at each and every stage of action programme and project implementation, and these measures together ensure adequate management of the risks associated with suspected cases of fraud:</p> <p>At the programming stage: when establishing investment axes and priorities, initial assumptions for the assessment and prevention of risks associated with cases of suspected fraud are drawn up.</p> <p>At the project appraisal stage: when verifying that the project is eligible for financing, the risk of suspected cases of fraud is established while checking the project funding application ('application') by evaluating the project manager's replies to following questions, which appear on the application form approved by Order No 1K-066 of the Minister for Finance of 20 February 2008:</p> <ol style="list-style-type: none"> 1. Has an application already been submitted for assistance from the European Community, Lithuanian State and municipal budgets or the funds of the public authorities of EU or non-EU countries for the project under consideration or part thereof? 2. Does the project under consideration or part thereof complement any other project for which financial support has already been or will be granted? 3. Was an application submitted for financial assistance for the previous phase of the project under consideration or part thereof (including feasibility studies and preparatory phases)? <p>If at least one of these questions is answered affirmatively, additional provisions and restrictions related to the risk/control of cases of fraud are included in the project financing and administration contract ('the contract').</p> <p>During the project implementation phase – by 1) managing the irregularities: the irregularities are detected, investigated and rectified; 2) verifying and certifying payment claims: the documentary evidence of expenditure having been justified and cleared is verified and eligible and/or ineligible expenditure is identified; 3) carrying out an on-the-spot check, during which it is determined whether project managers are duly fulfilling the terms of the contract, whether the actual situation corresponds to that described in the documents and whether there have been any irregularities in the use of EU funds, public procurements are evaluated and future work and the possible risks associated with procurements for the projects are discussed, so that project managers take preventive measures to prevent possible irregularities; 4) preventing the risk of double funding of the same expenditure for the same activity under the programmes managed, which is ensured systematically during the programming, appraisal and implementation phases; 5) performing risk management on</p>

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	<p>projects: the risk of possible double financing and improper procurement is assessed and preventive risk management measures determined; 6) monitoring follow-up procurement to procurement by non-contracting authorities: pre-procurement monitoring is performed if, based on a pre-procurement monitoring risk analysis, a pre-evaluation of the procurement documents and an evaluation of the procurement are carried out; 7) assessing the information provided by the implementing bodies: information about possible irregularities is evaluated and decisions taken on entering into a contract, reducing funding etc.;</p> <p>8) in cases of suspected fraud, risk activities have to be carried out, and while cooperating: the implementing bodies cooperate with the Ministry of Finance and, where appropriate, information is transferred to the Financial Crime Investigation Service under the Ministry of the Interior (OLAF's contact body), the Special Investigation Service (anti-corruption body) and Public Procurement Office; 9) providing information: the public, project managers and founders and competent authorities are informed of established irregularities or cases of fraud; 10) ex-post checks are carried out: five years after the completion of a project an assessment is made of whether there are any circumstances that have occasioned the termination of the contract, a return of assistance funds or otherwise had an effect on the funding provided, and projects at risk are identified.</p> <p>The implementing bodies have also established additional measures to prevent cases of suspected fraud. These measures have been laid down in descriptions of internal project risk management procedures or other documents, or are applied as measures to prevent cases of suspected fraud in project risk assessment systems. The application of procedures such as staff and project manager training, which also concern cooperation among project managers, are also aimed at avoiding suspected fraud by drawing the attention of participants to the most risky aspects of project management, possible effective measures and the application of COCOF guidelines in practice.</p>
LV	<p>1) Cabinet Regulation No 740 of 10 August 2010 laying down the procedure according to which the bodies involved in the management of the EU Structural Funds and Cohesion Fund prepare programming documents and implement the funds. Pursuant to this Regulation a meeting of the Managing Authority (MA), Audit Authority (AA), Certifying Authority (CA), Paying Authority (PA), RA and LB is held every quarter to discuss the irregularities detected that quarter and take a decision on which irregularities to report to the European Commission. 2) Pursuant to Cabinet Order No 168 of 24 March 2010 on the composition of the Council for Coordinating the Protection of EU Financial Interests and Cabinet Regulation No 269 of 23 March 2010 laying down the Statutes of the Council for Coordinating the Protection of EU Financial Interests, a Council (AFCOS) has been established, which functions as a consultative collegiate body with the aim of facilitating the implementation and development of a common national policy for the protection of EU financial interests. Law enforcement authorities are also represented on the Council; these present recommendations on improving the protection of EU financial interests and, together with staff involved in the EU funds system, examine unclear issues related to suspected fraud. See replies under</p>

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	<p>Section 1.</p> <p>1) An EU Structural Funds and Cohesion Fund Risk Management Group has been established at the Ministry of Finance. The Group identifies, assesses, confirms and manages the risks associated with conflicts of interest and fraud, including corruption, identified by the EU funds MA. To mitigate and prevent these risks, many EU funds management procedures employ declarations of impartiality. Representatives of the MA, State Treasury (CA) and RA are involved in the working group. 2) Effective staff training courses are being run using funding from the Technical Assistance Project. The State Chancellery runs seminars presented by specialist lecturers, including from OLAF, and staff involved with the EU funds system can upgrade their knowledge by participating in training and workshops organised by various authorities (e.g. the EC and OLAF). 3) On 27 May 2011 the MA organised training for prosecutors on various issues related to EU funds, including the nature and identification of irregularities, among others. See replies under Section 1.</p>
LU	<p>Administrative measures/procedures: No fraud detected or suspected by the audit authority so no need for specific anti-fraud measures. The audit authority does its sampling on the basis of risk analysis. In addition to the 'compulsory' samples laid down in the legislation, additional samples may be taken on the audit authority's initiative to obtain a better overview of the systems in place, particularly at the start of the period.</p> <p>ESF: - remodelling of the management and control system; - 100% ex ante control based on 5 criteria (legality, regularity, reasonableness, linkage, realism)</p>
HU	<p>Legislative measures:</p> <p>1. In order to detect and handle irregularities and suspected fraud cases more quickly and efficiently and to implement corrections, Government Decree 4/2011 of 28 January 2011 on the rules governing utilisation of aid from the European Regional Development Fund, the European Social Fund and the Cohesion Fund and Order 24/2011 of 6 May 2011 of the Minister for National Development on the Common Operational Handbook were introduced in the programming period 2007-2013 (see point 1).</p> <p>2. Pursuant to the provisions of Government Decree No 210/2010 of 30 June 2010 on the Directorate-General for the Audit of European Grants (EUTAF), EUTAF was established by subdividing the Government Control Office (KEHI). EUTAF's primary mission is to act as control authority as regards grants from the European Regional Development Fund, the European Social Fund and the Cohesion Fund and to perform control tasks established by the Government in respect of other EU and international support. The primary objective of the organisational change was to enable a single body to concentrate on the tasks of auditing EU projects and combating fraud, while taking over the experts and technical equipment to do so. Nevertheless, KEHI can continue to check the use of international grants.</p>

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	<p>3. Act No CLIII of 2010 amending the acts establishing the 2011 budget of the Republic of Hungary supplements Act No XXXVIII of 1992 on the state budget, which details and supplements the concept of EU resources, extending it to also include, besides resources from the EU budget, resources from the budget of non-EU members of the European Economic Area or from the ‘Swiss Contribution’ programme. The amendment clarifies and ensures the accountability of beneficiaries as regards the appropriate use of non-social EU grants. It provides for stricter penalties for infringements of the rules on financing granted partly from Hungarian and partly from the EU budget (EU co-financing), defines the general rules on exclusion from the grant scheme, and establishes the central database of beneficiaries excluded from the grant scheme.</p> <p>4. To achieve more effective and economical central budget revenue estimates and to protect the interests of the state budget, Act No CXXII of 2010 on the National Tax and Customs Office (NAV) integrated the Tax and Financial Control Office and the Customs and Finance Guard from 1 January 2011. The new organisation will be more effective than its predecessor in administering customs revenue due to the EU and in collecting the revenue necessary for the VAT-based contribution, thus indirectly contributing to securing the GNI-based resources.</p> <p>Administrative measures/procedures: preparation of legislative acts revision of the system</p>
MT	<p>Administrative measures/procedures: 1. Centralised system of payments, where all payment claims and supporting documentation are checked in the first instance by the Beneficiary, inserted in a national structural funds database, checked by the respective Line Ministry (LM), then by Treasury who finally instructs payment to the Central Bank of Malta. Therefore this payment process involves multiple stages of controls with each level checking different things.</p> <p>2. Administrative verifications on public procurement, horizontal priorities and payment process by the Managing Authority after payment is effected but before certification to the EC in the Statement of Expenditure.</p> <p>3. Use of a common national database which enables Programme-wide monitoring and facilitates the detection of possible double-funding, over-claims, etc.</p>
NL	<p>Administrative measures/procedures: ESF: The Agentschap SZW (MA) has developed a Management and Organisation policy framework which puts the emphasis on prevention. Preventive measures include: national information meetings with applicants, building in plenty of opportunities for contact with the applicant from the submission of the application to the filing of the final declaration, recording experiences with applicants and performing risk analyses of applicants and advisers. Administrative measures/procedures: ERDF: as part of the improvements to the risk management system, a risk profile is being produced in the current period for each project, so that the risks associated with a given project are clear to everyone in the management authority.</p>

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AT	A high density of verifications pursuant to Article 13 of Regulation (EC) 1828/2006 serve to prevent irregularities. The verification procedures often provide that 100% of the expenditure reported by the recipients are to be checked by the administrative departments.
PL	<p>1) Implementation of cross-check mechanisms to detect and eliminate double-financing of expenditure. With a view to detecting cases involving double-financing of expenditure effectively, three types of cross-check have been introduced: cross-checks on programmes (to detect double-financing of expenditure within the framework of individual operating programmes), horizontal cross-checks (to detect double-financing of expenditure within the framework of various operating programmes in the 2007-2013 financial perspective) and intermediate cross-checks (to detect double-financing of expenditure within the framework of operating programmes in the 2004-2006 and 2007-2013 financial perspectives);</p> <p>2) Introduction of a new IT system (KSI SIMIK 2007-2013) to facilitate the collection and aggregation of data concerning operating programmes, including projects implemented using funds made available under these programmes and used in the management, monitoring and control process;</p> <p>3) Commissioning bodies outside the management and control system to carry out checks by way of public procurement procedures.</p>
PT	<p>The prevention of cases of suspected fraud and the risk management system are governed by Decree-Law No 312/2007 of 17 September 2007 determining the management model for the NSRF and the respective operational programmes. Like for the other funds, there is an Implementing Decree for the ESF, No 84-A/2007 of 10 December 2007, which lays down the general implementing rules. In this connection, we would flag up the integrated information system for the ESF (SIIFSE), which supports management, certification, registration of financial flows, verification, follow-up, assessment, and physical and financial monitoring for operations funded by the ESF. Applications are made through SIIFSE, and a database containing information on the debt situation and integrity of applicants allows the financial risk of awarding funding to be assessed and managed. It is up to IGFSE (the certifying authority) to manage and update the information system as regards the integrity and ESF debts of applicants for and recipients of ESF funding. Factors that would block or restrict access to ESF funding, that determine the integrity of applicants and the degree of risk they represent, are set out in Article 17(1)(d) and (3) to (5) of Implementing Decree No 84-A/2007 as amended by Implementing Decree No 4/2010 of 15 October 2010. Before approving applications, the managing authorities must obtain from IGFSE information on the integrity and possible debts of applicants, including associated entities and partners submitting joint training applications and partnership applications under the ESF. The SIIFSE also contains information on entities found during control or audit exercises to have engaged in financial, accounting or</p>

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	<p>organisational irregularities. This enables the managing and audit authorities to pay close attention to project implementation by entities which, while not guilty of any conduct that would block or restrict their access to ESF funding, none the less pose some risk of misuse of public funds. The same close attention is paid to entities that have previously had their access to funding blocked or restricted.</p> <p>A. IGFSE has been monitoring insolvency proceedings against beneficiaries with a view to recovering amounts unduly paid or received under the ESF by filing claims in the insolvency proceedings identified. Where insolvency proceedings are found to have been initiated against recipients of ESF funding, the information is sent to the managing authorities so that they can take appropriate action in terms of monitoring project implementation. B. Based on its experience with the management of Community funds, in particular under CSF III, the Regional Development Institute decided to pay close attention to monitoring compliance with public procurement rules by beneficiaries under the Rumos OP. It issued guidelines in order to clarify beneficiaries and standardise management checks (administrative and on-the-spot) to take account of check lists for public procurement. On-the-spot checks also cover compliance with legal requirements on introducing accounting and pedagogical procedures (checks of originals) and information and publicity rules. Following the checks, beneficiaries are given recommendations and a time-frame for implementing them. Where recommendations are made regarding future repayments/operations, subsequent on-the-spot checks look for evidence that they have been implemented.</p>
RO	<p>Government Emergency Order No 66/2011 on preventing, detecting and penalising irregularities in the granting and use of European funds and/or the corresponding national public funds, published in Official Gazette of Romania Part I No 461 of 30 June 2011, and Government Decision No 875 of 31 August 2011 approving the implementing rules for Government Emergency Order No 66/2001 on preventing, detecting and penalising irregularities in the granting and use of European funds and/or the corresponding national public funds, published in Official Gazette of Romania Part I No 659 of 15 September 2011, have introduced financial management and control principles and rules to be applied, during the course of their current activities, by the authorities responsible for administering European funds.</p> <p>The new legislative framework has consolidated the powers of the control bodies set up both inside and outside the authorities responsible for administering Community funds, and has extended the Ministry of Public Finances' specific control powers concerning the detection of irregularities and the establishment of budgetary debts. ANRMAP - The adoption of Act No 279/2011 amending Government Emergency Order No 34/ 2006 on awarding public procurement contracts, contracts for the concession of public works and contracts for the concession of services, published in Official Gazette No 872 of 9 December 2011 has strengthened ANRMAP's role in ex-ante evaluation/control. Ex-post checks will focus in particular on identifying conflicts of interest and unfair competition (see Sections 66-69 of Government Emergency Order No 34/2006).</p>

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	<p>The Anti Fraud Department (AFCOS Romania) has access to the Single Management Information System (SMIS) 2007 2013. The information extracted from that database is used to justify control policies and carry out risk analysis. Furthermore, by accessing that database, DLAF is able to respond immediately to OLAF's requests concerning the existence of certain projects, the source of financing, the stage of implementation and other project details. During the same period, DLAF also gained access to the public records database and other national and European databases (e.g. the central exclusion database) and the information extracted from those databases has contributed to improving the risk management system.</p> <p>The managing authorities use 'whistle blowing' schemes in order to uncover irregularities and suspicions of fraud.</p> <p>In addition, some managing authorities have established administrative procedures that also cover risk management, management of irregularities and anti fraud control. The Code of Conduct for the avoidance of situations of incompatibility and conflicts of interest by the personnel administering programmes financed from non-reimbursable European funds was adopted on 19 December 2011, by Memorandum approved by the Prime Minister.</p> <p>The Code of Conduct is a guide for preventing and avoiding situations involving conflicts of interest and/or incompatibilities that may affect the personnel administering non-reimbursable European funds.</p>
SI	<p>Penal Code (KZ-1) (Official Gazette of the Republic of Slovenia (OGRS) No 39-1876/2009), Article 229 (Fraud to the detriment of the European Communities) (1) Anyone who avoids expenses by using or submitting false, incorrect, or incomplete statements or documents, or does not reveal data and thus misappropriates or unlawfully withholds or uses inappropriately funds of the general budget of the European Communities or of the budgets managed by the European Communities or managed on their behalf, shall be sentenced to imprisonment for not less than three months and not more than three years. (2) Anyone who unlawfully acquires funds from the budgets referred to in the preceding paragraph shall be punished in the same way. (3) If an offence under the preceding paragraphs has resulted in the acquisition of a considerable economic benefit or caused a considerable economic loss, the offender shall be sentenced to imprisonment for not less than one and not more than eight years. (4) The penalties referred to in the above paragraphs of this Article shall apply to the managers of companies or other persons authorised to take decisions or carry out supervision in companies, if they facilitate or fail to prevent the criminal offences of offenders referred to in the above paragraphs who are under their authority and act on behalf of the company.</p> <p>The Integrity and Prevention of Corruption Act (OGRS No 45/2010) requires the inclusion of an anti-corruption clause. All public-sector bodies taking part in public procurement procedures must report on their financial situation. Corruption must be reported and</p>

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	<p>whistleblowers are protected. Integrity plans are to be introduced (assessment of exposure of institutions to corruption, names and positions of persons responsible for the integrity plan, description of areas of work and decision-making methods including an assessment of exposure to corruption, proposals to improve integrity, measures for the early detection, prevention and elimination of the risks of corruption).</p> <p>Amendment to the Public Procurement Act (OGRS No 19/10), Article 77a (Register of tenderers with negative references) (1) The authority which takes a decision on the infringement referred to in Article 109a(2) shall inform the ministry responsible for finance of that decision, within three working days of it taking effect. This notification shall state the tenderer's full name and registration number and the date until which the tenderer is to be excluded from public procurement procedures. (2) The ministry responsible for finance shall keep a register of tenderers with negative references which shall include: the full name and registration number of the tenderer, the date when the tenderer was entered in the register and the date until which the tenderer is excluded from public procurement procedures; this register shall be published on the ministry's website. A tenderer shall be entered in the register if it has committed an infringement under Article 109a(2) of this Act or Article 106a(2) of the Public Procurement in the Water, Energy, Transport and Postal Services Act (ZJNVETPS). (3) The ministry responsible for finance shall enter the tenderer in the register within three working days of receiving the notification referred to in the first paragraph of this Article. No appeal shall be allowed against entry in the register of tenderers with negative references. (4) The ministry responsible for finance shall remove the tenderer from the register of tenderers with negative references within three working days of the date referred to in the third indent of the second paragraph of this Article.</p> <p>Decree on the Implementation of Procedures for the Use of European Cohesion Policy Funds in the Republic of Slovenia in the 2007-2013 Programming Period (OGRS Nos 17/09, 40/09, 3/10 and 31/10), public procurement instruments, cofinancing agreement, Instructions on management of checks (on-the-spot and administrative checks), Managing Authority instructions on eligible costs.</p>
FI	<p>1) The managing authority of the structural funds issued new joint instructions for the ESF and ERDF in the 2007-13 programming period concerning administrative and on-the-spot verifications under Article 13. The aim of the procedures set out in the instructions is to ensure the conformity of procedures at the various intermediary bodies and ascertain whether all the key considerations affecting the eligibility of expenditure have been taken into account during the performance of administrative and on-the-spot verifications. The intermediate bodies carry out administrative verifications on all applications for payment. On-the-spot verifications are carried out on some of the projects on a sample basis. In order to check the eligibility and reality of expenditure, the authorities use the checklists drawn up by the managing authority. All payment applications are handled using information systems. Since 1 June 2010, expenditure and funding tranches approved as eligible have been entered in the systems, as have the sums rejected together with the reason for rejection and the</p>

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	error category. Information concerning on-the-spot verifications (including the checklist questions and any ineligible expenditure found together with the error category) is also entered into the information systems. The entry of data concerning administrative and on-the-spot verifications into the information systems allows data reporting and analysis. The managing authority analyses, with the help of reports, the problems discovered during administrative and on-the-spot verifications. In order to eliminate the problems found or minimise the associated risks, the managing authority takes them into account in its instructions, training and risk management. 2) Administrative and on-the-spot verifications under Article 13 are entered into the structural fund information systems, together with the findings of the inspection authority's verifications and the associated follow-up measures. The intermediate bodies can thus obtain information on the findings of verifications concerning the various projects and beneficiaries and take this information into account both in the granting and payment process and/or in risk assessment regarding beneficiaries and/or projects. During the project selection stage, the finance provider assesses the risk classification of the project and the beneficiary. The risk classifications are entered into the information systems. 3) Monitoring of the intermediate bodies by the managing authority has been stepped up. In accordance with the annual monitoring plan, the managing authority carries out guidance and monitoring visits to the intermediate bodies in order to verify that, when they are granting and paying aid, they operate in accordance with the principles of sound financial management and that they impose the necessary corrective measures when they discover irregularities.
SK	<p>1. Act No 528/2008 on assistance and support provided from EU funds, as amended, which lays down the procedure for protecting the financial interests of the EU at national level, the selection process for projects financed from EU funds and the management of financial relations and control. 2. Structural Funds and Cohesion Fund Management System for the 2007-2013 programming period, laying down the obligations for regulatory authorities to carry out preliminary financial checks, administrative checks and on-the-spot checks. 3. The National Strategy for protecting the European Community's financial interests in the Slovak Republic together with its annexes, the Irregularities Notification Manual and the AFCOS Network Cooperation Manual, under which the protection of the European Community's financial interests in Slovakia rests on three pillars: prevention, detection and investigation of irregularities, corrective action and prosecution.</p> <p>1. Administrative and on-the-spot checks are the basic mechanism for preventing irregularities and fraud. The regulatory authorities also compile and update the Applicants and Beneficiaries Handbook and issue guidelines and methodologies providing detailed instructions for the preparation of applications for non-returnable financial contributions and the implementation of OP projects. 2. Major extensions to the checklists for more detailed investigations of State aid, public procurement, media cases and findings of the European Commission and Court of Auditors. 3. The regulatory authorities and their subordinate intermediate bodies carry out administrative checks according</p>

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	to the public-procurement rules and principles in order to ensure that funds are used economically and effectively. A regulatory authority carries out administrative checks in connection with the procurement of goods, services, construction work and related procedures by beneficiaries of non-returnable financial contributions before the contract between the beneficiary and the successful tenderer is signed (unless it was concluded before the contract for the granting of non-returnable financial contributions entered into force), and no later than the first payment of the non-returnable financial contribution relating to project expenditure incurred in connection with the implementation of the procurement. The regulatory authority may also exercise the right to take part in the public-procurement process as an non-voting member of the committee.
SE	<p>On 1 January 2008 a general framework was introduced for internal regulation and control within national authorities. The framework consists of several instruments. In addition to a new regulation on internal regulation and control (2007:603), the framework comprises the new authority regulation (2007:515) concerning management responsibility, the internal audit regulation (2006:1228) concerning the objective of auditing, and a regulation on annual reports and basic data for budget procedures (2000:605) which concerns the signing of annual reports. The purpose of the new framework is to clarify the management's responsibility and create better conditions for accountability and more effective and secure activities, not only for national resources but also for EU resources administered nationally under shared management. The aim of the framework is also to contribute to better protection of EU resources. The authority regulation clarifies responsibility for activities and internal regulation and control. Management is responsible for ensuring that activities are carried out effectively and in accordance with the legislation in force and the obligations associated with EU membership. It is also the responsibility of management, under the regulation, to ensure that a reliable and correct account is given of the activities and that the authority manages state resources responsibly.</p> <p>Under the new regulation on internal regulation and control, the authorities concerned are required to carry out a risk analysis, implement control measures and ensure systematic and continuous follow-up and appraisal of internal regulation and control arrangements. They must also document the risk analysis, control measures, follow-up and appraisal.</p> <p>In other words, the authority's management must ensure that the authority operates planning, control and reporting systems, etc. that are both effective and fit for purpose.</p> <p>As a result of the changes in the internal auditing regulation, the authorities responsible for managing or certifying EU resources must organise internal auditing to examine the internal regulation and control system and report their findings and suggested improvements to the authority's management.</p>

Member State:	<p>2.1.1. <i>Briefly describe three measures (within the national legal framework and or administrative procedures) taken in the period 2007-2011 which have substantially contributed to better prevention of cases of suspected fraud in the area of the Cohesion Policy or/and improvements in the risk management system. These measures could be disseminated as best practices among the MS.</i></p>
	<p>Finally, the regulation concerning annual reports and basic data for budget procedures has been amended. These amendments mean that, by signing the annual report, the authority's management certifies that the document gives a true picture of the result of activities and of expenditure, income and the authority's financial situation. In connection with the signature, an appraisal must also be carried out to determine whether the internal regulation and control system is satisfactory. The regulation also stipulates that funds and activities that are financed wholly or partly by the EU will also be covered by the management's certification and appraisal.</p> <p>As a result of the decision to introduce a joint framework for internal regulation and control at national level, the Government has, since the 2008 financial year, provided annual national certification of the use of EU funds. The framework provides an important basis for national certification and the aim is to create a more effective management and control system for EU resources. National certification takes the form of an annual statement which the government submits to parliament, with copies for the European Commission and the European Court of Auditors. It forms part of the central government's annual report and contains an assessment of whether the compilation of EU accounts, including profit/loss statements, balance sheets and cash-based accounting, gives a correct picture in all important respects, and whether the Government has a system (internal regulation and control framework) in place to ensure satisfactory internal regulation and control of EU funds.</p> <p>The Government's certification will be based on the certifications and assessments of the authorities responsible and the opinions and observations of the auditors. Responsibility for ensuring satisfactory internal controls and sound economic management lies with the authority responsible for managing each programme. The EU funds covered by the certification are those managed in partnership between Sweden and the Commission and reported under the appropriations and revenue headings of the central government budget. The funds concerned are the European Agricultural Guarantee Fund, the European Agricultural Fund for Rural Development, the European Fisheries Fund, the Structural Funds, ERDF transnational programmes and the funds managed within the framework programme on Solidarity and the Management of Migration Flows.</p> <p>Regulation (2007:14) on the management of EU Structural Funds. Nutek's instructions on aid from the European Regional Development Fund 2007-2013. Organisation and revision of the management and control system under Article 71 of Regulation (EC) No 1083/2006. (ERDF)</p> <p>A new selection model, revised guidelines and improved instructions for on-the-spot controls under Article 13(2)b of Commission Regulation (EC) No 1828/2006. (ESF).</p>

Member State:	<p>2.1.1. <i>Briefly describe three measures (within the national legal framework and or administrative procedures) taken in the period 2007-2011 which have substantially contributed to better prevention of cases of suspected fraud in the area of the Cohesion Policy or/and improvements in the risk management system. These measures could be disseminated as best practices among the MS.</i></p>
	<p>An audit plan is established for each project and any risk areas are identified. A risk assessment is carried out on the basis of the information collected and the plan is revised as necessary (ESF).</p> <p>Sweden's Council for the Protection of EU Financial Interests (SEFI Council) is responsible at national level for coordinating measures to combat fraud and other irregularities involving EU-related funds. It is composed of all the Swedish authorities which are responsible in different ways for handling EU funds. Its meetings are also attended by representatives of the ministries and judicial authorities concerned. In 2008 the Council's terms of reference were changed to strengthen its role as a strategic forum for cooperation and give a more thematic slant to its meetings, with the aim of responding better to the authorities' need to exchange information and compare experiences.</p> <p>In 2011 the SEFI Council agreed on a common reporting policy for all authorities, so that suspected EU fraud will be reported to the judicial authorities. The policy also includes a report on circumstances that can give grounds for suspecting a crime and a description of how to proceed if officials suspect that a crime has been committed and what information a crime report should contain.</p>
UK	<p>WG - Within the specified period of 2007 - 2011 the two Major pieces of Legislation introduced within the UK that have contributed to the better prevention of suspected fraud cases are the Fraud Act 2006 which actually went live in 2007 and the Bribery Act 2010 which went live in July 2011. The Counter Fraud Branch for the Welsh Government has only been in existence 18 months but has introduced Counter Fraud and Corruption Risk Assessments for each of the business areas using the Bribery legislation. Controls and actions are identified to deal with the risk identified. They are monitored and reviewed according to the appropriate level of risk and submitted to the Head of Counter Fraud to identify the Corporate Risks for the organisation in relation to fraud. The Bribery Act identified a new corporate offence of allowing bribery to occur but only if you failed to introduce adequate precautions to prevent Bribery. This included having risk assessments in place, performing due diligence and monitoring and reviewing the risks. In essence the legislation dictated that risk assessments were mandatory and this gave us the 'teeth' to encompass fraud within the risk assessments and get the 'buy in' from all areas of the business including WEFO. In essence it gave legislative ownership to each area of the business to identify, maintain and consider their own responsibility for dealing with the risk. These risks are also be used to identify higher risk areas to be targeted by Counter Fraud and Internal Audit and to subsequently influence the audit plan. Northern Ireland: Fraud Act 2006 came into force in 2007. DCLG: Same as SG, DFPNI: Effective vouching of claims; Performance monitoring (including site visits) by first line Implementing Body (IB) staff responsible for projects; Training conducted by Managing Authority and Audit Authority for IBs on compliance issues. Systems regularly reviewed - including on-the-spot checking and subsequent analysis of procedures - recent review of Article 13 On the</p>

Member State:	<p>2.1.1. <i>Briefly describe three measures (within the national legal framework and or administrative procedures) taken in the period 2007-2011 which have substantially contributed to better prevention of cases of suspected fraud in the area of the Cohesion Policy or/and improvements in the risk management system. These measures could be disseminated as best practices among the MS.</i></p>
	<p>Spot verifications on PEACE III & INTERREG IVA resulted in a change of emphasis to a systems test approach as opposed to focusing on process.</p> <p>SG - The Management and Control System was approved by the Commission and sets out the compliance regime for operations in Scotland. This includes MA administrative and on-the-spot checks and activities of the CA and AA. WG: Administrative measures/procedures: Check of transaction lists for all grant claims received, annual independent audit of projects and Article 13 on the spot checks. DCLG: Same as SG, DFPNI:Effective vouching of claims; Performance monitoring (including site visits) by first line Implementing Body (IB) staff responsible for projects; Training conducted by Managing Authority and Audit Authority for IBs on compliance issues. Systems regularly reviewed - including on-the-spot checking and subsequent analysis of procedures - recent review of Article 13 On the Spot verifications on PEACE III & INTERREG IVA resulted in a change of emphasis to a systems test approach as opposed to focusing on process.</p>

Member State:	2.1.2. Describe the outcome of measures you mentioned under previous question on the performed activities in relation to prevention of suspected fraud cases and recovery of misused EU funds terms of:?
BE	<p>COMMENT: D2 EFRO VL: strong proactive approach appears effective) More irregularities detected before payment D2 EFRO VL ERDF Brussels Capital Region: thanks to first-level double controls. Fewer irregularities with financial impact ERDF Wallonia ESF-VL: Fewer recoveries. FSED (ESF - German-speaking community): Fewer irregularities with financial impact. Other ESF-VL: Fewer corrections to certified statements of expenditure and reports to OLAF. ESF: In future there should be no cases of double financing thanks to the recurrent control procedures. D2 EFRO VL: prevention of irregularities with a financial impact</p> <p>By the beneficiary to the managing authorities ESF-VL: Financial reports not drawn up until after checks FSED: By the beneficiary to the managing authorities. ERDF Wallonia ERDF Brussels Capital Region. Higher proportion of accepted eligible amounts D2 EFRO VL ERDF Wallonia. Other ERDF Brussels Capital Region: ERDF stamp to prevent double financing Compliance with applicable regulations, standards and guidelines (specify): ERDF Wallonia: public contracts, list of eligible expenditure D2 EFRO VL: growing awareness and increased expertise re compliance with public procurement legislation among project beneficiaries and in the Managing Authority FSED: Clarification of the eligibility of expenditure, professionalisation in the administration of projects (in particular small non-profit organisations) ERDF Brussels Capital Region: more effective controls on expenditure and public procurement procedures</p>
BG	<p>More irregularities detected before payment. The enforcement of the management and control systems of the Managing Authorities has strengthened ex-ante control of the procedures for grant provision and ex-ante and ex-post control of the awarding of public procurement contracts by the beneficiaries. The mechanisms for verification of project expenditure have been improved as a whole. This has increased prevention of irregularities and/or follow up and rectification of errors/irregularities on the part of the beneficiaries during the processing of operational expenditure, prior to it being reimbursed by the Managing Authority. Communication with the beneficiaries has been</p>

Member State:	2.1.2. <i>Describe the outcome of measures you mentioned under previous question on the performed activities in relation to prevention of suspected fraud cases and recovery of misused EU funds terms of:?</i>
	<p>improved and they have been familiarised with errors made, the ways for their removal and the possible consequences of a failure to rectify them.</p> <p>A check for any reports of irregularities and fraud is made upon every request for payment. This preventive measure is aimed at carrying out comprehensive inspections (including on-the spot checks), counter-inspections and audits, which in some cases results in the suspension of advance or partial payments under contracts if reports on irregularities or fraud are filed in regards to them.</p> <p>The improvement of the above procedures on the basis of acquired experience has resulted in the detection of a higher number of irregularities in project implementation before the interim and the final payment. Checks are carried out on 100% of the interim and final technical reports and financial statements related to the project implementation are carried out, which reduces the number of registered and reported irregularities with a financial impact. Decreased number of irregularities with financial impact. The measures taken have considerably reduced the need to register irregularities with a financial impact. Timely actions and corrective measures are carried out prior to the payment stage.</p> <p>The lower number of irregularities with a financial impact is due to the recommendations given by the Managing Authorities and the Intermediate Bodies with regard to project implementation. Other</p> <ul style="list-style-type: none"> - prevention of ineligible expenditure and misuse of funds - definition of the number of on-the-spot checks necessary for the following calendar year. - avoidance of unlawful procedures and overall improvement of public procurement. - optimisation of management and control systems by establishing a mechanism for handling irregularities which is clear and the same for all bodies managing European funds and programmes in Bulgaria. - control of projects and documents related to public procurement has ensured that the procedures do not contain terms and requirements that are not compliant with the Public Procurement Act. - ex-ante control allows strict monitoring of the compliance of procedures with law and provides reasonable assurance to the management prior to the signing of contracts. <p>By the beneficiary to the managing authorities. The abovementioned enforced ex-ante control has ensured that the requests for payment submitted by beneficiaries contain a lower number of ineligible expenditure and improved consistency of project proposals with the eligibility criteria and the spending benchmarks. Higher degree of accepted eligible amounts</p> <p>Greater reliability of sums approved/verified. The requests for payment submitted by beneficiaries contain a lower number of ineligible costs. Increased discipline and transparency of the project implementation is achieved.. Other</p> <p>Increase in the reliability of financial reporting in terms of the improvement of the control machinery and the scope for identifying irregularities and fraud at an earlier stage.</p>

Member State:	2.1.2. <i>Describe the outcome of measures you mentioned under previous question on the performed activities in relation to prevention of suspected fraud cases and recovery of misused EU funds terms of:?</i>
	Compliance with applicable regulations, standards and guidelines (specify): Council of Ministers Decree No 134 of 5 July 2010 adopted a methodology for applying direct financial corrections to expenditure relating to the implementation of operational programmes cofinanced by the EU's Structural Funds, the European Agricultural Fund for Rural Development and the European Fisheries Fund under Article 98 of Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund or Article 33 of Council Regulation (EC) No 1290/2005 of 21 June 2005 on the financing of the common agricultural policy and the European Commission's Guidelines for determining financial corrections to be made to expenditure cofinanced by the Structural Funds or the Cohesion Fund for non-compliance with the rules on public procurement (COCOF 07/0037/03).
CZ	Reinforcing the checks system with checks on projects has had, inter alia, a preventive impact, since it has made it possible to detect irregularities prior to payment of funding; use of ex-post financing leads to elimination of cases of suspected fraud; improved mutual information of all state administration bodies involved actively or passively in the protection of the EU's financial interests (in particular cooperation with the Czech Police). This approach was set to be applied in the programmes at the Ministry for Regional Development less than six months ago. To date it has not been possible to make precise comments on effectiveness; prevention in the case of ex-ante and on-the-spot checks; reduction of errors in tenders; greater transparency of the whole process. Consistent checks and audits, reducing the number of irregularities with financial impact - prevention by the MA inspecting officers; statements submitted by beneficiaries to the MAs (lists of accounting documents annexed by beneficiaries to applications for payments). By the beneficiary to the managing authorities: in connection with administrative checks on payment requests or in on-the-spot checks the reliability of financial reporting is being examined: requests for reimbursement of expenditure.
DK	The administrative measures introduced have led to better management and control of projects. The administrative measures have led to the detection of errors in the calculation of internal hours, depreciation, indirect costs, holiday pay, VAT processing and insufficient documentation of payment. More irregularities detected before payment. Decreased number of irregularities with financial impact. Financial reporting has become more reliable. By the beneficiary to the managing authorities. Higher degree of accepted eligible amounts.
DE	N/A
EE	More irregularities detected before payment particularly in connection with public procurements - public procurement checklists were completed, inspectors trained. Decreased number of irregularities with financial impact: checks of public procurement are more thorough, problems are detected before aid is paid. Other - possibility of using compulsory enforcement for unrecovered requests, possibility to consult the police or the Prosecutor's Office Other - the managing authorities' awareness has increased, the rules are more precise; inter-authority cooperation has improved (the

Member State:	2.1.2. Describe the outcome of measures you mentioned under previous question on the performed activities in relation to prevention of suspected fraud cases and recovery of misused EU funds terms of:?
	<p>investigating authority is consulted while resolving cases)</p> <p>Compliance with applicable regulations, standards and guidelines (specify): rules made more specific in training sessions and working groups; on-the-spot checks help ensure that beneficiaries adhere to the rules, different checks, incl. comments made during audits are used to help improve the system (the quality of supervision by the paying agency and the managing authority has improved)</p>
IE	<p>More irregularities detected before payment - No significant difference due to the continued low level of suspected fraud cases. Decreased number of irregularities with financial impact - As above.</p> <p>By the beneficiary to the managing authorities - Increased. Higher degree of accepted eligible amounts - Yes.</p>
EL	<p>EDEL audits have so far uncovered no suspicion of fraud. However, following recommendations on fraud prevention made by EDEL in the course of its audits to bodies involved in managing NSRF co-financed projects, the Special Department for Institutional Support, taking into account EDEL's comments, undertook a series of fraud prevention measures. In particular, the Special Department for Institutional Support drafted a new chapter of the Management and Control System Guidebook, which provides details on how to tackle cases of 'suspected fraud', as defined in the COCOF "Note of Fraud Indicators" (18 February 2009), through the Management and Control System and national law. The guidelines contained in the COCOF Guidance Note have also been sent to all managing bodies to be posted on their websites as well as being communicated to the beneficiaries of co-financed operations.</p> <p>As part of its monitoring activities and in compliance with the regulations, the COCOF Guidance Note 'Note of Fraud Indicators' (18 February 2009) for indicators of fraud against the Structural Funds, and auditing standards, EDEL harmonises its actions to prevent and combat fraud.</p>
ES	<p>Effectiveness and efficiency of operations</p> <p>More irregularities detected before payments : EXTREMADURA: Due to the recent entry into force of the law, more time is needed before evaluating and quantifying the results thereof.</p> <p>CANARY ISLANDS: Regulations apply to the actions of the bodies involved in managing and running the co-financed operations, as well as to their cooperation in preliminary, administrative and on the spot checks.</p> <p>CATALONIA: The managing body does not accept supporting documents before payment. Decreased number of irregularities with financial impact:</p> <p>EXTREMADURA: Administrative measures have led to an increase in the irregularities recovered and in the reliability of the preparation of financial reports.</p>

Member State:	2.1.2. Describe the outcome of measures you mentioned under previous question on the performed activities in relation to prevention of suspected fraud cases and recovery of misused EU funds terms of:?
	<p>CANARY ISLANDS: The results obtained in the financial controls undertaken in 2007-2013 reveal a considerable reduction in the number of irregularities.</p> <p>CATALONIA: Although deficiencies have been identified in the managing body, control weakness with an economic impact are minor. Other: The Coordination Committee enables improved coordination and standardisation in the development of the financial controls of structural funds.</p> <p>EXTREMADURA: Increase in the irregularities recovered.</p> <p>VALENCIANA has been improved the monitoring of irregularities detected in the controls on the operations included in the annual plan of the EU funds.</p> <p>Reliability of financial reporting By the beneficiary to the managing authority Higher degree of accepted eligible amounts : CANARY ISLANDS: The drop in the number of irregularities with a financial impact has directly led to an increase in the accepted eligible amounts. Other: Models have been drawn up for reports on financial controls of structural funds, both for operations and management and control systems.</p> <p>Compliance with applicable regulations, standards and guidelines (specify): CANARY ISLANDS: The laws adopted, in particular Orden de 10 de noviembre de 2009 de la Consejería de Economía y Hacienda [Order of 10 November 2009 of the Regional Ministry of Economy and Public Finances] favour the application of the management and control systems provided for in Council Regulation (EC) No 1083 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund.</p>
FR	Preparation underway
IT	<p>More irregularities uncovered before payment. The number of irregularities with a financial impact has declined. Other: (1) Ministry of Economic Development: Risk management system works better due to a reduction in the number of cases of suspected or non-existent fraud being reported to the EU. (2) Interior Ministry: for the NOP 'Security' the number of instances of non-compliance (with no financial impact) prior to the commitment of expenditure for the beneficiary before the Management Authority has declined.</p> <p>From the beneficiary to the Management Authority. A greater percentage of eligible amounts accepted. Interior Ministry: this appears to be linked to the greater reliability of the administrative and accounting documentation owing to the adoption and spread of monitoring</p>

Member State:	2.1.2. Describe the outcome of measures you mentioned under previous question on the performed activities in relation to prevention of suspected fraud cases and recovery of misused EU funds terms of:?
	and support measures (Operating Manuals, Beneficiary Vademecum, first-level check list, explanatory circulars, information seminars) offered by the Management Authority to beneficiaries. Other: (1) Ministry of Economic Development: improvement in quality/quantity of appropriate information.
CY	<p>More irregularities detected before payment - this is due to the ex-ante controls carried out by the Intermediate Bodies in relation to financial and non-financial aspects of the transactions (eg public procurement certificates issued ex-ante). Decreased number of irregularities with financial impact - this is due to the ex-ante controls carried out by the IBs on 100% of the expenditure claims submitted for certification by the beneficiaries.</p> <p>Compliance with applicable regulations, standards and guidelines (specify): The compliance is monitored by the Intermediate Bodies and verified by the MA and the rest of the audit bodies (Certifying Authority and Audit Authority)</p>
LT	<p>More irregularities have been detected before project managers' expenditure was covered (therefore the amount of repayable funds paid out has decreased in relative terms).</p> <p>More irregularities have been detected before project managers' expenditure was covered, as payment claims were verified, suspected irregularities investigated or on-the-spot checks carried out based on information provided by the implementing body, decisions were taken on the application of financial sanctions (reduction in the amount of assistance) and the project manager's founding body informed thereof, and measures with long-term impact applied which also reduce the recurrence of irregularities. Fewer irregularities with a financial impact</p> <p>There have been fewer irregularities with a financial impact, as preliminary verification of procurements was carried out, with recommendations made by the implementing bodies to project managers concerning the procurement documents they drew up. Also, given that project managers' founding authorities were provided with information on detected irregularities (including possible cases of fraud) and sanctions established, project managers have become more disciplined, the transparency of project implementation has increased, and this has had a positive impact on preventing irregularities. A new project risk management system has been applied and staff training courses run. Other (please specify)</p> <p>The risk of irregularities occurring has been reduced and the quality</p> <p>The reliability of reporting by beneficiaries to management authorities has increased. Higher degree of accepted eligible amounts</p> <p>There has been a greater number of accepted eligible amounts because of more intensive work with potential applicants, a new project risk management system and the training provided. Other [(please specify)</p>

Member State:	2.1.2. Describe the outcome of measures you mentioned under previous question on the performed activities in relation to prevention of suspected fraud cases and recovery of misused EU funds terms of:?
	<p>The risk of irregularities occurring has been reduced and the quality of project management has improved.</p> <p>Compliance with applicable regulations, standards and guidelines (please specify):</p> <ol style="list-style-type: none"> 1. European Commission Guidelines for determining Financial Corrections to be made to Expenditure Co-Financed by the Structural Funds or the Cohesion Fund for Non-Compliance with the Rules on Public procurement (final version of 29 November 2007, COCOF 07/0037/03-ES); 2. Rules on the repayment into the Lithuanian national budget of financial aid paid and (or) used in breach of legislation, approved under Lithuanian Government Resolution No 590 of 30 May 2005 (Official Gazette 2005, No 69-2469; 2010, No 33-1570); descriptions drawn up by the implementing bodies: description of internal procedures relating to project risk management, description of internal procedures for investigating and detecting irregularities in the use of resources from EU funds.
LU	<p>More irregularities detected before payment: (ESF) All irregularities are detected before payment thanks to 100% controls. Decreased number of irregularities with financial impact on the ESF: The 100% controls contribute to this.</p> <p>By the beneficiary to the managing authorities ESF: Thanks to the structure of the database. Higher degree of accepted eligible amounts (ESF): Thanks to more detailed definitions in the Financial Guide. Other ESF: Each item of expenditure is analysed according to 5 criteria.</p> <p>Compliance with applicable regulations, standards and guidelines (specify):</p> <p>ESF: One of the results of the new Financial Guide is that it reduces the number of ineligible operations</p>
HU	<p>More irregularities detected before payment: The entry into force of Government Decree 4/2011 of 28 January 2011 introduced preliminary quality assurance of public procurement procedures, which decreases the number of public procurement infringements.</p> <p>Decreased number of irregularities with financial impact: Payments may be suspended at any time in the course of irregularity procedure. Preliminary quality assurance of public procurement procedures decreases the number of public procurement infringements.</p> <p>By the beneficiary to the managing authorities: According to Government Decree 4/2011 of 28 January 2011 intermediate bodies check the implementation of the projects in the course of audits integrated into the process. The scope of documents supporting payment applications has been standardised, which has reduced the administrative burden on the intermediate bodies. The area is governed by Order 24/2011 of 6 May 2011 of the Minister for National Development on the Common Operational Handbook. Increase in accepted eligible amount: Reliability of financial reporting by the beneficiaries to the managing authorities: More effective checks to reduce cases of irregular expenditure being declared for reimbursement by beneficiaries.</p> <p>Increased eligible amounts: The preventive role of the audits, which help to reduce the number of irregularities in the implementation phase of the projects, are having a positive impact on the level of expenditure eligible for reimbursement. The ex-ante controls, in</p>

Member State:	2.1.2. <i>Describe the outcome of measures you mentioned under previous question on the performed activities in relation to prevention of suspected fraud cases and recovery of misused EU funds terms of:?</i>
	particular those in connection with public procurement, have an instructive role, in that they identify unlawful measures taken by beneficiaries. The new procedures enable the institutional system to react more quickly to irregularities identified.
LV	More irregularities have been detected before project managers' expenditure was covered. More than 50% of infringements are detected before payment is made as a result of discussing unclear issues and detected cases at quarterly meetings on irregularities, consulting with law enforcement officers and identifying and assessing risks in a risk management working group. Fewer irregularities with a financial impact. Training for staff involved with the EU funds; consideration of unclarified issues and discussion of the most characteristic infringements and irregularities at quarterly meetings on irregularities and at meetings of the AFCOS Council; consultation with law enforcement officers, and intensification of preliminary procurement checks. Other Training for prosecutors/law enforcement officers on issues related to EU funds, including the nature of irregularities, how to identify them etc., in order to develop a common understanding of compliance with EU legal acts and detect fraud associated with EU financial instruments more effectively. The reliability of reporting by beneficiaries to management authorities has increased. Staff training. Higher degree of accepted eligible amounts Staff training.
MT	More irregularities detected before payment; Decreased number of irregularities with financial impact; Other: Reduction of possibility to certify irregular claims to the EC. Decreased number of irregularities with financial impact: Payments may be suspended at any time in the course of the irregularity procedure. Preliminary quality assurance of public procurement procedures decreases the number of public procurement infringements. By the beneficiary to the managing authorities Compliance with applicable regulations, standards and guidelines (specify): Ex-ante compliance with national legislation on VAT and public procurement and EU legislation, ex-post checks by the MA as further compliance assessment. Publication of national manual of procedures and eligibility rules.
NL	The measures mentioned in the previous question are not directly linked to fraud prevention or the recovery of EU funds that have been paid out. On the other hand, improvements in working methods and control structure, of the kind operating in the current ESF period, coupled with an independent CA and AA, have led to more irregularities being discovered before payment. Regular contact between the MA and the applicants, which quickly leads to a better understanding of the rules, will then result in fewer irregularities with financial consequences. More irregularities detected before payment: during first control period (2009-2010). Decreased number of irregularities with financial impact: during second control period (2010-2011). Other: educating applicants. By the beneficiary to the managing authorities: first period low degree of reliability, second period higher degree of reliability. Higher

Member State:	2.1.2. Describe the outcome of measures you mentioned under previous question on the performed activities in relation to prevention of suspected fraud cases and recovery of misused EU funds terms of:?
	<p>degree of accepted eligible amounts: during second period.</p> <p>Compliance with applicable regulations, standards and guidelines (specify): this increased over the entire period thanks to the measures taken.</p>
AT	<p>More irregularities detected before payments : The control system for structural funds always provides for an ex-ante check, so as a rule of payments is made only after the check. Decreased number of irregularities with financial impact : The Austrian control system for structural funds always provides for an ex-ante check, so payments are usually made only after the check. A high number of on-the-spot checks also reduces the risk of irregularities.</p> <p>Standardised forms (check lists) for the checks improve the quality of the accounts submitted. Standardised forms are also being developed for the calculation of personnel costs and increase transparency and clarity.</p> <p>Compliance with applicable regulations, standards and guidelines (specify) : Formal requirements in the national rules on eligibility and in the administration and control system should increase efficiency.</p>
PL	<p>More anomalies detected before payment was effected. Fewer anomalies with financial consequences. Other: More effective checks, resulting in the detection of a greater number of anomalies. The reliability of financial reporting by beneficiaries to managing authorities: More effective checks help to reduce the number of cases involving irregular expenditure declared by beneficiaries for refunds. Higher degree of accepted eligible amounts: The preventive role of checks which help eliminate irregularities at the project implementation stage has a positive impact on the level of actual expenditure eligible for refunds. Prior checks, particularly in respect of public procurement, play an educative role. This is because they highlight unlawful measures taken by beneficiaries.</p>
PT	<p>Efficiency of management checks before award decision and payment. More irregularities detected before payment: Under Article 49 of Decree-Law 312/2007, OP managing authorities are responsible for implementing an internal control system for preventing and detecting irregularities and an appropriate system to check the physical and financial implementation of actions and to validate expenditure. Under Article 49(2) the internal control system has to provide for the adoption of appropriate corrective measures. Article 16(4)(b) of Decree-Law 312/2007 stipulates that the managing authority is responsible for validating expenditure and approving payments to beneficiaries. To this end, pursuant to Article 10(1)(f) of Implementing Decree 84-A/2007, it must check copies of original documents supporting at least 5% of the total amount of expenditure declared by each entity, broken down by expenditure heading. This means that payment approval is preceded by an assessment of the legality, veracity and exactitude of a representative sample of expenditure declared by beneficiaries. The advantage of this system is that irregularities can be detected before there has been any loss to EU or national budgets. Decreased number of irregularities with financial impact: The checks performed by the managing authorities prior to payment approval</p>

Member State:	2.1.2. Describe the outcome of measures you mentioned under previous question on the performed activities in relation to prevention of suspected fraud cases and recovery of misused EU funds terms of:?
	<p>on documents supporting 5% of declared expenditure mean that irregularities can be detected before payments are made, thereby reducing financial impact/recovery. Other: The monitoring of insolvency proceedings against ESF beneficiaries means that IGFSE can act in time to recover sums unduly paid or received by lodging a claim, thereby reducing the financial impact on the funding budgets whenever sums can be recovered by this means.</p> <p>Since it allows better cross-checking, boosts the number of administrative checks and makes beneficiaries more responsible for their actions. Higher degree of accepted eligible amounts</p>
RO	<p>More irregularities detected before payment - Government Emergency Order No 66/2011 on preventing, detecting and penalising irregularities in the granting and use of European funds and/or the corresponding national public funds has created a stable and coherent legal basis for proactive measures aimed at preventing irregularities and fraud, by defining the concepts of conflict of interest, reasonable pricing and the percentage reduction of the amounts claimed where deviations from the rules applying to public procurement have been found, including in the case of private beneficiaries. The implementing agencies were able to proceed with the partial recovery of the amounts affected by irregularities by making deductions from the final payment to beneficiaries. The Managing Authorities identified the irregularities before making the payments. The databases mentioned above, in particular the central exclusion database, have been used to carry out checks that have detected irregularities and suspicions of fraud before payment.</p> <p>Higher degree of accepted eligible amounts - as a result of the training provided to the staff of certain managing authorities and intermediary bodies, and to the beneficiaries, on the applicable legislation and operational procedures.</p> <p>Steps to ensure compliance with public procurement regulations and EU regulations, implementation of ex post inspections under the responsibility of the Managing Authority as an additional means of ensuring compliance, adoption of instructions on the implementation of inspections to verify the eligibility of expenditure.</p>
SI	<p>More irregularities detected before payment (owing to 100% administrative checks and reviews of public procurement procedures prior to payment). Fewer irregularities with a financial impact (owing to 100% administrative checks and reviews of public procurement procedures prior to payment). Other (Supervisor web application provides transparency regarding the cash flow between the public and private sector and makes holders of public office more responsible with regard to mismanagement and the abuse of authority, and, in particular, limits systemic corruption, unfair competition and clientelism. Progress is also apparent in the latest reports on the reporting of irregularities to OLAF, which show more reporting of IRQ5s and IRQ3s, thus ensuring more coherent and effective oversight of all national institutions.)</p> <p>For the beneficiary and the intermediate body, the reporting methods are laid down in detail in the Managing Authority instructions: a monthly financial report serves as a tool for financial monitoring for planning and risk-prevention purposes - N+3/2.</p> <p>Financial data monitored in the monthly financial reports:</p>

Member State:	2.1.2. Describe the outcome of measures you mentioned under previous question on the performed activities in relation to prevention of suspected fraud cases and recovery of misused EU funds terms of:?
	<ul style="list-style-type: none"> - budget commitments; - funding awarded; - instruments approved; - operations approved through public invitations to tender; - operations approved directly; - agreements signed; - disbursements from state budget; - claims for repayment forwarded to paying authority; - certified claims for repayment to the European Commission. Every quarter the authorities must also report on forecast payments from the state budget and repayment claims forwarded to the paying authority for the current year. <p>Steps to ensure compliance with public procurement regulations and EU regulations, implementation of ex post inspections under the responsibility of the Managing Authority as an additional means of ensuring compliance, adoption of instructions on the implementation of inspections to verify the eligibility of expenditure.</p>
SK	<p>More irregularities detected before payment: At administrative checks the regulatory authority identifies ineligible expenditure before the payment application is approved and reduces the amount of the eligible expenditure. Where infringements of public-procurement rules are identified, the expenditure relating to public procurement from the financing is usually disqualified; where appropriate, the amount of the ineligible expenditure is also identified. Reduced number of irregularities with a financial impact: By intensifying and optimising the checks, the authorities succeeded in eliminating errors and irregularities before they arose. Since ineligible expenditure has been identified before payment applications are cleared or paid to the beneficiary, the number of subsequent irregularities has been reduced..</p> <p>Other: Improved, higher-quality procedures of regulatory authorities and their subordinate intermediate bodies aimed at more rigorous control and prevention of irregularities as part of the project approval and selection process; reduced error rate in public procurement and retrospective checks on the procurement process.</p> <p>By the beneficiary to the managing authorities: The identification of previous shortcomings on the part of the beneficiary is reducing the error rate in processing new payment applications. Higher rate of accepted eligible amounts: Intensified and optimised checks are helping to prevent errors from being committed.</p> <p>Compliance with applicable regulations, standards and guidelines: (Irregularities Notification Manual and Guidelines No 16/2008 - irregularities in the financial management of the Structural Funds, the Cohesion Fund and the European Fisheries Fund): intensified cooperation between the supervisory and law-enforcement authorities in preventing fraud from being committed and investigating suspected fraud.</p>

Member State:	2.1.2. Describe the outcome of measures you mentioned under previous question on the performed activities in relation to prevention of suspected fraud cases and recovery of misused EU funds terms of:?
FI	More irregularities detected before payment: Front-loading, for example preliminary discussions and proper guidance in the initial stage of the project, reduces instances of ineligible expenditure in payment applications. The uniform procedures introduced for administrative verifications of expenditure (checklists) have meant, in practice, that the majority of irregularities have been found before the aid has been paid. This is confirmed by the low number of euro-denominated ineligibility errors found in Article 13 on-the-spot verifications and in the inspection authority's project inspections.
SE	More irregularities detected before payment. Decreased number of irregularities with financial impact Other (specify) The audit authority's project audit reports suggest a low error rate. Compliance with applicable regulations, standards and guidelines (specify): The management authority's guidelines and procedures for monitoring aid beneficiaries' compliance with the rules on procurement (ERDF)
UK	SG -not quantified. WG: It is far too early yet to identify the details asked in this section in relation to irregularities, since the introduction of our Fraud and Corruption Risk Assessments. There is currently a case under investigation which has in part received European Funding but this cannot be described as fraud under the European definition as there is no conviction by a court. It may however be termed an irregularity at present. This particular case has issues regarding the lack or level of identified risk and due diligence. More irregularities detected before payment. DCLG & SG: Administrative checks help ensure eligibility and reality of expenditure. DFPNI: More irregularities detected than before. Decreased number of irregularities with financial impact - (SG) see above. Other DFPNI: The combination of measures outlined under 2.1.1 has enabled a range of non-compliance issues to be identified and corrected and will further enable better detection and prevention of future irregularities. By the beneficiary to the managing authorities. SG: Reliability is improving as final beneficiary experience develops and administrative (and other) checks inform final beneficiaries. DFPNI: The combination of measures outlined under 2.1.1 has helped to provide more reliable data on eligible expenditure. Higher degree of accepted eligible amounts. SG: See above. DFPNI: The measures outlined under 2.1.1. have resulted in a high degree of compliance with Commission Reg (EC) No 1828/2006 (Art 27-36) for cases related to the programming period 2007-13.

Member State:	2.1.3. <i>Based on the lessons learnt from the findings of the administrative investigations undertaken in the period of 2007-2011 which new control and investigation strategies has your Member State put in place or plans to put in place, in order to reduce the risk of fraud and to better detect cases of fraud in the spending of the Cohesion Policy funds?.</i>
BE	<p>Regional strategies (including the number of such regional strategies)</p> <p>All funds: On-the-spot checks by project inspectors and verification that the project really exists and expenditure is substantiated by the managing authorities. The spot check carried out by the managing authority on the partners' files is a second-level control on the validity of the expenditure. These procedures help combat fraud in this way.</p> <p>ESF: Emphasis on searching for duplication in the expenditure declared in several files of the same operator, or in the same file for two consecutive calendar years.</p> <p>ERDF Wallonia: In the areas of irregularities and fraud, ongoing information/training of functional administrations and funding beneficiaries concerning the importance of adhering to the applicable rules; common first-level control from the 2007-2013 programming period, supporting documents can be accessed in the Structural Funds database managed by the Department for the Coordination of Structural Funds (transparency).</p> <p>ERDF Brussels Capital Region: Not control strategies as such but prevention through information and updating of vademecum for project promoters. Type of operations FSED: Coordination between various funding departments of ministry. Economic sectors covered FSED: Educational establishments, associations, public authorities. Specify the most relevant aspects of these strategies FSED: Avoiding double financing, content-based procedures and interpretations.</p>
BG	National strategies Technical and financial inspections, on-the-spot checks and administrative investigation activities are carried out in accordance with the manuals approved by the Heads of the Managing Authority. Checks in legal information systems and other data bases are carried out within ex-ante control (prior to contract signing and during implementation) and ex-post control (prior to payment). Checks are also made in the next period of monitoring of the sustainability of results is agreed with the beneficiaries. The Certifying Authority carries out administrative and on-the-spot checks prior to approving the respective expenditure in certification reports.
CZ	National strategies: Implementation in line with the currently applicable legal provisions: Act No 320/2001 on financial control, as last amended, and Act No 552/1991 on State control, as last amended. Regional strategies (including the number of such regional strategies): Practical examples published on websites. Type of operations: Risk analysis as a basis for on-the-spot checks; inclusion of economic sectors (construction, tourism, etc.). (that comment was not done by CZ)

Member State:	2.1.3. <i>Based on the lessons learnt from the findings of the administrative investigations undertaken in the period of 2007-2011 which new control and investigation strategies has your Member State put in place or plans to put in place, in order to reduce the risk of fraud and to better detect cases of fraud in the spending of the Cohesion Policy funds?.</i>
DK	National strategies: Cooperation has been established with an external auditor concerning the auditing of all projects funded by the Regional Fund and the Social Fund. Type of operations: Constant efforts are being made to improve information for beneficiaries on the rules, e.g. by offering the possibility to meet with the managing authority to go through the rules.
DE	N/A
EE	National strategies: Estonia intends to develop a strategy (resources allowing) which would set out in more detail the tasks of implementers and support structures in protecting the financial interests of the EU. Type of operations: The SF database makes it possible to cross-check expenditure documents; on-the-spot checks carried out on the basis of risk assessment; more thorough checks before payment to aid recipients; preliminary checks of public procurement; overview of all subsidies in EU (single database) which will help eliminate double financing. Specify the most relevant aspects of these strategies: cooperation and rapid exchange of information
IE	National strategies - Not applicable due to low level of fraud detected thus far. Regional strategies (including the number of such regional strategies) - As above. Type of operations - As above. Economic sectors covered - As above. Specify the most relevant aspects of these strategies - As above.
EL	Type of operations: Extracting information from databases relating to funding from the EU budget, processing it through the information system ELENXIS (already in pilot operation) for the selection of targets to be audited (Risk Analysis). (Economic and Financial Crime Squad – SDOE). Economic sectors covered: Area of responsibility of SDOE and EDEL. Specify the most relevant aspects of these strategies: As mentioned above, EDEL has drafted an Audit Manual, which was updated in 2010 and contains, among other things, makes systematic reference to investigation of cases of suspected fraud. EDEL's strategy is updated twice a year, aiming at full auditing of the operation of management and control systems. Alongside this main objective, the parallel aims are a reduction of the risk of fraud and better detection of such cases.
ES	National strategies: Compliance with the audit strategy approved by the Commission and its updating; DG Funds: The verification plan for 2007-2013, whose purpose is to verify the quality of the control systems adopted by the intermediary organisations involved in the operations co-financed by the ERDF and the Cohesion Fund. Type of operations: DG Funds:

Member State:	2.1.3. <i>Based on the lessons learnt from the findings of the administrative investigations undertaken in the period of 2007-2011 which new control and investigation strategies has your Member State put in place or plans to put in place, in order to reduce the risk of fraud and to better detect cases of fraud in the spending of the Cohesion Policy funds?.</i>
	Verification of the effectiveness and efficiency of the control systems adopted by the intermediary organisations in compliance with Article 13 of Commission Regulation (EC) No 1828/2006. CATALONIA: Based on the type of aid and the purpose thereof. The knowledge acquired from previous controls is used in the strategy to be followed in the control of operations, and the specific inclusion of these operations in the sample. UAFSE: In the aid granted to entrepreneurs to promote permanent contracts has adopted the method of certifying expenditure once the period specified in each call for the maintenance of employment.
FR	National strategies: As indicated in 2.1.1, the CICC for EU funds (ERDF-ESF and EFF) is the audit authority within the meaning of EU regulations. It operates in accordance with EU regulations. In this context, it should be noted that CICC systems audits are based on procedures aimed at detecting irregularities, and, where necessary, fraud, more effectively. These procedures include examination of internal audit systems (on-the-spot checks, quality certification audits, quality management audits).
HU	National strategies: Hungary plans to set up a national anti-fraud strategy in the future. As part of efforts to combat corruption, an anti-corruption strategy was developed in April 2008.
IT	National strategies: National Antifraud Committee (COLAF) - Preventing fraud through changes in the law concerning criminal-law protection, international cooperation and the identification of the most widespread and significant types of fraud, running a vast information and training activity; Guardia di Finanza financial police - the antifraud strategy followed at the national level by the Guardia di Finanza is being stepped up in order to extend subsequently the risk analysis activity developed to the identification of potentially rewarding targets in terms of inspections and to establish closer cooperation between the individual Management and Payment Authorities. With this in mind, a project, with European funding, is currently being implemented aimed at setting up an IT system to enhance the effectiveness of antifraud action (see form in Annex 1). In addition to this, targeted checking activity based on the 'project actions' has been devised and implemented (see form in Annex 2), along with the possibility of applying cross-checking methods, making it possible to address patterns of fraud within various areas of competency often linked to fraud (tax evasion, money-laundering investigations and financial crime). The Court of Auditors engages in constant monitoring of Community irregularities/fraud for the purposes of risk analysis, including by way of its SIDIF IT system, set up to track various aspects of irregularities and recoveries (number, amounts concerned, type, programming, mechanisms) and to take account of the various phases and outcomes of disputes (criminal, administrative, accounting, civil). Regional Strategies: Guardia di Finanza - in implementing the national strategy at the regional level, specific agreements have been signed with all the relevant Regional Authorities,

Member State:	2.1.3. <i>Based on the lessons learnt from the findings of the administrative investigations undertaken in the period of 2007-2011 which new control and investigation strategies has your Member State put in place or plans to put in place, in order to reduce the risk of fraud and to better detect cases of fraud in the spending of the Cohesion Policy funds?.</i>
	aimed at ensuring a continued, regular and steady flow of information regarding the beneficiaries of funding and thereby enhance the effectiveness of the analysis and identification activities for antifraud purposes. Type of operations: National Antifraud Committee - carrying out projects on prevention and risk analysis, organising seminars, drafting specific manuals - Guardia di Finanza - see Annex 3 - Region of Tuscany - organising and increasing ex post documentary and on-the spot checks, including by way of developing specific competencies and ad hoc working groups. Specify the most relevant elements of these strategies: Guardia di Finanza: see forms in Annexes 1 and 2 - Region of Tuscany: checks designed to verify the existence and operational capacity of beneficiaries in order to ensure that investments are maintained and to verify that Community and national resources are not being used to bestow an undue advantage.
CY	National strategies - coordination of the bodies granting aid in grant schemes for the prevention and elimination of double financing, with the use of a common database (to be put in place). Specify the most relevant aspects of these strategies - prevention of double financing.
LV	Type of operations - Development of various sorts of preventive measures (including preliminary procurement checks, further cooperation with law enforcement officers, performance of broader-scale management checks at the behest of the MA). When carrying out checks, the RA informs the MA and CA without delay of any detected risks and suspected fraud.
LT	<p>No new control and investigation strategies to reduce the risk of fraud and better detect cases of fraud in the spending of Cohesion Policy funds have been adopted as such.</p> <p>However we would point out that, based on our experience of project administration and in view of the problems encountered, we have made improvements to legislation and taken appropriate measures which are set out in more detail in points Nos 1, 2.1.1 and 2.1.2 of this questionnaire.</p> <p>The Ministry of Finance engaged the services of external experts to draw up appropriate measures to ensure that the risk of manifest corruption is managed when administering EU structural assistance. These experts carried out a public opinion survey and drew up the following measures on the basis of the results: review and verify existing procedures and develop tools to ensure the adequate evaluation, selection, administration and implementation monitoring of projects and other related procedures and develop operational tools accordingly (for instance, improve the functionality of the SFMIS, introduce verification by experts of project expenditure); strengthen interinstitutional cooperation at national and supranational (EU) levels to ensure effective and above all prevention-oriented management of the risk of possible fraud; evaluate the responsibilities and functions of the EU structural assistance management and control system in detail in the context of appropriate allocation in order to ensure that projects are evaluated appropriately and control functions are allocated appropriately at the level of bodies administering EU structural assistance and the EU-wide structural assistance management and control system; make a</p>

Member State:	2.1.3. <i>Based on the lessons learnt from the findings of the administrative investigations undertaken in the period of 2007-2011 which new control and investigation strategies has your Member State put in place or plans to put in place, in order to reduce the risk of fraud and to better detect cases of fraud in the spending of the Cohesion Policy funds?.</i>
	<p>clearer distinction between cases of irregularities and possible fraud in authorities' internal procedures; establish a corruption and fraud risk assessment methodology based on a single principle in order to give more structure to and strengthen fraud risk assessment in EU structural assistance-related administration (i.e. introduce principles for the analysis of the systemic risk of suspected fraud); pay increased attention to combating fraud and corruption by organising training for employees involved in the administration of EU structural assistance and introducing an anti-fraud and anti-corruption model. The analysis also highlights potential areas of SFMIS functionality and audit and review procedures to improve and gives relevant examples (proposals include drawing up 'black' and 'white' lists of project managers integrating them into risk assessment, audit selection and other related procedures; extending the functionality of the SFMIS to ensure that not only recipients of direct assistance, but also related undertakings and organisations (for instance, subcontractors) can be evaluated; expanding the possibility for SFMIS to cross-check data against the contents of other public registers, etc.). The feasibility of implementing these external experts' proposals are under consideration.</p> <p>In the first quarter of 2012, the Ministry of Finance also released a new version of the EU structural assistance website www.esparama.lt, and from the end of April 2012 the website will give visitors to the site, including applicants and project managers, the ability to report on lack of transparency in the utilisation of EU structural assistance.</p> <p>Given that public procurement is an important component of public financing and an integral part of successful project management, and in view of the fact that the vast majority of project irregularities detected relate to inappropriately conducted public procurement, on 10 February 2011 the Ministry of Finance launched an impact assessment of the effectiveness of the use of EU structural assistance in public procurement, which is scheduled to be completed by 30 June 2012. The aim of this assessment is to evaluate the impact on the effective use of resources from EU funds of applying the requirements laid down in legislation governing public procurement, the conformity of the requirements of this legislation with current Lithuanian and EU policies and the adequacy and conformity of public procurement procedures and administrative procedures for EU structural assistance and to provide examples of good and bad practice from other countries.</p>
LU	<p>National strategies: Audit authority second-level controls are always carried out on the spot and on the basis of original documents only. Specify the most relevant aspects of these strategies</p> <p>ESF: 100% ex ante controls have been introduced which reduces the risk.</p> <p>The controls to be carried out have been put in a check-list which obliges auditors to check operations in detail.</p>
MT	<p>National strategies: On the part of the Managing Authority, continuous improvement on the already-rigorous centralised management verifications. Type of operations: All operators are effected by such improvements. Economic sectors covered: All economic sectors are effected by such improvements. Specify the most relevant aspects of these strategies: With respect to the Managing Authority, it is not a specific strategy directly related to fraud detection but a general approach towards management verifications that gives more assurance of</p>

Member State:	2.1.3. <i>Based on the lessons learnt from the findings of the administrative investigations undertaken in the period of 2007-2011 which new control and investigation strategies has your Member State put in place or plans to put in place, in order to reduce the risk of fraud and to better detect cases of fraud in the spending of the Cohesion Policy funds?.</i>
	the regularity of expenditure to be declared.
NL	No new strategies were put in place or planned during this period in order to reduce the risk of fraud. The working methods introduced by the MA have a strong preventive effect.
AT	National strategies :N/A
PL	The current arrangements for checks appear to serve their purpose. The current arrangements restrict, to a satisfactory extent, the risk of irregularities arising in connection with the implementation of projects joint-funded by the EU. One solution which may impact positively on the detection of irregularities is shifting the emphasis away from checking to ensure that measures taken comply with formal requirements towards checks on progress made and differentiating between purely formal errors which do not have financial consequences and irregularities which do have negative financial consequences for the EU budget. Checks which are carried out by bodies forming part of the management and control system or commissioned by those bodies are not an effective or sufficient instrument for the detection of offences. That purpose is served by proceedings or investigations carried out by relevant authorities (e.g. the public prosecutor or the police). Accordingly, the Ministry for Regional Development has concluded agreements with the police and the Central Anti-Corruption Bureau which should improve detection rates for offences committed by beneficiaries.
PT	National strategies: Audit activities are designed to prevent and detect irregularities with a view to correcting and recovering funds unduly paid. The strategy of separate audit structures contained in the audit plan is designed to reduce the risk of fraud and better detect cases of fraud in accordance with the findings of system audits, or in other words the confidence level attributed to the management and control system. If a large number of errors are detected when operations are audited, the confidence level will be 'low' and the number of interventions will be higher. If the error rate is low, a higher confidence rating will be given ('medium' or 'high') and the number of checks required by the strategy will be correspondingly lower. The strategy is defined each year by the audit authority (IGF) subject to the procedures and criteria laid down in the Audit Manual. Type of operations: Discouragement of deficient financial management by: (a) proportion of typologies with most problems reported represented in on-the-spot checks; (b) rapid intervention triggered as soon as serious shortcomings with an operation are reported.

Member State:	2.1.3. <i>Based on the lessons learnt from the findings of the administrative investigations undertaken in the period of 2007-2011 which new control and investigation strategies has your Member State put in place or plans to put in place, in order to reduce the risk of fraud and to better detect cases of fraud in the spending of the Cohesion Policy funds?.</i>
RO	National strategies - In accordance with Article 10(d) of Government Decision No 738/2011, DLAF intends to draw up and implement a new national anti fraud strategy based on the guidelines laid down by the European Commission's anti fraud strategy. Type of operations - When planning audit operations, an essential element refers to identifying areas of risk or potential risk within the management systems introduced, including as regards how projects are being run by their beneficiaries. That identification stage is followed by the development/application of audit procedures/techniques which can also detect possible fraud, among other things. One example is given by the amendments to the checklist for public procurement procedures for projects financed through structural instruments. Some managing authorities have drawn up control strategies that take into account the specific aspects of the projects financed from the funds administered by them.
SI	National strategies. Audit Authority and Managing Authority always carry out audits and on-the-spot checks on the basis of original documents. Before disbursement 100% administrative checks are carried out; all checks are carried out on the basis of checklists laid down by the Managing Authority, taking into account the regulations and an analysis of irregularities detected in the past. Regional strategies (including the number of such regional strategies): Strategy for the development of public internal financial control 2005-2008, Strategy for the development of public internal financial control 2011-2015, Crime prevention strategy, Resolution on the national programme for preventing and combating crime. Type of operations. The Budget Supervision Office of the Republic of Slovenia organises regular conferences - annually or as and when required - to provide continuous up-to-date further training for persons responsible in the system for managing and monitoring the use of EU funds. Specify the most relevant aspects of these strategies: Prevention of fraud and corruption, better risk management, appropriate use of budget and EU funds.
SK	National strategies: 1. Procedures for government audits of the Structural Funds, the Cohesion Fund and the European Fisheries Fund. 2. National Strategy for protecting the European Community's financial interests in the Slovak Republic. Regional strategies (please specify, including number of such regional strategies). Type of operations. Please specify the most relevant aspects of these strategies: Detailed methodological guidelines setting out the aims and performance of audits under Article 62(1)(a) and (b) of Council Regulation (EC) No 1083/2006, targeting the procedures for government audits of the Structural Funds, the Cohesion Fund and the European Fisheries Fund, were issued and have improved the prevention of irregularities and suspected fraud. 2. The protection of the European Community's financial interests in Slovakia rests on three pillars: (a) prevention, (b) detection and investigation of irregularities, and (c) corrective action and prosecution. The activity of bodies engaged in protecting the financial interests of the European Union is primarily aimed at preventive measures reducing the risk of irregularity to a minimum. Measures for protecting the financial interests of the EU implemented in the process of using EU funds are intended to prevent illegal activity and to act as a deterrent to potential offenders. The Management Committee for protecting the financial interests of the EU in the Slovak Republic and working groups dealing

Member State:	2.1.3. <i>Based on the lessons learnt from the findings of the administrative investigations undertaken in the period of 2007-2011 which new control and investigation strategies has your Member State put in place or plans to put in place, in order to reduce the risk of fraud and to better detect cases of fraud in the spending of the Cohesion Policy funds?.</i>
	with the issue of irregularity, control and public procurement, Article 325 the Treaty on the Functioning of the EU etc., were set up in 2007.
FI	National strategies: The intermediate bodies check the following on the basis of the managing authority's sampling: 1) all projects exceeding € 500 000 of public funding; 2) projects classified as high-risk, which must be checked at least once during the project life cycle; 3) at least 50% of the remaining projects must be subject to on-the-spot verifications on a sample basis, with a wide range of different beneficiaries and activities being covered. In addition, a 10% sample is to be taken of the ongoing projects on which on-the-spot verifications have already been carried out.
SE	N/A
UK	SG: None - satisfied with existing. Regional strategies (including the number of such regional strategies) WG: As previously stated above we have one investigation currently ongoing but cannot produce any findings for this at present. There is however a Grants Project which is being progressed and this is likely to standardise the grants process across the Welsh Government and increase some of the counter fraud initiatives around risk and due diligence and in particular transferring the onus onto the applicant to disclose some of the issues by answering specific questions which in turn may increase the risk. If they answer dishonestly this will make it far easier to identify an attempt to commit fraud at the application stage. Type of operations DFPNI:When undertaking Art 16 checks a sample of original cheques is requested from the bank. Staff have been reminded of their responsibilities with regard to fraud awareness and how to deal with any suspicions of fraud including where appropriate the cross-checking of information with third parties. Revised guidance on the eligibility of specific allowances issued in NI in June 2011 provided greater clarity on distinguishing between eligible and ineligible items of expenditure enabling staff conducting audits of operations to more readily identify where errors have been made or ineligible items have been included in claims submitted. Specify the most relevant aspects of these strategies -DFPNI: guidance for audits of operations provides greater assurance that the detection of suspected fraud is being actively managed.

Member State:	2.1.4. <i>Use of fraud indicators</i>
BE	<p>COMMENT: ESF, ERDF, FSED: No risk criterion, each operator must be checked on the spot at least twice during the programming period. All cofinanced projects are subject to controls. So no fraud indicator within the meaning of the COCOF Working Document 09/0003/00 of 18.2.2009 is used for the organisation of controls. But controls are organised in the spirit of this working document (for instance, use of red flags during controls).</p> <p>COMMENT: ESF, ERDF, FSED: No risk criterion, each operator must be checked on the spot at least twice during the programming period. All cofinanced projects are subject to controls. So no fraud indicator within the meaning of the COCOF Working Document 09/0003/00 of 18.2.2009 is used for the organisation of controls. But controls are organised in the spirit of this working document (for instance, use of red flags during controls). (COMMENT: D2 EFRO VL: Selection by risk analysis for on-the-spot checks, e.g. on basis of type of promoter (private/public), project (activities/investments), number of partners, amount of ERDF aid, previous irregularities, existence of public procurement and revenue, etc.). Projects D2 EFRO VL</p> <p>ERDF Wallonia: all cofinanced projects are subject to controls. FSED ERDF Brussels Capital Region: not within the meaning of COCOF Working Document 09/0003/00. Individual economic operators ERDF Wallonia: all cofinanced projects are subject to controls. ERDF Brussels Capital Region: The fewer controls to which an organisation is subject, whether internal or external, the greater the risk of fraud. Therefore not-for-profit organisations (Asbl) in general, especially the smallest, represent a high risk of fraud because they are seldom checked. This is why the audit authority (CAIF) gives a higher weighting to this risk in its risk analysis. Other (to be specified) FSEBRU (ESF Brussels): If errors or problems are found in the files checked, these files will be systematically subject to second-level controls.</p>
BG	<p>The general indicators are included in the Manual of Internal Audit in The Public Sector, volume III, approved by the Minister of Finance in January 2010.</p> <p>The Audit of EU Funds Executive Agency, in its capacity as Audit Authority under Regulation (EC) No 1083/2006 of the Council, carries out audits of systems and operations. During the systems audit the Audit Authority assesses the efficient functioning of the management and control systems, including by testing the control activities for reduction of the risk of irregularities and fraud, the rules for taking corrective measures in the case of irregularities, as well as the procedures envisaged for reporting detected fraud to the competent authorities. During the audit of operations the Audit Authority should provide the European Commission with assurance that the declared expenditure is valid</p>

Member State:	2.1.4. <i>Use of fraud indicators</i>
	<p>and the related transactions are legal and regular. Where auditors ascertain irregularities, they perform a detailed analysis of the reason for them and check for the possible presence of fraud indicators. These may be non-compliance with legislation in the area of public procurement, corruption practices, undeclared conflict of interest, agreements inconsistent with the law, manipulation of financial results etc. The audit methodology and, in particular, the Manual for Audit of EU Funds, contains fraud indicators providing help and orientation for the Audit Authority employees in their audit activity.</p> <p>Categories of irregularities</p> <p>Analysis of most common errors by beneficiaries resulting in ineligible expenditure. Categories of economic operators. NGOs, project partners and contractors.</p> <p>Categories of operations</p> <p>-Complex activities related to public procurement and outsourcing. Categories of modus operandi. The beneficiary cannot be contacted at their nominated addresses; does not comply with the instructions given by the Managing Authority; different activities under the project are outsourced to the same persons; the same or related persons are regularly invited to present tenders; irregular book-keeping.; Economic sectors. The risk of irregularities is the highest in the non-governmental sector, which, respectively, reports the highest number of them. New economic sectors with very little experience of economic operators.</p> <p>Geographical areas. Other (specify)</p> <p>During on-the-spot checks, attention is paid to operations and transactions that may potentially involve fraud with the indicators being the conduct of the individual persons, availability of the necessary documents within transactions and operations and the related requirements, as well as compliance with the requirement for accountability.</p> <p>Presenting false documents, amendment of agreements or signing of annexes and overpricing.</p> <p>The beneficiary attempts to justify irregularities by claiming that the monitoring experts are prejudiced against him.</p> <p>The specific indicators are included in the Manual of Internal Audit in The Public Sector, volume III, approved by the Minister of Finance in January 2010. Projects. Lack of accountability for their implementation; lack of coordination and control of the project implementation by the management of the company or the NGO.</p> <p>Detected errors or irregularities in previous or ongoing projects; inadequate capacity and experience; the relationship of the beneficiary/partner with persons related to other beneficiaries under irregular projects, investigated by OLAF/the prosecution authority. Transactions. Transactions between related persons involving assets acquired by EU funds; a discernable increase in the prices of services; the project activities are fully outsourced; unduly increased criteria for awarding public procurement contracts; change of price proposals and other terms by the selected contractors; division of procurement by signing multiple service contract for an identical object. Individual economic operators. Related persons and fictitious participants in procedures. Other (specify)</p>

Member State:	2.1.4. <i>Use of fraud indicators</i>
	The restriction of competition in public procurement procedures; division of contracts; unjustified disqualification of candidates.
CZ	Categories of irregularities; Categories of economic operators; Categories of operations; Categories of modus operandi; Economic sectors; Geographical areas Projects; Transactions; Individual economic operators
DK	All projects are checked at least once in their lifetime in an on-the-spot check by an external auditor. Before EU aid is paid, all accounts are inspected in a desk check by the managing authority. Categories of operations. Timesheets cannot be found. Only one offer per tender. Transactions.
DE	Specific provisions of the OP – see procedure under 2.1.1.
EE	General indicators (Bold selected answers): we do not consider that fraud is linked only to certain economic operators, economic sectors or categories of operation. As all cases are different, the rapid exchange of information is used to detect irregularities/fraud schemes. Categories of irregularities: it is important to know and share the schemes behind the irregularities/fraud detected. Categories of economic operators: rapid exchange of information on suspects/undertakings' operations (missions). Categories of operations: risk assessment for every project, the aid consultant and inspector must be different people. Categories of modus operandi: flexible approach when organising on-the-spot inspections in order to focus on identification (not in favour of reports with fixed inspection questions). Economic sectors: assessment of risks of aid measures and regular risk review, involvement of partners (police etc) in the assessment Specific indicators (red flags) aiming at identifying (Bold selected answers): un-transparent procurement procedure; unusual financial transactions; submission of false data or data that is difficult to check. Projects: abundance of "light" activities. Transactions: transactions linked to persons; "inflated price", transactions that cannot be checked (offshore firms). Individual economic operators: tax difficulties, debts; problems when implementing previous projects, aid to persons who generate a profit (aid not necessary); NGOs (activity as a whole is not checked). Other (specify): unexpected on-the-spot checks, the right where necessary for implementers to demand data on all the operator's activities, including accounting data .
IE	Not applicable due to low level of fraud detected thus far.

Member State:	2.1.4. <i>Use of fraud indicators</i>
EL	Other (specify) During the audits of the operations and the system, EDEL assesses the elements of the audit with a critical eye and from the viewpoint of possible fraud. For this purpose, account is taken of fraud indicators, such as those contained in the auditing standards and in the EU guidance note. In the preparatory phase of the audit, fraud indicators are taken into account in assessing the risks of certain questions or control points. In the course of audits fraud indicators are taken into account for the verification of documents or other elements. At the time of presentation of the recommendation on the objections for approval by EDEL of the report on the final audit results, the Audit Team refers to the appropriate directorate for the data which raise the suspicion of fraud. The directorate advises EDEL accordingly. EDEL decides on disclosure of the report to an authority competent to investigate and to OLAF. Note, however, that until now no cases of fraud have been found through EDEL audits. Projects (SDOE); Transactions (SDOE).
ES	Categories of irregularities ; categories of economic operators ; categories of operations ; economic sectors ; geographical areas. Others: unjustified allocation of costs, especially for personnel.
FR	Other (specify): The sample of transactions to be audited each year is primarily based on a random statistical sampling method (see Article 17 of Regulation (EC) No 1828/2006 of 8 December 2006). An additional sample focused on transactions likely to lead to irregularities may be conducted if required. Other (specify): Systems audits conducted by the CICC (audit authority) involve the verification of fraud prevention factors, such as the separation of duties, internal audit, the appropriateness of levels of decision-making. During these audits as well as during transaction audits, points are, in particular, verified against check-lists: public contracts, State aid.
IT	Type of irregularities. Type of traders. Type of modus operandi. Other (specify) Guardia di Finanza - Apart from those already used by OLAF and some of those cited on the left, the Guardia di Finanza principally uses the following: the size of the amount accepted for financing; concentration of several items of financing with the same subject; discrepancies between (declared) activities conducted by the subject and the object of the financing; reports concerning the recipient; the procedures used to award the financing and the type of financing granted; the time taken to grant financing; applications for financing made close to the end of the programming period (which may reduce the time available for the supervisory authorities to perform their tasks); the relationship between the means necessary to implement the project and those at the applicant's disposal; the coherence between the tax parameters of the subject and those of the economic sector to which it belongs; local knowledge of the subject. Other (specify): Ministry of Economic Development - number of projects which the same physical or legal person manages or participates in.
CY	Categories of irregularities; Categories of economic operators; Categories of operations

Member State:	2.1.4. <i>Use of fraud indicators</i>
	Projects; Transactions; Individual economic operators; Other (specify) - level of expenditure
LV	<p>Categories of irregularities -All types of check (carried out by the RA/LB, PMB, AA, CA) also cover issues relating to possible fraud. Furthermore, the system of preliminary checks of procurement has been strengthened by increasing the intensity of these checks and making sure that intermediate bodies carry out such checks in addition to the PMB. Cooperation with law enforcement bodies has been facilitated and explanations provided as to when a possible infringement needs to be evaluated particularly thoroughly. Categories of economic operators. Categories of operations. Economic sectors.</p> <p>Projects. Transactions. Individual economic operators- registered offshore or whose owners' origins are unclear. Other (specify) : If even one of the indicators mentioned below is attained, the project must be evaluated particularly thoroughly. Should more than one indicator be attained the need to contact law enforcement agencies must be considered. The relevant indicators are: supplier is registered offshore, supplier has received payment as an advance of more than 50% prior to delivery of the goods, payments to the supplier have been artificially subdivided, and the price of equipment is significantly greater than the market price.</p>
LT	Categories of irregularities, Categories of operations, Economic sectors, Geographical areas, Projects, Transactions, In practice irregularities most often occur as a result of discriminatory terms in the procurement documents.
LU	<p>Categories of irregularities: ESF: A table of irregularities has been drawn up (based on the OLAF model)</p> <p>Other (specify): ESF: Any irregularities identified result in recommendations to be implemented by the beneficiary. Failure to implement a recommendation means a red flag.</p>
HU	<p>Checks integrated into the process of preparing and carrying out public procurement in respect of the relevant contract amendments (with special attention to the restriction of competition). Tax registration audit (in respect of decisions and payments). In the case of certain types of operation, it was compulsory to specify the scope of documents verifying payment and actual performance of the activities listed on the invoice, together with the list of inspection criteria for the documentary checks. Categories of modus operandi The most efficient manner of detecting suspected fraud is on-the-spot check. The criteria are laid down in Section 76 of Government Decree 4/2011 of 28 January 2011. As part of FEUVE (integrated ex-ante and ex-post executive control system) the Hungarian State Treasury, the National Development Agency, the person appointed by the National Development Agency and the intermediate body conduct an on-the-spot inspection of projects selected by risk-analysis-based sampling. The intermediate body carries out on-the-spot inspections of at least 5% of the projects completed with an aid amount under HUF 10 million before the projects have been closed. For projects receiving aid between HUF 10 and 25 million, the on-the-spot inspection rate before closure is at least 25%. If the project aid exceeds HUF 25 million the intermediate body inspects the project at least once on the spot before closure. In the course of on-the-spot inspections the body performing the inspection must pay special attention to the following: checking that original copies of the supporting documents and certificates submitted with the application for</p>

Member State:	2.1.4. <i>Use of fraud indicators</i>
	<p>payment are available and correspond with the copy submitted with the application for payment; checking that physical and financial progress correspond to the aid agreement for the project and that they accord; ensuring that a separate project-level accounting record is kept. Invoices must be checked in the course of the on-the-spot checks in order to be able to establish eligibility of the costs listed in the application for payment, including invoices listed in the previous summary of invoices, agreements connected to the invoices, relevant performance certificates and any other documents certifying payment not submitted with the invoices; and the audit integrated into the process must be documented accordingly, stating the work completed, the results of inspections and the measures taken where irregularities or errors were detected. The person conducting the inspection must send the report drawn up on the basis of the on-the-spot check to the certifying authority by the 20th day of the month following the month in question. limitation of wage and management services costs, account settlement and checks in proportion to the degree of completion of the project.</p> <p>Other (specify) limitations of wage costs and management service costs, proportional accounting and control in relation to the performance of the project</p>
MT	Categories of irregularities; Categories of economic operators; Categories of operations; Categories of modus operandi
NL	The MA does not use indicators. All of its working methods are geared to uncovering fraud and identifying irregularities in the early stages of the process. Categories of modus operandi: the risk profiles referred to above may not really help to make fraud detection more effective, but they do help to prevent irregularities and detect them at a much earlier stage.
AT	N/A
PL	Categories of irregularities; Categories of economic operators; Categories of operations; Categories of modus operandi
PT	Categories of economic operators: Categorisation by amount of funding for non-institutional operators. Other (specify): Reports or complaints. For the ESF in Portugal, one of the criteria for targeting on-the-spot financial controls is the risk of fraudulent use of funds. The level of risk is determined on the basis of the information on integrity contained in the SIIFSE. For operations audits carried out by IFDR (ERDF and Cohesion Fund), the tools and methodology were laid down in a 'Manual of procedures for auditing operations' with a view to establishing systematic procedures and obtaining better control outcomes.
RO	Categories of irregularities - all the irregularities mentioned in the COCOF guide, because that document has been fully integrated into national law (Government Decision No 875/2011) and has thus become mandatory. Categories of economic operators - public institutions, beneficiaries of European funds and/or the corresponding national public funds, and any other privately or publicly owned operators engaged in activities financed with European funds on the basis of legal acts. Categories of operations - all the operations mentioned in the COCOF guide, because that document has been fully integrated into national law and has thus become mandatory. Categories of modus operandi - all of those mentioned in the COCOF guide, because that document has been fully integrated into national law and has thus

Member State:	2.1.4. <i>Use of fraud indicators</i>
	<p>become mandatory. Economic sectors - all the sectors mentioned in the COCOF guide, because that document has been fully integrated into national law and has thus become mandatory. Geographical areas - all.</p> <p>Projects - everything that is mentioned in the COCOF guide, because that document has been fully integrated into national law and has thus become mandatory. Transactions - everything that is mentioned in the COCOF guide, because that document has been fully integrated into national law and has thus become mandatory. Individual economic operators - everything that is mentioned in the COCOF guide, because that document has been fully integrated into national law and has thus become mandatory.</p>
SI	<p>General indicators: The Budget Supervision Office (AFCOS) has drawn the attention of the persons responsible for management and monitoring, and of internal auditors to the 'Notification of fraud indicators' which it also published on its website. Internal auditors are familiar with IIA documents on the prevention and detection of fraud, and Slovenia has organised workshops on that topic both in cooperation with the IIA and independently. The risks of fraud are analysed in the context of risk registers and internal controls are duly set up and improved. The Supervisor web application makes a significant contribution to tackling fraud and corruption in the public procurement field, as it provides all parties involved with a clear view of public procurement and has already helped to detect irregularities. Categories of irregularities ; Categories of operations ; Categories of modus operandi</p>
SK	<p>Categories of irregularities: Amount of the irregularity and type according to the OLAF code table (e.g. the types plus the name of the falsification, such as code 213). Categories of economic operators: Large number of irregularities in different projects of the same economic operator. Categories of operations: Similar type of irregularities found in the same operational programme. Other (specify): Submissions from the public and the media, risk analysis, amount of funding granted, type of expenditure.</p> <p>Projects: Type, number and total amount of irregularities within the project, focus of the project. Transactions: Third party and partners in connection with public procurement within the project. Individual economic operators: Legal form of economic operator in relation to project focus. Other (specify): Risk factors for establishing project risks expressed by assessing the budgetary risk calculated on the basis of current non-returnable financial contributions and risk coefficients: 1. communication with the beneficiary; 2. measurable indicators; 3. compliance with deadlines; 4. correctness of documentation submitted; 5. conduct of tendering procedure; 6. findings from on-the-spot checks.</p>
FI	<p>Categories of economic operators: When handling applications, the finance provider is to assess the risk classification of the project and its beneficiary and enter this into the EURA 2007 system or the TUKI2000 system, which also contain the instructions for performing the risk classification. The risk classification takes account of previous experience with the beneficiary and the type of project. The purpose of the risk classification is to identify the most risky projects and beneficiaries in advance. This information is used in project verification and monitoring. The risk classification influences the sampling for the on-the-spot verifications under Article 13. All high-risk projects must be</p>

Member State:	2.1.4. <i>Use of fraud indicators</i>
	covered. Projects, applicants and implementing bodies are assigned one of three risk levels, namely low, normal and high. The finance provider must change the risk classification when the the findings of verifications or other facts give grounds for so doing. Information on the risk classification of projects and beneficiaries is intended for the public authorities only. Projects deemed to be high risk are subject to on-the-spot verifications (first-level controls) at least once during the project life cycle.
SE	N/A
UK	<p>WG - The indicators of fraud emanate from the due diligence. Starting with knowing your customer, identity and residence. In requesting prove of identity and residence, the last 3 months bank statements are a good source as these can often identify other financial concerns. This can be enhanced by requesting a CV with a business plan of company officers which occasionally identify conflicts of interest within backgrounds, or missing years of employment. Building on from this additional funding streams, contributions or match funding need scrutiny as regards money laundering regulations. Occasionally funding streams will be fictitious and are often identified in exact matches to applicants phone or fax numbers. Conflicts of interest if not identified at the outset raise concerns, these may be business, financial or in friends, family or associates tied into a group of companies. Fledgling companies can be used to flout grant funding across a number of organisations. Financial accounts can give an indication of concern prior to and during a funding programme. Accounts submitted to the funding body may differ from those held at companies house. Expenditure increasing substantially towards the end of a project. Excessive interest for what appears in the accounts. Certificated amounts throughout a project as to expenditure or targets that are evidently incorrect.</p> <p>SG: Categories of irregularities. Other (specify) DFPNI: Article 16 checks include an on site visit to verify the existence and the reality of expenditure. The scope of these checks is influenced primarily by regulatory requirements and any guidance emanating from the MS / Commission. Where relevant the Audit Authority takes into consideration the results of previous checks. Article 16 checking currently is sufficiently anti-fraud oriented. Audit Authority staff are aware of the areas whereby fraud may be more easily perpetrated, for example procurement / tendering process.</p> <p>WG - Duplicate details in match funders or stakeholders particularly telephone fax. Numbers. Inflation of pricing through invoices or sister companies. Evident financial difficulties being exposed through various sources. Exact amounts certificated as in business plan to rounded amounts. Excessive expenditure at end of project. Retrospective projects through the same company or associated companies. Breaching procurement rules. Conflicts of interest. Differences in documentation from same suppliers or companies as regards colour, print, font or evidence of copying. Invoices to other companies affiliated to the applicant one with Vat number and another without. Projects; DWP: England MA's Article 13 strategy, DFPNI : On the spot checks of projects. Transactions - DFPNI: Unsupported expenditure at first level of control. Individual economic operators - DFPNI: Issues with a particular economic operator would trigger a wider review of any other projects. Other (specify) DFPNI: fraud checks are embedded into claims checking.</p>

Member State:	2.1.5. <i>Comparing your Member State's suspected fraud record to the EU 25 average suspected fraud rate of 0.25% (as shown in the Commission report 2010 [8] for the programming period 2000-2006 in the area of Cohesion policy), do you consider your financial controls to be sufficiently oriented towards detecting fraud</i>
BE	<p>COMMENT: The question is not formulated correctly. OLAF obviously mistakenly assumes that when the fraud percentage is too low, the controls are inadequate. Controls are not designed specifically to find cases of fraud but to discover irregularities. The task of the audit authority, however, is to report whether the irregularities found relate to a presumption of fraud or a case of fraud. The authority must also establish the correct working procedures to carry out this task. We refer also to the legal obligation of each public official to report suspected fraud to the public prosecutor's office (Code of Criminal Procedure). No</p> <p>Generally speaking, no for the managing authorities and yes for the audit authorities.</p> <p>Audit Unit of the Inspectorate of Finance for European Funds - Wallonia (CAIF): The statistical report (SEC(2011) 1108), which accompanies the 2010 annual report (COM(2011) 595 of 29.9.2011), evaluates the BE irregularity rate (IrR) for the 2000-2006 programming period at 1.1% and the BE fraud rate (FrR) at 0.01%, while the suspected fraud frequency level (FFL) is 1.5% (4 of 272 irregularities notified), and the suspected fraud amount level (FAL) is 0.8% (€171 000 of €21 887 437 affected by irregularities). The suspected fraud rate of 0.01% is among the lowest of the 27 MS and one might think that the Belgian notifiers are particularly reluctant to classify irregularities as suspected fraud.</p> <p>Note that ESF-VL did not detect any cases of fraud.</p> <p>FSED: Geographical proximity to the project promoters generally ensures close scrutiny of implementation</p> <p>ERDF Wallonia: The fraud rate is relatively low in Belgium for 2000-2006 programmes. However, the concept of 'suspected fraud' has been only recently added to the irregularities codes. The great deal of effort made to provide information/training concerning rules and controls has necessarily improved the quality of funded projects and reduced the number of irregularities and cases of fraud.</p> <p>ERDF Brussels Capital Region: No opinion. Hitherto controls have detected irregularities but no cases of fraud.</p>
BG	The established control structures and mechanisms have strengthened desk checks of public procurement procedures held and on-the-spot checks of project implementation. The ex-ante control of the selection procedures on the part of beneficiaries is also enforced as a mechanism to prevent the inclusion in the documentation of criteria contrary to the principles of publicity and transparency, equal treatment and free competition. We consider that the established system of financial control is sufficiently oriented not only towards detecting fraud but also (and most importantly) towards its prevention.
CZ	Yes. Checks at MA/IB levels are sufficient; no suspected fraud has yet been detected; in checks on beneficiaries of aid emphasis is always given to checks of public contracts, while checks on delegated activities focus in particular on the transparency of the evaluation system and selection of project applications by the IB; checks are carried out on the basis of risk analyses, which include major risks related to fraud and corruption.

Member State:	2.1.5. <i>Comparing your Member State's suspected fraud record to the EU 25 average suspected fraud rate of 0.25% (as shown in the Commission report 2010 [8] for the programming period 2000-2006 in the area of Cohesion policy), do you consider your financial controls to be sufficiently oriented towards detecting fraud</i>
DK	Yes: on the basis that the Danish rate of fraud is low.
DE	N/A
EE	Yes/No - The legal framework is good, but the competence of officials must be improved. Activities would become more targeted if Estonia had a strategy to safeguard the EU's financial interests which set out the main developments among implementers and partners in the area and which would be implemented through short-term action plans. Principles for monitoring similar projects, the assessment and improvement of regular systems (and comparison with other countries) would help improve activities.
ES	N/A
FR	Preparation underway
EL	Yes
HU	Yes. The institutional system opens irregularity procedures if activities breaching the legislation or the provisions of the aid contract are detected in the course of documentary or on-the-spot inspections. The National Development Agency and the intermediate bodies pay special attention to activities infringing the Penal Code, that is activities that could be deemed fraud. If fraud is suspected the institutional system always reports to the competent investigating authority.
IE	Yes. Because of the financial controls employed in the area of ESF and ERDF (within the Cohesion Policy) during the 2000-2006 programming period and those currently being implemented in the 2007-2013 programming period and the continued low level of fraud detected, Ireland considers its financial controls to be sufficiently oriented towards detecting fraud.
IT	Yes
CY	Yes - the small number of bodies/authorities involved in the procedures gives ground for close cooperation, exchange of views and immediate resolve of issues identified, thus preventing the occurrence of potential irregularities and fraud
LT	Yes/No Given the level of suspected fraud in Lithuania (in the area of cohesion policy during the 2000-06 programming period), i.e. 0.14% compared to the average level of suspected fraud in EU Member States (0.25%, though this varies between 0.01% and 1.21%), financial control in Lithuania is adequate for detecting fraud. The procedure for investigating, detecting and eliminating irregularities in respect of projects to be implemented under measures for the relevant programming period is laid down:

Member State:	2.1.5. <i>Comparing your Member State's suspected fraud record to the EU 25 average suspected fraud rate of 0.25% (as shown in the Commission report 2010 [8] for the programming period 2000-2006 in the area of Cohesion policy), do you consider your financial controls to be sufficiently oriented towards detecting fraud</i>
	<p>1. in the case of projects financed from EU structural funds in accordance with Lithuania's Single Programming Document for 2004-06 in the Rules for administering and financing measures under Lithuania's Single Programming Document for 2004-06 and the projects to be financed through implementation of these measures, approved by Order No 1K-033 of the Minister for Finance of 28 January 2004 (Official Gazette 2004, No 19-599; 2005 No 21-667).</p> <p>2. in the case of projects financed using Cohesion Fund resources for 2000-06 in the Rules for administering European Union Cohesion Fund resources in Lithuania, approved by Government Resolution No 1026 of 24 August 2001 (Official Gazette 2001, No 74-2596; 2008 No 87-3483) and the Rules for detecting and eliminating irregularities in the use of EU financial assistance and laying down restrictions on obtaining EU financial resources, approved by Order No 1K-307 of the Minister for Finance of 17 October 2005 (Official Gazette 2005, No 127-4588).</p> <p>3. in the case of projects financed from EU funds for 2007-13 in the Rules for administering and financing operational programmes, approved by Government Resolution No 1225 of 12 November 2008 (Official Gazette, 2008, No 137-5429), the Rules on project administration and financing, approved by Government Resolution No 1443 of 19 December 2007 (Official Gazette 2008, No 4-132), and the Methodological recommendations for investigating irregularities.</p> <p>These rules lay down that once the implementing body suspects that an irregularity has occurred (for instance, when carrying out an on-the-spot check of project documents) and/or has received information from another body regarding a suspected irregularity, it launches an investigation into the irregularity in accordance with established procedure and, having evaluated the nature of the suspected irregularity and suspecting criminal activity, immediately informs the Financial Crimes Investigation Service at the Ministry of the Interior (FNTT), which is empowered to carry out investigations of criminal financial activities, thereof.</p> <p>It should be pointed out that the FNTT organises anti-fraud training for employees of public institutions involved in the administration and control of EU structural assistance on an annual basis, during which it presents examples of the most prevalent fraud schemes and engages in discussions of topical issues relating to, and prospects for, the investigation, prevention and detection of cases of suspected fraud and cooperation between the FNTT and bodies involved in the administration of EU structural assistance.</p>
LU	Yes Very low error rate <0.25% for the ERDF 'Regional Competitiveness and Employment' programme (rate <0.02%) / ESF: The controls in place should help detect fraud. However, each new case is analysed by the control team in order to optimise control procedures.

Member State:	2.1.5. <i>Comparing your Member State's suspected fraud record to the EU 25 average suspected fraud rate of 0.25% (as shown in the Commission report 2010 [8] for the programming period 2000-2006 in the area of Cohesion policy), do you consider your financial controls to be sufficiently oriented towards detecting fraud</i>
LV	YES Successful cooperation has been established with the law enforcement authorities, the specificities of EU funds have been explained to prosecutors, and clear indications given to the RA/LB concerning the recommended course of action to take when an infringement is detected which could subsequently be classified as suspicion of fraud. Questions designed to reveal the occurrence of fraud have been incorporated into the RA/LB"s verification documents.
MT	Yes. Malta's suspected fraud rate for the Programming Period 2004-2006 was 0%. A number of types of Structural Funds (e.g. FIGG) for Programming Period 2004-2006 have already been closed by the EU Commission.
NL	Yes, on-the-spot checks are always carried out for every project. If there are doubts about the legitimacy of declared expenditure, further questions are asked and additional evidence is collected until it is clear whether the expenditure was incurred legitimately. No cases of fraud have been detected recently, and any doubts that have arisen have been allayed by additional control measures.
AT	Yes
PL	Yes. Poland's suspected fraud record in the 2000-06 period in the area of cohesion policy was 0.78%. This is a higher percentage than the overall percentage established for the EU25, namely 0.25%. Therefore, a relatively higher number of cases of fraud are detected in Poland. This testifies to the effectiveness of the Polish control system and to the fact that it is targeted correctly. This system allows cases of fraud to be detected effectively, and in consequence it prevents improperly incurred expenditure from being covered by EU resources.
PT	Yes. The rate of cases of suspected fraud communicated to the Public Prosecutor's Office is lower than in the 2000-2006 programming period owing to a tightening of the internal control system and the implementation of measures to prevent irregular situations.
RO	Yes. The Anti-Fraud Department (DLAF) has developed an effective operational cooperation system for combating fraud and any illegal activities affecting the EU budget. That system has three levels: I. The first level is the Irregularity Reporting Network comprising the bodies with tasks in administering European funds. Its role is to facilitate the communication of relevant information, considering that these bodies are the first to notice any irregularities/fraud affecting the financial interests of the EU in Romania. II. The second level refers to cooperation between the control authorities, and the cooperation agreements concluded with the bodies involved, such as the Financial Squad (Garda Financiară), the National Tax Administration Agency, the Audit Authority, the General Inspectorate of the Romanian Police, the Romanian Information Service, the State Building Inspectorate, the Central Unit for Harmonising Public Internal Audit, the Information and Domestic Protection Directorate-General, and the National Office for Preventing and Combating

Member State:	2.1.5. <i>Comparing your Member State's suspected fraud record to the EU 25 average suspected fraud rate of 0.25% (as shown in the Commission report 2010 [8] for the programming period 2000-2006 in the area of Cohesion policy), do you consider your financial controls to be sufficiently oriented towards detecting fraud</i>
	Money Laundering. The goal is to inform DLAF of any irregularity or fraud detected during the control activities specific to each of those bodies, and provide operational assistance for DLAF's control activities. III. The third level relates to strengthening cooperation with the prosecutors, in order to follow up on the inspection by sending the defendants before the courts and recovering any damages. There is a cooperation agreement concluded to this end with the National Anticorruption Directorate.
SE	Yes
SI	Yes/No. The financial controls in place have always taken into account the risk of fraud and corruption, in line with the risk assessment. The fact that no suspected fraud was detected during the 2004-2006 programming period is explained by the relatively low level of funds allocated in proportion to the internal controls in place. With the increase in the volume of funds allocated and in the number of beneficiaries, and the spread of fraudulent practices from other Member States, the probability of fraud is increasing and the development of internal controls is being adapted accordingly.
SK	Yes: Audits under Article 10 of Council Regulation (EC) No 438/2001, Article 9 of Commission Regulation (EC) No 1389/2002 and Article 62(1) (a) and (b) of Council Regulation (EC) No 1083/2006 are conducted on the basis of detailed checklists aimed at preventing irregularities, fraud and errors or defects in the management and control system. The checklists for both administrative and on-the-spot checks are based on Article 13(2) of Commission Regulation (EC) No 1828/2006. Project checks are therefore carried out as administrative and on-the-spot checks. From a process point of view, administrative checks may be carried out as: administrative checks on the procurement of goods, services, construction work and related procedures; administrative checks on payment applications and on other facts. The main aim of the on-the-spot checks is to assess the real (actual) supply of goods, performance of works and rendering of services declared in the accounting and supporting documents submitted by beneficiaries with the payment application under the contract for the granting of non-returnable financial contributions or in accordance with documents referred to by the contract. On-the-spot checks focus on the implementation of the project as a whole. Projects may be checked by several supervisory authorities – in other words, the checks are multi-stage.
FI	Yes. The procedures introduced for the 2007-13 programming period for the selection of projects and the verification and payment of expenditure, the procedures based on the information systems and the increased monitoring activity of the management ensure sufficient

Member State:	2.1.5. <i>Comparing your Member State's suspected fraud record to the EU 25 average suspected fraud rate of 0.25% (as shown in the Commission report 2010 [8] for the programming period 2000-2006 in the area of Cohesion policy), do you consider your financial controls to be sufficiently oriented towards detecting fraud</i>
	prevention of irregularities and fraud.
UK	SG: Yes; DWP: Yes; DCLG: Yes; WG - Very low error rates and systems have been subject to audit by DG Employment.

Member State:	2.1.6. <i>How could the detection record be improved</i>
BE	<p>FSED : ERDF Brussels Capital Region :Training of competent staff Flemish Authority, Dept. for Agriculture and Fisheries, Agriculture and Fisheries Policy Division, Sea Fisheries Service (ALV - Agency for Agriculture and Fisheries): Even if fraud is suspected, it is difficult to prove it beyond all doubt. Training might help remedy this.</p> <p>FSED : Increased access to national and regional databases ALV: Linking databases or making them accessible might make it easier to trace double financing. ERDF Brussels Capital Region: Legislation allowing cross-checking of different relevant data sources ALV: Linking databases or making them accessible might make it easier to trace double financing. Increased powers of the authorities in relation to exchange of information, database access and checks FSED:</p>
BG	<p>Financial. Increase of financial resources. Provision of additional financial incentives for employees so as to reduce the risk of corrupt attitudes and practices.Technical. Computerisation of project files and the reduction of hardcopies in order to simplify control.Human. Closer interaction of the separate activities (contracting, monitoring, control). Enhancing administrative capacity.Training of competent staff. Annual staff training and exchange of experience through round tables, discussions and seminars with the participation of the authorities involved in the management and control of EU funds. Increased access to national and regional databases. Exchange of good practices and information with other Management Authorities and control bodies. Access to international databases would also be an advantage. The ability to access information about detected cases of fraud and the exchange of experiences on its detection will have a preventive effect on fraud, for example, the Unified Management Information System (UMIS) for the operational programmes; PHARE MIS and the central exclusion database.Legislation allowing cross-checking from different</p>

Member State:	2.1.6. <i>How could the detection record be improved</i>
	<p>relevant data sources. The Regulation laying down the procedures for handling irregularities under the funds and programmes co-financed by the EU is due to be amended regarding joint controls by the Managing Authority and AFCOS (under the Ministry of Interior). Increased powers of the authorities in relation to exchange of information, access to databases and checks. Verification of expenditure should not be restricted, in terms of time, by controls and investigations carried out by the competent authorities. The officers in charge of irregularities, irrespective of the operational programme on which they are working, can draft and enter a report in UMIS that provides information about detected irregularities under all operational programmes. The above report shall include information about the type of irregularity, precise data about the beneficiary, including BULSTAT number, information about the project, as well as data about all involved natural and legal persons related to the beneficiary and the contractor.</p> <p>The procedure may be enhanced if the prosecution authority provided more data about investigated irregularities to the Managing Authority to be compared with those established by them.</p>
CZ	<p>Financial: by building up capacities in the area of checks by external contractors. Technical: e.g. the possibility to generate or filter the requested data. Human: emphasis on expertise and ethics of human resources; sufficient staff capacities; further training in the area of checks and irregularities; selecting high-quality staff and providing them with continuous training is fundamental, Training of competent staff: targetted analysis of needs within the training system - better qualifications of the staff performing checks increase their abilities to detect suspected criminal acts.</p> <p>Increased access to national and regional databases: by means of legal provisions making it possible to cross-check data from various relevant sources; existence of a central database of financing that would make it possible to obtain information and prevent double financing.</p> <p>Increased powers of the authorities in relation to exchange of information, access to datababasis and checks: mutual exchange of information between MAs, improved access to the relevant databases .</p>
DK	<p>Better technical capacity for linking databases. Technical.</p> <p>One option might be to acquire access to tax authority data on income.</p> <p>Investigation of whether projects have received aid for the same project from more than one fund, e.g. the Regional and Social Funds/Rural Development Fund and the Fisheries Fund. Increased access to national and regional databases.</p>
DE	N/A
EE	<p>Financial: competitive wage; possibility to employ top experts in order to better detect fraud. Technical: analytical software. Human: competent, experienced staff with potential for development (competitive wage). Training of competent staff: more training and sharing of experience across the EU</p> <p>Increased access to national and regional databases: automatic reading/checking of information from different databases. Legislation allowing</p>

Member State:	2.1.6. <i>How could the detection record be improved</i>
	cross-checking from different relevant data sources: there is no legislation permitting this. Increased powers of the authorities in relation to exchange of information, access to databases and checks: ensures power delegated to officials working on fraud detection. Other: pan-European database of aid recipients (to prevent double financing)
EL	N/A
ES	<p>Increased or improved use of resources</p> <p>Technical :</p> <p>This would improve controls and could be extended, with specific checks being carried out in situ.</p> <p>Human:</p> <p>Staff increases would boost the level of control, which could reach 100%.</p> <p>Training of competent staff:</p> <p>More training for staff on potential risks and knowledge of operations and operators would help to spot new and previously undetected risks.</p> <p>Improved information sharing and availability</p> <p>Increased access to national and regional databases :</p> <p>A database that could be consulted to check the cumulation of aid, irregularities detected for a type of operation, work schedules of other inspectors, etc. incidents that are not detected due to a lack of awareness of their potential existence or risk could be avoided.</p> <p>Legislation allowing cross-checking from different relevant data sources:</p> <p>Support from inspectors in other regions could improve the control of multinational companies with subsidiaries in the EU, which market within the EU subsidised products that are out of our control. This measure should be set within a legislative framework that has no territorial constraints.</p> <p>Increased powers of the authorities in relation to exchange of information, access to databasis and checks</p>
FR	the main issues relate to, firstly, the quality of the internal audit (management authority and certification authority) and secondly, the quality of the external audit and the mobilisation of human resources and staff training
HU	Development and improvement of the technical support for control and indication systems. Continuous improvement of human resources and expertise, professional training. Continuous provision of professional training possibilities. Increased powers of the authorities in respect of exchange of information, access to databases and checks: reinforcing checks not only on beneficiaries, but also on suppliers. Other: The legislation concerning exchange of information abroad should be clarified, for example as regards when personal data relating to criminal offences can be used in foreign procedures other than criminal procedures, or what information may/must be transferred abroad under the

Member State:	2.1.6. <i>How could the detection record be improved</i>
	arrangements for mutual judicial assistance and exchange of police information in the case of procedures in Hungary, and at what stage in the procedure.
IE	No Suggestions. However the strong financial controls employed in the area of 2000-2006 ESF (within the Cohesion Policy) and the additional controls during 2007-2011 as outlined above, and the low level of fraud detected would suggest that neither an increase in resources, nor, if possible, improved use of resources would be of limited benefit.
IT	Financial: Ministry of Economic Development - increase in funding for checks, improved use of information through databases and cross-checking, increase in number of inspectors. Technical: Guardia di Finanza - intensification of exchanges of information between central and local government bodies and between them and European bodies (in particular, OLAF); Ministry of Economic Development - improved use of information through databases and cross-checking, increase in number of inspectors; National Antifraud Committee - maximum transparency in the publication of lists of beneficiaries. Human: Ministry of Economic Development - increase in number of inspectors. Training of relevant staff: National Antifraud Committee - holding post-graduate and ad hoc professional courses. Increased access to national and regional databases. Legislation allowing for cross-checking between various appropriate sources of data. Increased powers for the authorities in terms of exchanging information, access to databases and to checks. Drafting of blacklists of subjects deemed unworthy of trust having committed fraud in the past, in line with Council Regulation (EC, Euratom) No 1605/2002.
CY	Human - more staff on-the-spot / experienced staff with operation's specifics. Training of competent staff - currently there are bodies with limited experience in the implementation of specific programmes (eg. Grant schemes) - a solution would be the exchange of knowledge with more experienced staff in the specific field from other IBs in MS or other MS (networking, training) Increased access to national and regional databases - this would increase knowledge and information sharing about cases of fraud identified, alerting staff for similar cases in the future. Legislation allowing cross-checking from different relevant data sources. Amendments to legislation on time baring and quantitative thresholds identifying criminal behaviour. Increased powers of the authorities in relation to exchange of information, access to databasis and checks - eg. Common databases in relation to the funding of private organisations through grant schemes would assist in detecting cases of double financing.
LV	Technical - The drawing up of a handbook and a compilation of best practice, development of a common platform and databases, and provision of specific skills, equipment and IT tools. Training of competent staff - To ensure that there is a common approach to the investigation of fraud cases, training courses for prosecutors have been organised. Various anti-fraud workshops will be continue to be organised in cooperation with the State Chancellery (the workshops are held in response to a survey administered by the State Chancellery to ascertain what workshops and training are required). Increased access to national and regional databases - State Revenue Service databases, the databases of the State Land Service and land registries, the Mortgage Register, Enterprise Register, and the Office of Citizenship and Migration Affairs. Increased powers of the authorities

Member State:	2.1.6. <i>How could the detection record be improved</i>
	in relation to exchange of information, access to databases and checks to ensure that the information can be checked in a timely manner.
LT	<p>Technical</p> <p>The existing databases should be improved. Human Administrative capacity should be strengthened; this would ensure that responsibilities are performed well and in a timely manner. Training of competent staff</p> <p>It is essential to continually raise the level of knowledge or support for acquiring new knowledge in the management authorities by training personnel to detect possible cases of fraud at the project appraisal and implementation stages by applying the practical COCOF guidelines on fraud, participating in international training events (to become familiar with practice in other countries), familiarising project managers through seminars and lectures with the best practice of the Lithuanian authorities and EU Member States in combating fraud, and also by disseminating information on irregularities and suspected criminal acts (notification of detected cases) established by intermediate and implementing bodies and informing project managers' founding authorities about the detected irregularities, sanctions applied to the project managers and preventive measures to improve the management of irregularity prevention and the risk of fraud.</p> <p>Increased access to national and regional databases</p> <p>Access to databases would improve the prevention of fraud aimed at obtaining assistance from several sources and reduce the possibility of illegally obtaining assistance through the submission of incorrect data. To improve the detection of cases of fraud it is essential that information available to other bodies on infringers and possible cases of fraud be exchanged, the early warning system be applied, information be entered and regularly updated in the SFMIS on all irregularities committed by project managers, and it is necessary to apply sanctions to infringers and conduct litigation proceedings and, as already mentioned, publicise irregularities and suspected criminal acts detected by the implementing bodies (notification of cases detected), and offer international training (to become familiar with the practices of other countries). Legislation allowing cross-checking from different relevant data sources. Cross-checking of information increases the likelihood of preventing double financing. Increased powers of the authorities in relation to exchange of information, access to databases;and checks.</p> <p>Other: Closer cooperation with law enforcement agencies is essential, by sharing experience through the discussion and classification of typical cases of fraud, as is the training of staff dealing with irregularities. Regular meetings of staff members of international implementing bodies who investigate irregularities should be organised, at which particular investigated cases of fraud could be considered For this purpose it is suggested that the AFCOS meeting platform be more widely used.</p>
LU	Financial ESF: by cross-checking figures from different sources. Technical ESF: by using IT tools that facilitate controls (e.g. Excel table to calculate salaries automatically). Human ESF: through a larger control team and more availability in the field. Training of competent staff

Member State:	2.1.6. <i>How could the detection record be improved</i>
	ESF: A considerable effort has been made on training and circulating information. This effort must be permanent. Other ESF: The circulation and availability of information is important.
MT	Financial - investment in training on fraud detection techniques and investment in a common computerised information repository for the cross-checking of information provided by different national stakeholders. Technical - by using IT tools to facilitate controls. Human - through a larger, qualified control team. Training of competent staff - training on the detection and prevention of fraud and awareness campaigns on fraud indicators. Increased access to national databases (Technical); Legislation allowing cross-checking from different relevant data sources (Technical); Increased powers of the authorities in relation to exchange of information, access to databasis and checks
NL	In the case of Structural Funds, not necessary in the NL.
AT	Increased access to national and regional databases : The planned national transparency database (on all the public support granted) could be helpful, especially with regard to multiple funding.
PL	Staff training – According to the statistics concerning proven anomalies, the majority of such cases concern highly specialised fields, including in particular public procurement law. In order to ensure the effectiveness of control activities in these areas, it is necessary to have skilled staff with extensive knowledge in the area under investigation. Knowledge should be increased above all through the staff training mentioned earlier. Other: One solution which may impact positively on the detection of irregularities is shifting the emphasis away from checking to ensure that measures taken comply with formal requirements towards checks on progress made and differentiating between purely formal errors which do not have financial consequences and irregularities which do have negative financial consequences for the EU budget.
PT	Human - More human resources allocated to on-the-spot checks. Training of competent staff - Training in judicial investigations.
RO	Financial - encouraging performance by offering financial incentives to the personnel with control tasks, according to their achievements in preventing fraud and recovering damages caused by the projects' beneficiaries; priority allocation of financial resources to preventing irregularities and the resizing of the control apparatus to achieve that goal. Technical - increased and more efficient use of technical resources such as the control software (I2 Analist Notebook, Ibase, Ibridge, etc.) and analytical instruments, interconnecting the databases, data mining, database access. Providing portable IT equipment for the personnel with control tasks, to enable them to access the database developed on the basis of previous checks during missions taking place outside the office; the possibility of carrying out on-the-spot technical checks in the case of projects providing financing for infrastructure works. Human - mainly training on preventing irregularities. Training of competent

Member State:	2.1.6. <i>How could the detection record be improved</i>
	<p>staff - continuous development of the professional skills of the staff through training/exchanges at various institutions, covering topics related to the prevention, detection and rectification of irregularities. Adjusting the number of personnel employed by the control bodies, in line with the number of projects monitored and checked. - more flexibility in the working procedure established between the departments responsible for monitoring the projects and those responsible for control, to enhance efficiency in communication and reduce the duration of the checks. Increased access to national and regional databases - obtaining, through OLAF, access for DLAF to the EURODB and INFOBASE databases. Increased powers of the authorities in relation to exchange of information, access to databasis and checks - Once the new Ministry of European Affairs has been established, pursuant to Government Emergency Order No 78/2011 introducing certain organisational measures in the field of European affairs, the exchange of information among the entities involved in administering structural instruments will be more efficient and flexible, because that new institution will act as coordinating authority for structural instruments. It will be responsible for the coordination, preparation, development, harmonisation and operation of the legal, functional and planning framework for managing structural instruments.</p>
SI	<p>Increased or improved use of resources (Bold and specify selected answers): Introduction of IT software for detecting and preventing duplicate financing using the databases of the Tax Administration, the Public Payments Administration and the Agency for Public Payments and Records, the Ministry of Finance and the Official Gazette of the Republic of Slovenia. The Budget Supervision Office organises annual conferences on the protection of the EU's financial interests for persons responsible for the management and control of EU funds. Technical; Training of competent staff</p> <p>Improved information sharing and availability (Bold and specify selected answers): Introduction of IT software for detecting and preventing duplicate financing using the databases of the Tax Administration, the Public Payments Administration and the Agency for Public Payments and Records. Increased access to national and regional databases; Legislation allowing cross-checking from different relevant data sources; Amendments to legislation on time-barring and quantitative thresholds identifying criminal behaviour; Increased powers of the authorities in relation to exchange of information, access to databases and checks.</p>
SK	<p>Financial: Increased funding or better appraisal of staff conducting checks, aimed at reducing the turnover (fluctuations) in staff. Technical. Human: Increased numbers and improved motivation of staff. Training of competent staff: Regular training of employees checking areas connected with expenditure eligibility, accounting, fiscal obligations and public procurement, thus improving the quality of checks at regulatory authority level and enabling unauthorised expenditure to be identified before payment. Information on the latest findings, problems and staff training at international level, enhancing awareness of experiences and good practice in other countries.</p> <p>Increased access to national and regional databases: Access to national and transnational databases in other Member States would shed light on other cases of irregularities and suspected fraud. Linking of information systems on funding from State budgets and EU sources would be</p>

Member State:	2.1.6. <i>How could the detection record be improved</i>
	useful particularly in terms of avoiding duplication of funding and identifying problematical beneficiaries. Legislation allowing cross-checking from different relevant data sources. Increased powers of the authorities in relation to exchange of information, access to databases and checks: The best method of detecting offences is effective cooperation and information exchange between all concerned, particularly at national level but also at international level. One possibility for strengthening mutual cooperation is to link different information sources or databases and to give competent staff limited access to important information from those databases. Other.
SE	Increased access to national and regional databases. Other: There are currently opportunities in Sweden for staff from different managing authorities to exchange experiences. Cooperation and exchange of information could be developed further.
UK	WG - Increased due diligence. More resources (numerous options). UK: Human. Training of competent staff - DFPNI: Part of the induction process for new Programme staff could be used to deliver training on Indicators of Fraud, with specific reference to COCOF Working Document 09/0003/00 of 18/02/2009; Information Note on Fraud Indicators for ERDF, ESF and CF in addition to refresher training for existing front-line staff. Additional emphasis placed on fraud prevention training. WG - Information sharing between grant funding bodies. Intelligence database on fraudulent companies and individuals. Additional financial investigative powers. Increased access to national and regional databases- DFPNI: More use of National Fraud Initiative including checking all persons employed through the Programmes against welfare and housing benefit databases. Greater visibility on the websites regarding the reporting of fraud. More emphasis on the verification of third party suppliers and procurement issues in general. Legislation allowing cross-checking from different relevant data sources. Amendments to legislation on time baring and quantitative thresholds identifying criminal behaviour. Increased powers of the authorities in relation to exchange of information, access to databasis and checks. Other (specify). SG & DCLG: Better sharing of information between Mas.

Member State:	2.1.7. <i>Does your Member State apply cost benefit analysis when conducting anti-fraud investigations?</i>
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Member State:	2.1.7. <i>Does your Member State apply cost benefit analysis when conducting anti-fraud investigations?</i>
BE	No FSEBRU ESF-VL FSED: ESF: No - controls are carried out automatically with the aim of checking each operator on the spot at least twice over the whole programming period. ERDF Wallonia ERDF Brussels Capital Region:
BG	Yes. Financial risk threshold. Ex-ante control of public procurement depending on its type and value. Where public procurement procedures are carried out by the beneficiary, the Managing Authority of the Operational Programme ‘Technical Assistance’ performs ex ante control according to the value of the contract. Public interest. The priority of the check conducted depends on how much public contribution is affected. Other (specify) All suspicions of irregularities or fraud have to be investigated by the managing authority.
CZ	Yes. In some cases we request an expert opinion on the open market value. Where the MA is to assess an irregularity which is a suspected fraud, it automatically refers the irregularity to be examined by the competent authorities.
DK	No. There appears to be no immediate need for cost benefit analyses, as all incidences of irregularities and fraud detected are pursued.
DE	N/A
EE	No - Fraud is investigated irrespective of the amount involved, either in misdemeanour proceedings or criminal proceedings
IE	Other - Yes, provided it does not impinge on proven privacy entitlements of individuals within Member States. No specific cost benefit analysis of anti-fraud investigations are carried out in respect of ESF or ERDF activities.
ES	N/A
FR	Preparation underway
EL	Yes. Public interest (SDOE). Annual investigative priorities (SDOE).
HU	NO

Member State:	2.1.7. <i>Does your Member State apply cost benefit analysis when conducting anti-fraud investigations?</i>
IT	Other (specify): Ministry of Economic Development and Ministry of Education, Universities and Research - On-the-spot checks on a sample of measures selected by way of preliminary risk analysis. The Region of Basilicata and the Guardia di Finanza carry out joint analysis of irregularities uncovered in terms of: - Economic sectors most at risk; - Most significant or most frequent types of irregularities uncovered and the mechanisms involved; - Comparison of the outcomes; - More effective monitoring methods.
LV	There is no information on what methods the law enforcement authorities use in their work. If cases of suspected fraud are detected in the EU funds system, the bodies involved in managing the EU funds contact the law enforcement authorities, which perform the relevant investigation.
LT	N/A
LU	No, ESF: each operation is checked with the same attention to efficiency.
MT	Yes. Financial risk threshold
NL	In the case of Structural Funds, not necessary in the NL.
AT	No
PL	No
PT	No
RO	Financial risk threshold - Government Emergency Order No 66 on preventing, detecting and penalising irregularities in the granting and use of European funds and/or the corresponding national public funds introduces the principle of proportionality, according to which any administrative measure adopted must be appropriate, necessary and in line with the objective pursued as regards both the resources used in order to detect irregularities, taking into account the nature and frequency of irregularities, and the establishment of budgetary debts arising from irregularities.
SI	No. We perform internal controls in accordance with a risk assessment which includes up to 10 risk factors for individual operational programmes and a prescribed sampling methodology.
SK	No: Audits are conducted regardless of cost or potential findings

Member State:	2.1.7. <i>Does your Member State apply cost benefit analysis when conducting anti-fraud investigations?</i>
FI	No
SE	No
UK	SG: No; DWP: No DFPNI; No, All suspected fraud is investigated. NI policy is to report all suspected fraud to the PSNI and the decision to pursue a criminal case rests with the the Public Prosecution Service.

Member State:	2.1.8. <i>Has your Member State administration adopted guidelines to distinguish between fraud and irregularities?</i>
BE	<p>Yes CAIF Wallonia region: An administrative circular approved by the Walloon Government on 16 March 2006 establishes general principles for assessing irregularity. Point 2.9 of the circular defines suspicion of fraud as an irregularity triggering administrative and/or judicial proceedings at national level to determine the existence of intentional behaviour, in particular fraud. FSED. When were they updated last? FSED: 2008 ERDF Wallonia: administrative circular No ALV: No ESF: No - definition taken from European legislation. D2 EFRO VL: No ERDF Brussels Capital Region: According to CAIF, fraud exists when the irregularity has been intentionally, i.e., knowingly, committed. How do you propose a coherent application of the definition of fraud vs irregularity? ALV: In the case of fraud there is the question of intentional conduct according to the definition. Do you plan to adopt guidelines and if so, when? D2 EFRO VL: No, no specific difference between fraud and irregularities as regards the choice of procedure</p>

Member State:	2.1.8. <i>Has your Member State administration adopted guidelines to distinguish between fraud and irregularities?</i>
BG	<p>Yes. When have they been updated the last time?</p> <p>The definitions of Regulations (EC) Nos 2988/95 and 1083/2006 and the Convention of 26 July 1995, adopted on the basis of Article K3 of the Treaty on the European Union, are applied. These are transposed in the supplementary provision of the Regulation laying down the procedures for handling irregularities under funds and programmes co-financed by the EU, the Procedural Manual for the Management and Implementation of the Operational Programmes and the Financial Management and Control of the Public Sector Act.</p> <p>The Regulation laying down the procedures for handling irregularities under funds and programmes co-financed by the EU was last updated by an amendment (SG No 7 of 21 January 2011).</p> <p>The Financial Management and Control of the Public Sector Act was last updated by an amendment (SG No 98 of 13 December 2011).</p> <p>The Manual of Procedures of the operational programmes was last updated in 2011.</p>
CZ	<p>Yes. They form part of the Methodological guidance on irregularities and the Methodology of financial flows and the control of programmes co-financed from the Structural Funds, the Cohesion Fund and the European Fisheries Fund for the 2007-2013 programming period. When have they been updated the last time? The Methodological guidance on irregularities was last updated in October 2011, and the Methodology of financial flows and the control of programmes co-financed from the Structural Funds, the Cohesion Fund and the European Fisheries Fund for the 2007-2013 programming period was last updated in January 2011.</p>
DK	Yes. When were they last updated? 3 November 2000.
DE	Specific provisions of the OP.
EE	When were they last updated? - The guidelines for notifying infringements that occurred when using aid (also concerns fraud) were updated in 2010 and reviewed in early 2012. Ongoing consultation and cooperation, regular training.
IE	No. While no specific guidance makes a distinction between fraud and irregularities, irregularities are covered comprehensively in the Department of Finance Circular 12/2008 for EU Structural funds of 21 July 2008.
EL	N/A
ES	Yes. When have they been updated the last time ? Ley Orgánica 5/2010, de 22 de junio, por la que se modifica la Ley Orgánica 10/1995, de 23 de noviembre del Código Penal [Organic Law No 5 of 22 June 2010 amending Organic Law No 10 of 23 November 1995 of the Penal Code] raises the threshold above which fraud against public finances is subject to criminal penalties to EUR 120 000.
FR	The CICC for EU funds (ERDF-ESF-EFF) applies the definition of fraud contained in EU regulations (Commission notice OJ C 316, 27.11.1995, p. 49) (MAJ No 5, September 2000).

Member State:	2.1.8. <i>Has your Member State administration adopted guidelines to distinguish between fraud and irregularities?</i>
IT	Most recent update? (1) National Antifraud Committee - Decision No 13/2008 on "Explanatory notes on Interministerial Circular of 12 October 2007 on communication flows". (2) Ministry of Economic Affairs and Finance - General National Accounts Department - IGRUE, within the Technical Assistance for Regions Project under the Convergence objective (IGRUE OP AT), with the assistance of the NOP 'GOVERNANCE' and ERDF AT 2007/2013, drew up "Guidelines for managing irregularities and recoveries", most recently updated on 29 July 2011.
CY	Yes - the CA has issued the "Reporting of Irregularities Circular" where a distinction has been made between fraud and irregularity and there is specific guidance for the treatment of cases of fraud (as far as reporting is concerned). When have they been updated the last time? Dec 2009
LV	Yes. When have they been updated the last time? a) The Guidelines for reporting irregularities found in the implementation of EU Funds and for recovery of ineligible expenditure in the 2007–2013 programming period, which were updated on 10 January 2011, contain information on what is to be done when RA/LB suspect that fraud has been committed. Some issues related to cases of fraud are also considered at quarterly meetings on irregularities (see the reply under point 2.1.1) and information recorded in the minutes of these meetings. Where there is a lack of clarity, the RA/LB request explanations/recommendations from the MA. b) The RA/LB are provided with all the latest information and explanations received from the EC/OLAF; c) Unclarified issues in respect of possible suspicion of fraud are discussed at meetings of the AFCOS Council and at separate meetings with representatives of the law enforcement authorities.
LT	Yes. When have they been updated the last time? The notion of an irregularity has been defined in the Rules on establishing and eliminating irregularities in the use of EU financial assistance, which were approved in Resolution No 1K-307 of the Minister for Finance of 17 October 2005 (Official Gazette 2005, No 127-4588). The notion of fraud corresponds to that of a criminal act as laid down in Article 182 of the Lithuanian Criminal Code (last amended on 28 June 2007, Official Gazette 2007, No 81-3309).
LU	Yes. When were they updated last? ESF: Updated regularly.
HU	The instructions issued in August 2010 for notifying the Commission of the irregularities established in the course of using the aids granted from the structural funds in the 2000-2006 and the 2007-2013 programming periods contain guidelines for distinguishing between irregularities and fraud and cases giving rise to the suspicion of fraud. In October 2011 a technical manual will be issued for reporting irregularities concerning aid from the European Regional Development Fund, the European Social Fund and the Cohesion Fund in the programming period 2007-2013. In order to ensure knowledge of the legal provisions on reporting irregularities, this manual will contain guidelines on the procedures to be followed in cases of fraud or suspected fraud.
MT	Yes. 2008

Member State:	2.1.8. <i>Has your Member State administration adopted guidelines to distinguish between fraud and irregularities?</i>
NL	Yes. This distinction is made in both the Management and Organisation policy framework and the Irregularities Management Plan (Draaiboek onregelmatigheden). When have they been updated the last time? ESF: Management and Organisation policy framework 2010; Irregularities Management Plan (Draaiboek) 2008. ERDF: an amended version was issued In November 2010; this is currently being updated. How do you foresee a coherent application of the definition of fraud vs irregularity? Using the Irregularities Management Plan.
AT	Yes. When have they been updated the last time ? There is an information sheet for reporting irregularities, and reporting forms. These are for all administrative bodies. The last update was in June 2010 and explains the definitions. No. How do you foresee a coherent application of the definition of fraud vs irregularity ? Irregularities are recorded centrally. If there is any confusion as regards to the definitions of irregularity and suspected fraud, further information is obtained. Do you plan to adopt guidelines and if yes, when ? An amendment of the information sheet is planned - an adjustment in line with the amendments to Directive (EC) 1828/2006.
PL	No. The distinction is clear from existing legislation, which indicates that action should be considered a crime. There are also guidance for differentiation and classification of suspected cases of irregularity and fraud.
PT	Yes. Guidelines were adopted on 11 February 2011 with the approval of the Manual for reporting irregularities to OLAF (2007-2013 PP).
RO	When have they been updated the last time? - The last update occurred on 29 June 2011, through the adoption of Government Emergency Order No 66/2011 on preventing, detecting and penalising irregularities in the granting and use of European funds and/or the corresponding national public funds. And on 15th of September 2011, through the adoption of Government Decision No 875/2011 approving the implementing rules for Government Emergency Order No 66/2011 on preventing, detecting and penalising irregularities in the granting and use of European funds and/or the corresponding public funds.
SI	No. The forms of fraud are defined in the Penal Code, as are the duties of public officials if they suspect fraud. Irregularities regarding suspected fraud are dealt with by the interdepartmental working group AFCOS, on which the State Prosecutor's Office and the Criminal Police Administration are also represented. By April 2012 the Managing Authority intends to go into more detail concerning this field - and the measures for distinguishing irregularities and fraud - in its instructions on implementing checks under Article 13 of Regulation (EC) No 1828/2006, taking into account the European Commission's updated document, 'Requirement to Report Irregularities'.
SK	Yes. When have they been updated the last time? 1 April 2011.
SE	Yes. When have they been updated the last time? Internal guidelines for OLAF reports adopted on 2011-05-10 (ERDF)

Member State:	2.1.8. <i>Has your Member State administration adopted guidelines to distinguish between fraud and irregularities?</i>
UK	SG: Yes. There are a number of publications spread across the Scottish Government setting out the differences between irregularities and fraud. These include our Management Control System, the Audit Manual and Desk Instructions. In addition, there are corporate guidelines such as the Scottish Public Finance Manual, which provides guidance on the prevention, detection, reporting and handling of fraud, and the Scottish Government also subscribes to the HM Treasury publication: "Managing Fraud - a guide to Managers", which covers the handling of fraud and financial irregularities. DFPNI: Yes

Member State:	2.1.9. <i>How often do you audit the reporting of suspected fraud to OLAF?</i>
BE	Every year ALV: Fraud is a permanent feature in the European Fisheries Fund annual audit, but is yet to crop up during the reference period. Never CAIF, ESF, FSED, ERDF Brussels Capital Region
BG	Annually AFCOS now has an 'Administrative Control' sector, which performs administrative checks on the handling of irregularities under EU funds and programmes by means of ex ante and ex post checks under pre-established plans for the year in question. For 2011 22 checks were planned, of which 14 had been carried out at 30 September 2011.
CZ	Never.
DK	Bi-annually
DE	Specific provisions of the OP.
EE	Never: Reports are sent to OLAF by AFCOS Estonia which checks all reports on infringements sent to it by the implementing body. The activities of AFCOS Estonia were assessed by Sigma in 2004. The obligation to inform the implementing body of any infringements was assessed as part of the audit of management and control systems, but the area as a whole was not audited.
IE	Annually - Yes
EL	Less frequently (SDOE).
ES	Never
FR	During systems audits, the CICC verifies whether irregularities of more than EUR 10 000 (EU funds) have been notified to OLAF.

Member State:	2.1.9. <i>How often do you audit the reporting of suspected fraud to OLAF?</i>
IT	Half-yearly (Region of Basilicata, Bolzano Autonomous Province, Ministry of Economic Development)
CY	Annually (by the Internal Audit Service)
LT	Annually
LU	Annually (ESF) ; Less frequently (ERDF)
HU	Twice a year (the quarterly irregularity reports contain these data. The Managing Authorities and Intermediate Bodies review the reports every quarter).
LV	Twice a year - The MA performs such an audit four times a year, during which it evaluates and checks the information presented at quarterly meetings on irregularities and takes the relevant decisions.
MT	Less frequently: As part of the system audit
NL	Never. So far there has never been a report of suspected fraud.
AT	N/A
PL	Annually
PT	Annually - When it audits the certifying authorities for the 2007-2013 programming period, IGF checks whether all cases of irregularity and suspected fraud subject to reporting requirements that have been detected during management and audit procedures have been communicated to IGF so that it can meet its reporting obligations in full. Quarterly - Checks are done every quarter when IGF (OLAF's contact point in this connection) sends each certifying authority an overall list of cases reported to OLAF. Less frequently - When it audits the management and control systems for the 2007-2013 OPs, IGF checks for each OP whether it has been informed of all cases of irregularity and suspected fraud, detected during management and audit procedures, that have to be reported to OLAF. IGF also sends each certifying authority the IMS export files showing which cases have been reported, so that they can see the state-of-play at OLAF (e.g. cases closed after confirmation by managing DG that the expenditure has been withdrawn from certification to the EC).
RO	Annually - during audit missions carried out at the relevant authorities and quarterly during the process of reporting irregularities, as well as whenever necessary.
SI	Annually
SK	Annually - Quarterly

Member State:	2.1.9. <i>How often do you audit the reporting of suspected fraud to OLAF?</i>
FI	Annually. As the managing authority in Slovenia the SVLR reports annually but in some cases more frequently e.g. twice a year. Less frequently. In line with the audit strategy of the independent audit authority, a horizontal audit of how irregularities are dealt with is carried out every seven years.
SE	Annually Follow up reported cases with OLAF, further develop procedures (ERDF, ESF)
UK	Annually: WG - Reporting of suspected frauds would be undertaken as these are identified. Less frequently: SG - We have logged the need to cover this and have included in our long term plan a review of the adequacy and robustness of the management, control an operational systems to prevent, detect and investigate fraud. DFPNI: Less Frequently. DWP - Never

Member State:	2.1.10. <i>How often trainings have been given to staff dealing with reporting of suspected fraud to OLAF?</i>
BE	COMMENT: This question should be rephrased as follows: how often do staff who mention fraud when reporting irregularities to OLAF follow training courses? Once a new case is entered in the opinion modules, the individuals concerned are invited by OLAF to update their training and documentation. This information is then transmitted internally to officials on the ground through specific training (see the 'train the trainers' principle). Every year ESF: Yearly 'train the trainers' seminar organised by OLAF. FSEBRU: Every year ERDF Brussels Capital Region: Less frequently ALV. Never ALV FSED
BG	Training is provided to newly-appointed staff dealing with irregularities and, when new modules are introduced in the IMS system, working meetings are held with officers in charge of irregularities of all managing authorities, at which reporting of irregularities is discussed, information about the latest developments is given and methodical assistance is provided on specific cases.
CZ	Twice a year, but these are not training events primarily focusing on reporting of suspected fraud to OLAF. Moreover, staff also underwent training in connection with the launch of the new IMS 1828 module, which the Czech Republic was required to adopt (for the 2007-2013 programming period).
DK	Less frequently

Member State:	2.1.10. <i>How often trainings have been given to staff dealing with reporting of suspected fraud to OLAF?</i>
DE	Specific provisions of the OP.
EE	Annually: OLAF is notified by AFCOS Estonia (OLAF's official partner in Estonia) and only OLAF provides the officials working for AFCOS Estonia with training (AFCOS Round Table Meeting). There are too few training sessions, discussions and meetings.
IE	Annually - Yes
EL	Less frequently
ES	Never
FR	CICC EU funds (ERDF-ESF-EFF): yearly (auditors seminar, 100 participants annually)
IT	Yearly by e-learning (Guardia di Finanza)
CY	Less frequently
LT	Annually
LU	Bi-annually (ESF) but not specifically with OLAF in mind. Less frequently (ERDF).
HU	Twice a year (in cooperation with the National Tax and Customs Office's OLAF Coordination Office)
LV	Twice a year - Training is organised as required. Staff also participate in training organised by the EC/OLAF. Information is entered in the EC/OLAF IMS system in line with EC/OLAF guidelines. The EC/OLAF clarify issues which are unclear and the AA/CA are informed thereof. These issues are also examined at quarterly meetings on irregularities (i.e. all irregularities, not just those reported to EC/OLAF).
MT	Annually
NL	Never.
AT	Never. We cannot answer this, as owing to Austria's federal structure the administration and control system is decentralised and each department can implement basic and further training measures at its own discretion.
PL	Less frequently* - (or more frequently) training is organised as the need arises for staff to be made aware of new or amended legislation
PT	Less frequently.
RO	Less frequently.
SI	Annually. Continuously. Staff regularly take part in meetings organised by OLAF, by the European Commission and by the Council (GAF) concerning the protection of the EU's financial interests. Staff also attend regular conferences on public internal financial control, the

Member State:	<i>2.1.10. How often trainings have been given to staff dealing with reporting of suspected fraud to OLAF?</i>
	prevention of fraud and corruption and the EU budget organised by the Budget Supervision Office of the Republic of Slovenia, the Anti-Corruption Commission, the Audit Court and the EU Representation, etc.
SK	Annually: At least once a year
FI	Less frequently.
SE	Annually
UK	Annually: WG; SG - (this is the best fit classification from the options available) - Internal Audit Division's training tends to be undertaken on an ongoing basis topped up with ad-hoc events etc. Staff have been provided with fraud training as part of the professional syllabus set by the Chartered Institute of Internal Auditors. In addition, individual staff have attended specific fraud training sessions and all staff involved with EC business receive guidance on OLAF requirements as part of the induction process. Less frequently DFPNI. DWP - Never

2.2. Statistical elements

Member State:	<i>2.2.1. Performed anti-fraud investigations [3] and finalised criminal proceedings [4] until the end of 2011, related to projects financed under the programming periods 2000-2006 and 2007-2013 in Cohesion Policy area:</i>
BE	<p>ESF-VL: 318 Art. 4 Reg. 438/2001 - 549 Art. 10 Reg. 438/2001 ESF: Article 4 (on-the-spot checks by managing authority): 2 346 Art. 9 = 372 project audits Art. 10 = 69 system + project audits Total = 2 787 FSED: 12 D2 EFRO VL: 440 (Art. 4) 54 (Art. 9) 16 (Art. 10) 510 ERDF Wallonia: The information will be notified at a later date. ERDF Brussels Capital Region: 90 FSE BRU: Managing authority:</p>

Member State:	2.2.1. <i>Performed anti-fraud investigations [3] and finalised criminal proceedings [4] until the end of 2011, related to projects financed under the programming periods 2000-2006 and 2007-2013 in Cohesion Policy area:</i>
	<p>- administrative controls: 852 - on-the-spot checks 624</p> <p>Paying authority:</p> <p>- administrative controls: 36</p> <p>- on-the-spot inspections: 1</p> <p>Audit authority:</p> <p>- administrative controls: 25</p> <p>- on-the-spot checks: 25</p> <p>TOTAL: 1563</p> <p>Interreg IVA France-Wallonia-Flanders Wallonia-Brussels International (WBI):</p> <p>Art. 4: 25</p> <p>Art. 9: 4</p> <p>Art. 10: 49</p> <p>CAIF Wallonia: On-the-spot checks under Article 4 of Reg. 428/2001 - to be notified by Mr Boreux for the ERDF and Ms Rober for the ESF. Controls (not necessarily on the spot) under Article 9 of Regulation 428/2001 carried out by paying authorities, namely the DAFE for the ERDF and FIGG, the SGAQ for the ESF, and the CAFF for the EAGGF (CAIF estimate for the four structural funds 2000-2006, based on closure statements): 1256</p> <p>On-the-spot checks under Article 10 of Reg. 438/2001 (carried out by the CAIF on the ERDF and ESF): 156</p> <p>On-the-spot checks under Article 62(1)(b) of Reg. 1083/2006 (carried out by the DAFE, associate body of the audit authority, or by the CAIF for the ERDF)/</p> <p>On-the-spot checks under Article 62(1)(b) of Reg. 1083/2006 (carried out by the SGAQ, associate body of the audit authority, for the ESF) / ESF-VL: 0</p> <p>OCRC (Central Corruption Office): 0 for fraud relating to projects financed with Cohesion Policy funds. (Other EU files: 6)</p> <p>ESF: 0</p> <p>FSED: 1</p> <p>D2 EFRO VL: 2</p> <p>ERDF Brussels Capital Region: 0</p> <p>CAIF Wallonia:</p>

Member State:	2.2.1. <i>Performed anti-fraud investigations [3] and finalised criminal proceedings [4] until the end of 2011, related to projects financed under the programming periods 2000-2006 and 2007-2013 in Cohesion Policy area:</i>
	<p>ESF-VL: 0 OCRC: 0 ESF: 0 D2 EFRO VL: 1 ERDF Brussels Capital Region: 0</p> <p>ESF-VL: 147 OTSC MA - 108 OTSC AA CAIF: Wallonia region: on-the-spot checks by the audit authority (DAFE, associate body of the CAIF for the ERDF) under Art. 62(1)(b) of Reg. 1083/2006: 28 checks in 2010 and 28 in 2011. Wallonia region: on-the-spot checks by the audit authority (SGAQ, associate body of the CAIF for the ERDF) under Art. 62(1)(b) of Reg. 1083/2006: 28 checks in 2010 and 15 in 2011. ESF: Art. 60 = 111 on-the-spot checks completed Art. 62 = 21 project audits + 7 system audits FSED: 15 D2 EFRO VL: 14 on-the-spot checks 68 audit checks 82 ERDF Wallonia: The information will be notified at a later date. » ERDF Brussels Capital Region: 93 at 31.12.2010 FSE BRU: Managing authority: - administrative controls: 284 - on-the-spot checks 256 Paying authority: - administrative controls: 19 - on-the-spot checks:</p>

Member State:	2.2.1. <i>Performed anti-fraud investigations [3] and finalised criminal proceedings [4] until the end of 2011, related to projects financed under the programming periods 2000-2006 and 2007-2013 in Cohesion Policy area:</i>
	<p>Audit authority: - administrative controls: 28 - on-the-spot check: 28 TOTAL: 615 Interreg IVA France-Wallonia-Flanders Wallonia-Brussels International (WBI): First-level on-the-spot check: 35 Checks by the certifying authority: 19 Operation audits (or second-level checks): 22 CAIF: On-the-spot checks under Article 62(1)(b) of Reg. 1083/2006 (carried out by the DAFE, associate body of the audit authority, or by the CAIF for the ERDF): 76 On-the-spot checks under Article 62(1)(b) of Reg. 1083/2006 (carried out by the SGAQ, associate body of the audit authority, for the ESF): 24 ESF-VL: 0 OCRC (Central Corruption Office): 0 for fraud relating to projects financed with Cohesion Policy funds. (Other EU files: 6) ESF: 0 FSED: 1 D2 EFRO VL: 2 ERDF Brussels Capital Region: 0 CAIF Wallonia: ESF-VL: 0 OCRC: 0 ESF: 0 D2 EFRO VL: 1 ERDF Brussels Capital Region: 0 ESF-VL: 147 OTSC MA - 108 OTSC AA</p>

Member State:	2.2.1. <i>Performed anti-fraud investigations [3] and finalised criminal proceedings [4] until the end of 2011, related to projects financed under the programming periods 2000-2006 and 2007-2013 in Cohesion Policy area:</i>
	<p>CAIF: Wallonia region: on-the-spot checks by the audit authority (DAFE, associate body of the CAIF for the ERDF) under Art. 62(1)(b) of Reg. 1083/2006: 28 checks in 2010 and 28 in 2011.</p> <p>Wallonia region: on-the-spot checks by the audit authority (SGAQ, associate body of the CAIF for the ERDF) under Art. 62(1)(b) of Reg. 1083/2006: 28 checks in 2010 and 15 in 2011.</p> <p>ESF: Art. 60 = 111 on-the-spot checks completed Art. 62 = 21 project audits + 7 system audits FSED: 15 D2 EFRO VL: 14 on-the-spot checks 68 audit checks 82 ERDF Wallonia: The information will be notified at a later date. » ERDF Brussels Capital Region: 93 at 31.12.2010 FSE BRU: Managing authority: - administrative controls: 284 - on-the-spot checks 256 Paying authority: - administrative controls: 19 - on-the-spot checks: Audit authority: - administrative controls: 28 - on-the-spot check: 28 TOTAL: 615 Interreg IVA France-Wallonia-Flanders Wallonia-Brussels International (WBI): First-level on-the-spot check: 35</p>

Member State:	2.2.1. <i>Performed anti-fraud investigations [3] and finalised criminal proceedings [4] until the end of 2011, related to projects financed under the programming periods 2000-2006 and 2007-2013 in Cohesion Policy area:</i>
	<p>Checks by the certifying authority: 19 Operation audits (or second-level checks): 22 CAIF: On-the-spot checks under Article 62(1)(b) of Reg. 1083/2006 (carried out by the DAFE, associate body of the audit authority, or by the CAIF for the ERDF): 76 On-the-spot checks under Article 62(1)(b) of Reg. 1083/2006 (carried out by the SGAQ, associate body of the audit authority, for the ESF): 24 ESF-VL: 0 OCRC: 0 for fraud relating to projects financed with Cohesion Policy funds. (Other EU files: 9) ESF: 0 FSED: 0 D2 EFRO VL: 0 ERDF Brussels Capital Region: 0</p>
BG	<p>police – 2420 police investigations; the number of investigations may not be broken down per fund as they are classified in accordance with the Criminal Code; audits – 247; Managing Authorities – 200.</p> <p>criminal proceedings under all EU funds and instruments for the 2007-2010 period–1709; case files of the prosecution authority under the Structural and Cohesion Funds–392; pre-trial proceedings under the Structural and Cohesion Funds–192. concluded criminal proceedings with a court decision under all EU funds and programmes for the 2007-2010 period – 213; concluded criminal proceedings with a court decision under the Structural and Cohesion Funds for the 2008-2011 period – 32. N/A</p>
CY	<p>No investigations are carried out, specifically for the detection of fraud, but in general for the detection of irregularities. The verifications are carried out by the Intermediate Bodies for every expenditure claim submitted by the Beneficiaries (100% document check) and also on-the-spot technical checks in frequent intervals. Furthermore, verifications, review and audits are carried out by the Managing Authority, the Certifying Authority and the Audit Authority. 0 0 No investigations are carried out, specifically for the detection of fraud,</p>

Member State:	2.2.1. <i>Performed anti-fraud investigations [3] and finalised criminal proceedings [4] until the end of 2011, related to projects financed under the programming periods 2000-2006 and 2007-2013 in Cohesion Policy area:</i>
	<p>but in general for the detection of irregularities. The verifications are carried out by the Intermediate Bodies for every expenditure claim submitted by the Beneficiaries (100% document check) and also on-the-spot technical checks in frequent intervals. Furthermore, verifications, review and audits are carried out by the Managing Authority, the Certifying Authority and the Audit Authority. 0 0</p> <p>No investigations are carried out, specifically for the detection of fraud, but in general for the detection of irregularities. The verifications are carried out by the Intermediate Bodies for every expenditure claim submitted by the Beneficiaries (100% document check) and also on-the-spot technical checks in frequent intervals. Furthermore, verifications, review and audits are carried out by the Managing Authority, the Certifying Authority and the Audit Authority. 0 0</p>
CZ	10 3 3 394 10 2 404 13 5
DK	<p>All projects receiving aid are subject to administrative checks. All projects are checked by an external auditor. Article 4 checks for the Regional Fund have checked more than 15% of the external costs, corresponding to 58 checks. Article 4 checks for the Social Fund have checked 100% of the status reports submitted, including annexes, and more than 15% of projects have been checked on-the-spot. 3 cases of criminal investigations or anti-fraud criminal investigations. 3 finalised cases of court proceedings with court decision All projects receiving aid are subject to administrative checks. All projects are checked by a central auditor. The managing authority's target for the programme period is to carry out verification visits under the Regional Fund and the Social Fund concerning at least 10% of the commitments made. So far 41 verification visits have been carried out for the programme period 2007-2013. To our knowledge, there have been no criminal investigations or anti-fraud criminal investigations No finalised cases of court proceedings with court decision</p> <p>All projects receiving aid are subject to administrative checks. All projects are subject to external control. Projects selected are subject to checks by the managing authority. 3 cases of criminal investigations or anti-fraud criminal investigations 3 finalised cases of court proceedings with court decision</p>

Member State:	<i>2.2.1. Performed anti-fraud investigations [3] and finalised criminal proceedings [4] until the end of 2011, related to projects financed under the programming periods 2000-2006 and 2007-2013 in Cohesion Policy area:</i>													
EE	55	13	7	13	6	4	68	19	11					
ES	3	13	N/A	1	N/A		4	13	N/A					
DE	N/A													
EL	SDOE : 21 ; EDEL : 928		SDOE : 6		N/A		SDOE : 20 ; EDEL : 299		SDOE : 1 N/A		SDOE : 41 ; EDEL : 1227			
	SDOE:7		N/A											
HU	N/A													
IE	5 separate investigations relating to a suspicion of fraud in a single area. 1/0/ 5 separate investigations relating to a suspicion of fraud in a single area. / 2 /0 / 5 separate investigations relating to a suspicion of fraud in a single area. 3/0													

Member State:	2.2.1. Performed anti-fraud investigations [3] and finalised criminal proceedings [4] until the end of 2011, related to projects financed under the programming periods 2000-2006 and 2007-2013 in Cohesion Policy area:
FI	Projects verified on the spot pursuant to Article 4: 11 124 in total for the ERDF and 2 969 for the ESF. 7 3: S00349, S00782, S00509 (also 3 cases where the charges were waived: S00190,S82769, S01595) Administrative verifications carried out on all applications for payment. Total number of Article 13 on-the-spot verifications carried out: 2 215 for the ERDF and 671 for the ESF. N/A N/A On-the-spot verifications: 13 339 for the ERDF and 3 640 for the ESF. 7 3
FR	Structural Funds In accordance with Article 10 of Regulation (EC) No 438/2001 at least 5% of expenditure declared to the European Commission was checked. As indicated above, CICC audits and controls do not specifically constitute anti-fraud investigations. Structural funds Audit of transactions (Reg (EC) No 1828/2006, Articles 16 and 17) - 2009: 13 audits - 2010: 253 audits - 2011: 405 audits Number of systems audits: 6 audit missions per year and per fund and one or two follow-up audit missions for systems audits per year. The CICC is aware of one finalised proceeding (not guilty) Preparation underway
IT	23.788 2006 data collection underway 591 559 data collection underway 26.944 data collection underway
LT	488 53 N/A 941 7 N/A 1429 60 N/A
LU	"ERDF: Audit authority: 6 (into irregularities, incl. fraud) Managing authority: 83 (into irregularities, incidentally into fraud) ESF: 190" N/A N/A "ERDF: Audit authority: 4 (into irregularities, incl. fraud) Managing authority: 50+ (into irregularities, incidentally into fraud) ESF: 90" N/A N/A "ERDF: Audit authority: 10 (into irregularities, incl. fraud) Managing authority: 133+ (into irregularities, incidentally into fraud) ESF: 280" 19 (EU and non-EU together without distinction; the first statistics date from 2008) 19 (EU and non-EU together without distinction; the first statistics date from 2008)
LV	/ 3 1 6 21 / In investigations into administrative fraud the MA and AB are not treated separately. The possibility of cases of fraud is checked by performing on-the-spot checks, payment claim checks, preliminary procurement checks and

Member State:	2.2.1. Performed anti-fraud investigations [3] and finalised criminal proceedings [4] until the end of 2011, related to projects financed under the programming periods 2000-2006 and 2007-2013 in Cohesion Policy area:									
	sample checks of systems audits and expenditure. If suspicion arises, additional checks are carried out and, where necessary, a report lodged with the law enforcement authorities. 24 1									
MT	2 Administrative Investigations	0	N/A	0	0	N/A	2 Administrative Investigations	0	N/A	
NL	2 investigations in 2006 relating to 1 exporter		2	2, guilty	0	0	0	2	2	2
AT	<p>Anmerkung: Approximately 127 861 measures (all programmes) were implemented - after it was provided for in the Austrian system that an administrative check (usually encompassing all documents) had to be made before every payment to a recipient, all projects were checked at least once and some (particularly EQUAL) were checked several times because of interim financial statements. Giving all the details here would entail an excessive administrative burden. It can be assumed that approximately 128 150 administrative checks were carried out. The relevant data must be extracted from the OLAF database. As an MS not all evaluation possibilities are available - 2 cases were identified in the IMS. One case has been entered in OLAF's AFIS/IMS system for the FIFG programme. Proceedings ongoing. For the FIFG case the proceedings are still ongoing. "57 460 FLC cases (employment OP), measures checked acc. expenditure declaration up to and including first quarter of 2011; 2 655 FLC cases (Phasing Out OP), measures checked acc. expenditure declaration up to and including second quarter of 2011;</p> <p>In total approximately 320 EFF projects have been subjected to 100% document checks and on-the-spot controls under the FLC. The checking rate for second level controls is approximately 70% document checks and on-the-spot checks." "One case for the ERDF has been entered in the IMS.</p> <p>No case has been entered for the EFF." All proceedings still ongoing.</p>									
PL	482	177	49	284	88	11	766	265	60	
PT	6917	107	30	2713	5	0	9630	112	30	
RO	Not applicable in the case of Romania N/A N/A " - The reply under heading 2.2 refers only to investigations carried out by the Anti-Fraud Department (DLAF) and does not include checks performed by the Managing Authorities, the audit authorities, etc., as agreed at the COCOLAF meeting of 18 October 2011.									

Member State:	2.2.1. <i>Performed anti-fraud investigations [3] and finalised criminal proceedings [4] until the end of 2011, related to projects financed under the programming periods 2000-2006 and 2007-2013 in Cohesion Policy area:</i>
	-DLAF has carried out 56 anti-fraud administrative investigations." In total, in the period 2003-2011 there were 1 371 cases of anti-fraud investigations carried out by the National Anticorruption Directorate through its head office and its 15 local departments. According to the National Anticorruption Directorate, in the period 2003-2011 there were 61 criminal cases ended with final sentences relating to 94 defendants. N/A
SI	0 0 0 4 4 0 4 4 0
SK	"78: Of this number, 54 inspections/audits were conducted by the audit and financial control authorities, six by the anti-fraud coordination service (AFCOS) and 18 by the regulatory authorities and their subordinate intermediate bodies. (Note: In two cases the law-enforcement authorities reported suspected criminal activity; of the number indicated, 12 inspections/audits were conducted in 2011)" 93 48 "70: Of this number, 15 inspections/audits were conducted were conducted by the audit and financial control authorities, three by the anti-fraud coordination service (AFCOS), one by the Supreme Audit Office and 51 by the regulatory authorities and their subordinate intermediate bodies. (Note: In five cases the law-enforcement authorities reported suspected criminal activity; of the number indicated, 41 inspections/audits were conducted in 2011)" 132 54 148: Of this number, 69 inspections/audits were conducted were conducted by the audit and financial control authorities, nine by the anti-fraud coordination service (AFCOS), 69 by the regulatory authorities and their subordinate intermediate bodies and one by the Supreme Audit Office.(Note: In seven cases the law-enforcement authorities reported suspected criminal activity; of the number indicated, 53 inspections/audits were conducted in 2011) 225 (Note: the data are processed according to the time of the offence) 102 (Note: the number indicated represents court verdicts in which the offender was found guilty)
SE	N/A "166 preliminary investigations launched. (All figures relate to criminal investigations and judgments handed down concerning EU funds as a whole. There are no figures for the Structural Funds alone, so it is not possible to report on this. Similarly, court judgments are not broken down in this way either. The statistics do not indicate which programme period cases relate to either. This means that a preliminary investigation launched in 2007, for example, may relate to resources that date from the 2000-2006 programme period. The figures reported therefore relate only to the total number of preliminary investigations launched and judgments handed down.)" 42 judgments or summary punishment orders

Member State:	2.2.1. <i>Performed anti-fraud investigations [3] and finalised criminal proceedings [4] until the end of 2011, related to projects financed under the programming periods 2000-2006 and 2007-2013 in Cohesion Policy area:</i>
UK	SG:1; WG: 0; DWP: 13; DFPNI: 0; DCLG: 32; MMO/DEFRA: 2[FIFG] SG: 1; WG: 0; DFPNI: 10 (PEACE II) DWP: 5; DCLG: 2; MMO/DEFRA: 2 [FIFG] WG: 0, SG: 1; DWP: 1; DFPNI: 1(PEACE III) RESULTED IN Court action - fine imposed; DCLG: 2; MMO/DEFRA: 0 SG: 0; WG: 0; DWP - 0; DFPNI - 0; DCLG: 3; MMO/DEFRA: N/A WG, SG: 0; DFPNI: 3 (PEACE III) DWP: 0; DCLG: 0; MMO/DEFRA: N/A UK: 0 SG: 1; WG: 0; DWP: 13, DFPNI: 0; DCLG: 35; MMO/DEFREA: 2 SG: 1; WG: 0; DFPNI 13 (PEACE II & III), DWP: 5; DCLG: 2; MMO/DEFRA: 2 WG: 0, SG: 1; DWP: 1; DFPNI: 1; DCLG: 2; MMO/DEFRA: 0

Member State:	2.2.2. <i>Amounts recovered in relation to anti-fraud investigations pertaining to programming period 2000-2006 and 2007-2013: Amounts recovered (excluding financial penalties and interests) Amounts of financial penalties</i>
BE	"ESF-VL: 0 OCRC: 0 ESF: see annex ERDF Brussels Capital Region: 10 018.86 (in irregularities) " "ESF-VL: 0 OCRC: 0 ESF: 0" "ESF-VL: 0 OCRC: 0 ESF: see annex. The system for entering certified data has been changed: only ESF and PPB (Belgian public authority) to be declared (for the amounts the PPB was not confined to the ESF to reach the 50% level) FSED: 0 ERDF Brussels Capital Region: 0 at this stage " "ESF-VL: 0 OCRC: 0 ESF: 0 FSED: 0" "ESF-VL: 0 OCRC: 0 ERDF Brussels Capital Region: 10 018.86" "ESF-VL: 0

Member State:	2.2.2. Amounts recovered in relation to anti-fraud investigations pertaining to programming period 2000-2006 and 2007-2013: Amounts recovered (excluding financial penalties and interests) Amounts of financial penalties	
	OCRC: 0 ESF: 0 "	
BG	N/A	BGN 2 857 658.79 BGN 11 344 976.74 N/A
CY	During the PP2000-2006, there was one case identified that related to fraud, involving an amount of €5.000 (public contribution). Due to the fact that the "Withdrawals" method (instead of the "Recoveries" method) is used in Cyprus, amounts are immediately withdrawn from the Payment Application to the EC and thus the EU funds are safeguarded. As regards the recovery of national funds, this is the responsibility of each Intermediate Body (body granting the aid).	
CZ	CZK 400 000	CZK 65 727 CZK 65 727 CZK 400 000
DK	<p>Payments for the Regional Fund have been recovered amounting to EUR 934 172.57, EU CONTRIBUTION. There has not been any need for recovery with regard to the Social Fund, as all irregularities were corrected before payments were made. Payments for the Regional Fund have been recovered amounting to EUR 934 172.57, EU CONTRIBUTION. There has not been any need for recovery with regard to the Social Fund, as all irregularities were corrected before payments were made. A procedure was followed for the Social Fund 2000-2006 programming period with regard to drawing up ESF accounts for the European Commission. In cases where a project incurred expenditure that could not be approved, the project was not included in the accounts in its entirety. Once the project had been corrected so that the expenditure could be approved, it was again included in the accounts. For this reason, Article 8 reports have shown DKK 0.00. Repayments to the Regional Fund and the Social Fund until now total EUR 39 434.68, EU CONTRIBUTION Repayments to the Regional Fund and the Social Fund until now total EUR 39 434.68, EU CONTRIBUTION</p> <p>Repayments to the Regional Fund and the Social Fund until now total EUR 973 607.25, EU CONTRIBUTION Repayments to the Regional Fund and the Social Fund until now total EUR 973 607.25, EU CONTRIBUTION</p>	
EE	2.500.713,04	12.782,00 521.032,00 0,00 3.021.725,04 0,00
ES	14.862.669	N/A 178.679 N/A 15.041.348 N/A
EL	N/A	
FI	€ 22 962 782 (including interest) covering all types of funding)/	Damages - € 7 591 (S00349) € 1 557 364.09 (TUKI2000 and EURA data, figure includes corrections € 24 520 146.09 € 7 591 (damages)

Member State:	2.2.2. Amounts recovered in relation to anti-fraud investigations pertaining to programming period 2000-2006 and 2007-2013: Amounts recovered (excluding financial penalties and interests) Amounts of financial penalties					
FR	Not notified					
HU	Criminal proceedings are under way and therefore data are not available yet. Related to the financial penalties: In Hungary financial penalties can be imposed only by criminal authorities during the criminal procedure, but data are not available the sum of these penalties.					
IE	currently unquantified amounts included in an overall negative adjustment to EU claims (see note 1 below)	0	€31,343	plus		
	currently unquantified amounts included in an overall negative adjustment to EU claims (see note 1 below)	0	€31,343	plus		
	currently unquantified amounts included in an overall negative adjustment to EU claims (see note 1 below)	0				
IT	493 924 148.14 (figure subject to variation)	306 655.66 (figure subject to variation)	22 729 695.5 (figure subject to variation)	0		
	516 653 843.64 (figure subject to variation; figure does not include the total value of property seizures by the Guardia di Finanza in the context of criminal proceedings, which is € 322 181 684.00) 306 655.66 (figure subject to variation)					
LT	3.071.308,00	10.369.197,00	1.426.258	3.506.113,00	4.497.566,00	13.875.310,00
LU	"(ERDF) Fraud: 0 Irregularities: €44 000 (ESF) Objective 3: €5 240 370.56 Equal: €321 710.03" N/A "(ERDF) Fraud: 0 Irregularities: 0 (ESF) 229 719.14" N/A "(ERDF) Fraud: 0 Irregularities: €44 000 (ESF): 5 791 799.73" N/A					
MT	Amounts involved €133,000. Recovery was not applicable as amounts had neither yet been paid nor certified to the EU.					0
NL	€ 533.250,00	unknown	0	0	€ 533.250,00	unknown
AT	see above - AFIS/IMS evaluation	N/A	See above - AFIS/IMS evaluation	N/A		
PL	PLN 2 525 083.42	PLN 143 528.83	PLN 10 659 774.38	PLN 834 239.67	PLN 13 184 857.80	PLN 977 768.50
PT	530468057	N/A	67105720	N/A	597573777	N/A

Member State:	2.2.2. <i>Amounts recovered in relation to anti-fraud investigations pertaining to programming period 2000-2006 and 2007-2013:</i> <i>Amounts recovered (excluding financial penalties and interests) Amounts of financial penalties</i>
RO	N/A As a result of DLAF's investigations, the Managing Authorities made administrative recoveries amounting to EUR 76 895 N/A
SE	N/A
SI	0 The suspected criminal activities/fraud reported to the authorities responsible have not yet been the subject of a final judgment
SK	"EUR 441863.17 € 4064.25 of this amount were returned in 2011" 0 "EUR 1 509 920,63 € 1 501 961.76 of this amount were returned in 2011" 0 EUR 1 951 783.8. € 1 506 026.01 of this amount were returned in 2011 (Note: this amount consists of funds from the EU budget and not from the Slovak budget) 0
UK	SG:0; WG: 0; DFPNI: €1,050,000(PEACE II), DWP: N/K WG, SG:0, DWP: N/K; MMO/DEFRA: 0 SG:0; WG: 0; DFPNI: €632,272 (PEACE III) pending, DWP: 0 WG, SG:0, DWP: 0; MMO/DEFRA: N/A SG:0; WG: 0, DFPNI: €1,050,000 (excluding pending) WG, SG:0; DWP: 0; MMO/DEFRA: 0

Member State:	2.2.3. <i>Personnel assigned and involved in anti-fraud investigations:</i>
	2007 2008 2009 2010 2011 Total
BE	"OCRC: approx. 7 ESF: Art. 60 = 6 FTE on-the-spot checks FSED: 3 D2 EFRO VL: 3 FTE ERDF Brussels Capital Region: 0" "OCRC: approx. 7 ESF: Art. 60 = 6 FTE on-the-spot checks FSED: 3 D2 EFRO VL: 3 FTE ERDF Brussels Capital Region: 0" "OCRC: approx. 7 ESF: Art. 60 = 6 FTE on-the-spot checks FSED: 3 D2 EFRO VL: 3 FTE

Member State:	2.2.3. Personnel assigned and involved in anti-fraud investigations:					
	2007	2008	2009	2010	2011	Total
	ERDF Brussels Capital Region: 0" "OCRC: approx. 7 ESF: Art. 60 = 6 FTE on-the-spot checks FSED: 3 D2 EFRO VL: 3 FTE ERDF Brussels Capital Region: 0" "OCRC: approx. 7 ESF: Art. 60 = 6 FTE on-the-spot checks FSED: 3 D2 EFRO VL: 3 FTE ERDF Brussels Capital Region: 0" "OCRC: Here we are referring to full time equivalents and not physical persons: between 30 and 35 ESF: Art. 60 = 6 FTE on-the-spot checks FSED: 3 ERDF Brussels Capital Region: 0 "					
BG	17	48	73	66	64	N/A
CY	N/A - see explanation above					
CZ	15	16	16	17	17	
DK	3	3	3	3	3	3
DE	N/A					
EE	51	52	45	44	25	217
ES	6					

Member State:	2.2.3. Personnel assigned and involved in anti-fraud investigations:						
	2007	2008	2009	2010	2011	Total	
FI	150 person-years (Source: 'Cost of controls' report ERDF plus 50% (estimated ESF share)) 150 person-years (Source: 'Cost of controls' report ERDF plus 50% (estimated ESF share)) 150 person-years (Source: 'Cost of controls' report ERDF plus 50% (estimated ESF share)) 150 person-years (Source: 'Cost of controls' report ERDF plus 50% (estimated ESF share)) 150 person-years (Source: 'Cost of controls' report ERDF plus 50% (estimated ESF share)) 750 person-years						
EL	SDOE : 57 ; EDEL : 84 SDOE : 61 ; EDEL : 100 SDOE : 62 ; EDEL : 106 SDOE : 57 ; EDEL : 116 SDOE : 76 ; EDEL : 85 SDOE : 313 ; EDEL : 491						
HU	N/A						
IE	0 Fraud investigation undertaken by: An Garda Siochana (Police Force) - and the Management and Internal Audit Unit of FAS (Training and Employment authority) 0 Fraud investigation undertaken by: An Garda Siochana (Police Force) - and the Management and Internal Audit Unit of FAS (Training and Employment authority) 0 0 Fraud investigation undertaken by: An Garda Siochana (Police Force) - and the Management and Internal Audit Unit of FAS (Training and Employment authority)						
FR	All staff involved in systems audits and audits of transactions may be involved in anti-fraud operations.						
IT	594 (figure subject to variation) 805 (figure subject to variation) 745 (figure subject to variation) 747 (figure subject to variation) 743 3634						
LT	22 24 25 27 27 125						
LU	"(ERDF) Audit authority: 1 + 3 (subcontractors) Managing authority: 4 (ESF) 2" "(ERDF) Audit authority: 1 + 3 (sub-contractors) Managing authority: 4						

Member State:	2.2.3. Personnel assigned and involved in anti-fraud investigations:						
	2007	2008	2009	2010	2011	Total	
	(ESF): 2" "(ERDF) Audit authority: 1 + 3 (sub-contractors) Managing authority: 4 (ESF): 2" "(ERDF) Audit authority: 1 + 3 (subcontractors) Managing authority: 5 (ESF): 2" "(ERDF) Audit authority: 1 + 3 (sub-contractors) Managing authority: 5 (ESF): 3.25" "(ERDF) Audit authority: 1 + 3 (sub-contractors) Managing authority: 5"						
LV	55	56	57	62	63	293	- In addition, at the Prosecutor General's Office criminal proceedings are conducted by a single prosecutor, except in cases where an investigation team is established.
MT	2	2	2	2	2	2	
NL	0						
AT	N/A						
PL	972,3	1126,05	1187,9	1267,9	1343,65	Adding together staff numbers could be misleading given that, in each year, there is overlap between posts occupied by the same people working on the processes described. In this connection, it has been decided not to give the total number of staff assigned to anti-fraud investigations.	
PT	43	53	84	80	87	347	
RO	DLAF-22	DLAF-28	DLAF-28	DLAF-32	DLAF-25		
SI	0						
SK	51	45	63	46	112	317	(Note: this figure refers to the number of staff involved in "administrative anti-fraud investigations" indicated in the first part of point 2.2.1.)

Member State:	2.2.3. Personnel assigned and involved in anti-fraud investigations:					
	2007	2008	2009	2010	2011	Total
SE	3	3	3	3	1,5	Figures relate to man/years
UK	<p>SG: 2; WG: 0, DWP: Non-specifically; DCLG: 1.5; DFPNI: 0; MMO/DEFRA: 0.01 SG: 2; WG: 0, DWP: Non-specifically; DCLG: 1.5; DFPNI: 0; MMO/DEFRA: 0.1 SG: 2; WG: 0, DWP: Non-specifically; DCLG: 0.5; DFPNI: 0; MMO/DEFRA: 0.2 SG: 2; WG: 0, DWP: Non-specifically; DCLG: 0.5; DFPNI: 0; MMO/DEFRA: 0.2 SG: 7; WG:0; DWP: Non-specifically' 1.2; DFPNI: 0; MMO/DEFRA: 0.2 SG:10; WG: 0;, DWP: Non-specifically; DCLG: 5.2; DFPNI: 0; MMO/DEFRA: 0.7</p> <p>NOTES - Please see the additional notes submitted with the return. DWP has submitted a copy of their AN063 referred to across. DFPNI: For NI Programmes fraud detection is embedded in claim verification work, with staff not assigned solely to fraud detection. If fraud is suspected dedicated resources are then deployed. DWP: For ESF England & Gibraltar, MA has a protocol with the investigation team. This has been issued as Action Note 063 (AN063) to all colleagues and to customers of DWP.</p>					