



"Indirect funds: case studies and best practices in micro-territorial systems. Types of fraud and use of the Irregularity Management System - IMS".

EU Normative References

- * Council Regulation (EU) No. 1303/2013, Art.122, par. 2, Art.125, par. 4, letter c.
- * Commission Regulation (EU) No. 1970/2015 Art. 3 para. 1
- * Regulation (EU) No 1974/2015 Art.2 paragraphs 1,2, Art. 3
- * Regulation (EU) No 568/2016
- * EGESIF Guidance Note 14-0021-00 of 16/6/2014
- * Guidance Note EGESIF 15-0017-02 final of 25/01/2016 Guidelines for member states on amounts withdrawn, amounts recovered or to be recovered and amounts irrecoverable
- * Note ARES(2017)5692256 of 21/11/2017 Handbook on reporting irregularities under shared management



National Normative References

- * L.N. 241 of 07/08/1990 and ss.mm.ii.
- * Interministerial Circular of 12/10/2007 of the Presidency of the Council of Ministers Department of European Policies.
- * Explanatory notes to Resolution No. 13 of 07/07/2008 of the Presidency of the Council of Ministers Department of European Policies.
- * Guidelines on the modalities of communication to the European Commission of Irregularities and Fraud against the European Budget drafted by the Presidency of the Council of Ministers Department for European Policies Committee for the fight against fraud against the European Union.

Strategies to prevent and combat fraud and irregularities in the Lazio Region

- * D.D. G10790 of 28/07/2017 POR FESR Lazio 2014-2020 Approval of the document Description of the functions and procedures in place at the ADG and the ADC with which the Manual for the management of Irregularities and Recoveries was also approved
- * D.D. G13294 of 4/10/2022 POR FESR Lazio 2014-2020 Revision of the Document for the self-assessment of the risk of fraud for the POR FESR Lazio 2014/2020 of the Lazio Region in implementation of Article 125(4)(c) of Regulation (EU) 1303/2013.
- * D.D. G12150 of 15/09/2023 POR FESR Lazio 2014/2020 "Annual sampling plan for on-the-spot checks 2023 and its dissemination to the competent structures, in implementation of Article 125(5)(b), (6) and (7) of EU Reg. 1303/2013".

IRREGULARITIES AND RECOVERIES MANAGEMENT MANUAL

Those involved in various capacities in the control/verification activities are:

- * Offices responsible for 'RGA' operations (management checks)
- * Level I 'UC' control offices
- * Control Systems Area (Coordination of Level I controls and CUs)
- * Head Suivi (management checks)
- * Intermediate Bodies or, other managing bodies (during management verifications and Level I controls)
- * Managing Authority 'MA' (management verifications)
- * Audit Authority (during level II controls)
- * Certifying Authority (checks during certification of expenditure)
- * Beneficiaries (self-control)

Written objection

Within 10 days from the date of detection of the alleged irregularity, the verifier shall notify the Beneficiary of the initiation of the suspension procedure, inviting the Beneficiary to provide any clarifications and/or additional documentation within 30 days from receipt of the notice

Further verification

Within 10 days of receipt of the counter-deductions submitted by the Grantee, the preliminary investigation is carried out by means of appropriate checks on the additional documentation provided by the Grantee. If the documentary evidence is insufficient, on-site inspections and/or inspections are also carried out, in contradiction with the interested party and duly recorded. On-the-spot verifications must be recorded in the "**Verification and Irregularities Section**" by the person carrying out the verification.



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PROCEDURE FOR THE DETECTION OF IRREGULARITIES

Internal Bodies

Assessment

Once the irregularity has been ascertained, the Control Manager shall draw up the first administrative report and send it to the MA (CA) within 10 days from the ascertainment. The report must include the information required by Regulation (EU) No. 1970/2014. The check must always be recorded in the "**Verification and Irregularities Section**" of the computer system used by the Lazio Region, with irregular outcome, by the subject who carried out the check. In correspondence with each registered check, it is possible to associate one or more irregularities detected, therefore, it is mandatory to access the "**Irregularities Section**" to record the type of irregularity detected. Following the detection of the type of irregularity reported in the "**Verification and Irregularities Section**", the ASC records the relative data and information in the special "**Register of Irregularities**", even if the conditions for communication to OLAF do not exist, and notifies the RGA or RGA/OI for the activation of the possible recovery and decertification procedure.



PROCEDURE FOR THE DETECTION OF IRREGULARITIES

Internal Bodies

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Administrative Acts

The RGA will have to take the administrative steps following the finding of the irregularity.

Evaluation

The MA performs, through the Control Systems Area and following the irregularity report received, a purely formal assessment with the aim of verifying that the data and procedures indicated in the first administrative report are "of such consistency as to make prima facie well-founded the hypothesis that a breach of a Community or national rule has occurred, even if it is abstractly likely to cause damage to the Community budget".

This evaluation is an initial assessment of the elements/data set out in the first report, without prejudice to the possibility of revising or revoking the assessment communicated to OLAF following developments in the administrative or judicial proceedings.

Notification of outcome

The MA shall inform the bodies involved, which have forwarded the act or the report, and the RGA of the outcome of the decision taken, as to whether or not to forward the communication of the irregularity to OLAF.

The National and Community Authorities outside the management and control system are:

- * Presidency of the Council of Ministers DPS
- * MEF-IGRUE
- * Presidency of the Council of Ministers European Policy Department (GdF Nucleus)
- * Guardia di Finanza
- * Judicial Police Bodies
- * Court of Auditors
- * European Court of Auditors
- * European Anti-Fraud Office - OLAF
- * General Inspectorate of Finance
- * EC-DG Regio

The **external body** in the course of its control activity may come to the identification of one or more alleged irregularities.

Report of Findings

The establishment of an alleged irregularity entails the drawing up of an initial report in which the types of irregularities detected and the amount of the irregularity are indicated.

Transmission to the MA

The external body is required to notify the MA (CA) and the competent RGA of the start of the procedure for the detection of the irregularity. If the communication by the external body is made to only one internal subject, it shall also notify the other subject.

Administrative Acts

The competent RGA adopts, if necessary, the administrative acts following the assessment initiated by the external parties (Suspension, Revocation, Recovery, etc.). At the same time it informs the MA of the measures taken.

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The MA performs, through the Control Systems Area and following the irregularity report received, a purely formal assessment with the aim of verifying that the data and procedures indicated in the first administrative report are *"of such consistency as to make prima facie well-founded the hypothesis that a breach of a Community or national rule has occurred, even if it is abstractly likely to cause damage to the Community budget"*.

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The MA shall inform the bodies involved, which have forwarded the act or the report, and the RGA of the outcome of the decision taken, as to whether or not to forward the communication of the irregularity to OLAF.

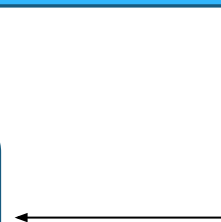
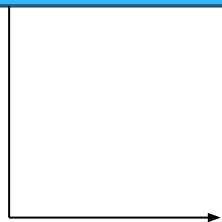
Registration of controls on the computer system

Every check carried out for each operation must be recorded in the Management, Monitoring and Control Information System used by the Lazio Region:

The procedures for
validating the expenses of
each application for
reimbursement

Of the controls external to
the validation procedure

Checks and Irregularities Section -
Register of Irregularities



Examples of cases detected in the 2014/2020 programming period

For the 2014/2020 Programming period, the MA, through the Control Systems Area, reported on the IMS system 12 irregularities, all sent to OLAF as "**closed files**", for a total amount of € 1,058,839.41, of which:

- ❖ 552,621.76, decertified to the E.U. and returned by the relevant Beneficiaries;
- ❖ € 506,217.66, decertified to the E.U., not yet returned by the relevant Beneficiaries. In this regard, it is specified that judicial measures and/or legal actions have been taken, which the Lazio Region will monitor and promptly notify their outcome, in order to recover the amounts unduly received by the Beneficiaries.
- ❖ The irregularities recorded on the IMS system, to date, do not concern fraud or suspected fraud.

Examples of cases detected in the 2014/2020 programming period

Project A0297E0023 financed under Axis 3, Action 3.1.3 - Attraction of investments through financial support, capable of ensuring a spill-over effect on SMEs at territorial level:

- * Method of verification: Level II control - Regional Audit Authority;
- * Final Audit Report on the operation, in which the AA found an irregularity in the implementation of the project, applying a financial correction of € 133,978.97 for non-compliance with the conditions set forth in Article 5, paragraphs 2 and 3, and Article 7, paragraph 2, letters b) and c) of the Public Notice;
- * Managerial determination of partial revocation and recovery of the irregular amount;
- * Deduction (decertification) and consequent financial correction by the CA of the irregular amount from the Chart of Accounts, referring to the accounting year 01/07/2021 - 30/06/2022, transmitted to the E.U. on 24/02/2023;
- * Inclusion of the irregularity in the IMS system, pursuant to the provisions of Reg. (EU) No 1303/2013, art. 122, paragraph 2, and Reg. (EU) No 1970/2015, art. 3, paragraph 1, and No 1974/2015, art. 2, paragraphs 1 and 2 and art. 3, sent to OLAF on 28/09/2023.

THANK YOU FOR YOUR ATTENTION

Agnese Gnessi

Regional Directorate for Economic Development,
Productive Activities and Research

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