

Risk based Management Verification Methodology

*Sampling operations, payment claims and expenditures
in a simple and effective way*

15-17 November 2023

Athens

By Goran ZAKANJI and guests
Teja FLORJANCIC



Goran ZAKANJI

Audit Authority – Head for ESF, FEAD, ESS and ERASMUS+

- Trainer on audit, internal controls, fraud and sampling
- International Expert:
 - Support to the Office of the Auditor-General in Zambia-Component Leader
 - Improvement of Budgeting System, multi-annual budget framework and Public Internal Financial Control System in Montenegro – Component Leader
 - Strengthening Budget Planning, Execution and Internal Control Function in Ministry of Finance in Macedonia
 - Support to development of an effective internal control and audit environment in public sector in Moldova
 - Further development and strengthening of the organizational, administrative and technical capacities of the Audit Authority of Macedonia
 - Implementation of a modern Financial Management and Control System and Public Financial Inspection in Albania
 - Support to the capacity building of the Audit Authority, Serbia
 - Technical Assistance and Information Exchange instrument of the European Commission (TAIEX) expert
 - Strengthening of Audit Authority of Montenegro
- Leading the EC working group for simplification «Management verifications and proportionate control»
- Member of the EC working group «Increasing efficiency of audit activities by making best use of management verifications»



Teja Florjančič

Certified Internal State Auditor

Currently:

- Leader of Audit of operations for Cohesion Fund, ERDF and ESF
- Leader of System Audits
- Specialised in:
 - Financial Instruments
 - Public Procurement
 - Indicators
 - Simplified Cost Options

Formerly:

- Implementation of ESF projects
- Management verifications
- IT System administration

Better Risks Management

Sampling operations, payment claims and expenditures in a simple and effective way

- Learning objective
 - Concrete application and updates of your Risk-based Verification Methodology
 - Practical guidance to evaluate and improve your risk management system for administrative and on-the-spot checks including special risks and risks of fraud
- Learning points
 - To create systematic understanding of risk management concept
 - To tackle in concrete the identification of generic / specific risks and data needed for assessment
 - To ensure the full scoring and weighting of risks factors
 - To make sampling of operations, PC and expenditures (case studies and examples)
 - To set up a full action plan of mitigation actions / corrections
 - To reinforce ex-ante risks management
 - To improve on-the-spot checks
 - To ensure full risks-based strategy for selection of operations / expenditures
 - To update and take steps in case of non tolerable error rate
- Special points
 - Direct integration of latest guidance from EC
 - Lecture, practical examples from countries all over Europe
 - Case studies
 - Templates to be used directly during and after the training

Better Risks Management

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DAY 1 : Making identification of risks and risks factors

Morning session *
9.30am to 12.30pm

Step 1: The new expectations for the 2021-2027 period

- New risks-based administrative and on-the-spot checks
- New application of professional judgement
- New order of verification and specific risks associated
- Specifications for ESF+ and ERDF and ETC / Financial and territorial instruments

Step 2: The Initial risk assessment definitions and methods

- Identification of risks and risks appetite
- Classification of risks and risks factors
- Specific EU funds risks v. IFAC standards
- Scoring of likelihood and impact
- The specific risk assessment methodology (examples)

Lunch from 12.30pm to 2.00pm

Afternoon session
2.00pm to 4.30pm

Step 3: Case study

- Identification and classification of risks
- The risks factors and criteria associated
- The specific fraud risk assessment system
- Risks-based checks: introduction and concrete case work on the strategy of checking at operation, Payment Claims, expenditures and on-the-spot levels

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DAY 2 : Ensuring sampling of costs, payment claims and operations

Morning session

9.00am to 12.30pm

Exercises in group : workshop

Practical cases : selection of operations and expenditures to be verified

- Screening of risks and sample sizes
- Case 1 : Methods and exercises about sampling operations and payment claims
 - Identification, scoring & weighting of risks
- Case 2 : Sampling of expenditures
 - Clusters, cut-off and random checks
 - Discussion based on case work
- Case 3 : control risks at MA/IB levels
 - Specific sampling and quality checks

Lunch from 12.30pm to 2.00pm

Afternoon session

2.00pm to 4.00pm

Step 4: Specific focus on specific risks (Simplified Costs options, State Aid, Public procurement, conflict of interest, risks of fraud...)

- Options and success conditions at inputs and outputs levels
- Specific risks at operation and expenditure levels
- Case studies
- Consequences for the contract and beneficiaries audit trail
- Lessons to be learnt for Managing Authorities / IB and audit authorities
- Possible corrections and consequences for the whole system

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DAY 3 : Adapting systems and tools to the new expectations

Morning session

9.00am to 12.30pm

Exercises in group : risks & mitigation of actions workshop

Practical consequences on the Management and Control system (walk-through):

- Risks identification and scoring during appraisal and selection : data collection
- Up-dating scoring and sampling coverage : IT tools
- Payment claims checks : sampling and 100%
- On-the-spot checks : sampling and announcement
- On-the-spot checks : specific risks sampling
- Mutual understanding with Auditors
- Risks managers v. verification officers

Lunch from 12.30pm to 2.00pm

Afternoon session

2.00pm to 4.00pm

Step 5: Full action plan

- Concluding on risks and issuing a clear risks methodology
- Improvement of control systems and cost-effective controls
- Conditions for successful introduction and implementation of SCOs
- Changes for the officers and daily jobs
- Focus on Annual reports & dealing with the Management Declaration of Assurance

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Days	Total net amount €	Discounts	Including
Face-to-face			
3-day	1305	15% early registration (up to 2 months before the event) ; 10% for 2 or more participants from the same institution	breaks, lunches, full access to ETCP platform and quizzes, certificate of qualification
discounted 10%	1174,5		
discounted 15%	1109,25		

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