



# A NEW LEAF Project

Agricultural Network  
Exchanging Witnesses  
and Leading Experiences  
Against the Fraud

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It was established to promote activities in the field of the protection of the financial interests of the European Union.  
(for more information see [http://ec.europa.eu/anti\\_fraud/about-us/funding/index\\_en.htm](http://ec.europa.eu/anti_fraud/about-us/funding/index_en.htm))'



# MEASURE 121

## RISK ANALYSIS

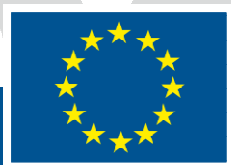
- TWO CASES -

Padova, September 23<sup>rd</sup> 2015

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## **RISK n.1**

### **Category – ELIGIBLE INTERVENTION**

**Case of  
NON-ELIGIBLE INVESTMENTS**



## RISK n.1

### Category – ELIGIBLE INTERVENTION Case of NON-ELIGIBLE INVESTMENTS

#### Examples

NON-ELIGIBLE INVESTMENTS

#### **Request for contribution for investments made in order to comply with requirements of EU legislation**

EU regulations state that some interventions, such as physical/architectural barriers, the Nitrates Directive or animal welfare should be taken place without Community contribution

#### **Request for contribution for simple replacement investments**

- EU Regulation provides that investments are not mere replacement: the machines that replace the existing should be an improvement
- The investment has to justify an increase in productivity, or technological innovation



## RISK n.1

### Category – ELIGIBLE INTERVENTION

#### Example n.1 - Request for contribution for investments made in order to comply with requirements of EU legislation

#### CONTROL DESCRIPTION

On the basis of the investment, the Agency requires specific documentation to support the fact that the company already complies with the legislation

- Nitrates Directive: PUA request presented to the province (**A**gronomic **U**se **P**lan for fertilizer)
- Animal welfare: findings made by the veterinary services
- Etc.

#### PREVENTING MEASURES

Develop an anti-fraud strategy at every Agency's level (using the models created during the “ A New Leaf” events)

Raise awareness of the employees by organizing specific training courses

#### RED FLAGS

Types of intervention that requires specific controls – The controllers take care to deepen the documentation when the application requires particular types of measures

- For example in Nitrates Directive, when interventions include the construction of facilities for the storage of waste or for hygiene when in the workplace are required changing rooms or bathrooms inside the factory

NON-ELIGIBLE INVESTMENTS



## RISK n.1

### Category – ELIGIBLE INTERVENTION

#### Example n.2 - Request for contribution for simple replacement investments

#### NON-ELIGIBLE INVESTMENTS

### CONTROL DESCRIPTION

The Procedural guidelines (Regional Council) define which investments are not considered as replacement, i.e.:

- Replace equipment similar with more than 10 years
  - Restructuring with change of use of laboratories
  - Renovation of buildings which cost more than 50 % of the value of the building
  - Etc.
- Administrative investigation on the application (attachments and any requests for integration)

### PREVENTING MEASURES

- Make available to the beneficiaries, the lists of non-eligible investments: currently it puts in the notice the reference to the procedural addresses.
- Develop an anti-fraud strategy at every Agency's level (using the models created during the “A New Leaf” events)
- Raise awareness of the employees by organizing specific training courses



## RISK n.1

### Category – ELIGIBLE INTERVENTION

#### Example n.2 - Request for contribution for simple replacement investments

NON-ELIGIBLE INVESTMENTS

#### RED FLAGS

- Renovation of buildings
- Not submitting the list of existing machinery
- Equal machinery in replacement
- No link between the renovation construction included in the plan, which should indicate the purpose of the restructuring, and new machinery to be installed in the building



## RISK n.2

### Category – FINANCIAL REPORTING

DOUBLE FUNDING

Case of  
**DOUBLE FUNDING**





## **RISK n.2**

### **Category – FINANCIAL REPORTING**

### **Case of DOUBLE FUNDING**

### **Example**

**In order to obtain refunds, the costs are accounted on more than one application for different financing funds**

Some beneficiaries submit their applications at several institutions to choose later the most favorable

- The beneficiary **MUST** choose only one funding body
- In some cases there are long lead times for cross-checking Agency with other bodies
- Some farmers take advantage of this situation

**DOUBLE FUNDING**



## RISK n.2

### Category – FINANCIAL REPORTING

**Example - In order to obtain refunds, the costs are accounted on more than one application for different financing fund**

#### CONTROL DESCRIPTION

- Document check for a written waiver of any other funding by the beneficiary during the eligibility of the application or at the time of payment
- Paying Agency stamp on the original paper invoice submitted, to make it unusable for other financing

#### PREVENTING MEASURES

- Creation of a common database for all institutions that manage the funds, or a better exchange of information between institutions
- Before the payment, the beneficiary sign a declaration stating that he is not receiving contributions from other bodies

#### RED FLAGS

Mismatch between declaration of not having submitted another application for funding of the beneficiary and cross-checks with other agencies (preliminary administrative control of the claim).

DOUBLE FUNDING



## A NEW LEAF – HERCULES III Project

**Thank-you for the attention...**

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