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European Regional Development Fund
Investing in a Smart, Sustainable and Inclusive Future



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Investing in a Smart, Sustainable and Inclusive Future

SCOTTISH GOVERNMENT MANAGEMENT & CONTROL SYSTEM 2014-2020 EUROPEAN STRUCTURAL AND INVESTMENT FUND PROGRAMMES



Scottish Government
Riaghaltas na h-Alba
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Version Control

Date	Issue	Change Made	Author
12.07.16	1.0	First Issue at Designation	David Anderson
07.11.17	1.1	Review of MCS Main Text	Tracey Gillon
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05.03.2020	3.1	MCS Review March 2020 – <ul style="list-style-type: none"> • 1.2 Publication of MCS date • 1.3.3 AA Details • 2.1.5 New Section on Risk Mitigation • 2.2.1 Organogram, adding RST, adding note on Retrospective Unit Cost Exercise • 2.2.2 Unit Cost and minor text changes • 2.2.3.4 Updated diagram – SIs • 2.2.3.4 Updated diagram - Operations • 2.2.3.7 Unit Cost text added • 2.2.3.8 Unit Cost text added • 2.2.3.15 Training Section updated • Adding Annex 1 text throughout and adding link to Annex at end of document 	Tracey Gillon, Eilidh Steele, Hilary Pearce, William Gorman
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03/05/2021	6.0	Final (Published)	

SECTION 1 - GENERAL OVERVIEW

1.1 Information submitted by:

The Member State is the United Kingdom

The formal authorisation enabling the Scottish Government (SG) to operate and manage European Structural and Investment Funds (ESIF) Programmes derives from the Scotland Act 1998 which devolves authority to the Scottish Parliament and Administration. Schedule 5 of the Scotland Act 1998 sets out which powers are reserved to the United Kingdom Government under the devolution settlement including foreign policy.

This Management and Control System covers the following programmes

- European Regional Development Fund (ERDF) Scotland, CCI No; 2014UK16RFOP004
- European Social Fund (ESF) Scotland, CCI No; 2014UK05M9OP002

The main point of contact for coordination of this document is:

Hilary Pearce
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1.2 The date of the Management and Control System (MCS) is July 2016, updated 8th March 2018, 23rd September 2019, 30 March 2020, and 3rd May 2021.

1.3 System Structure

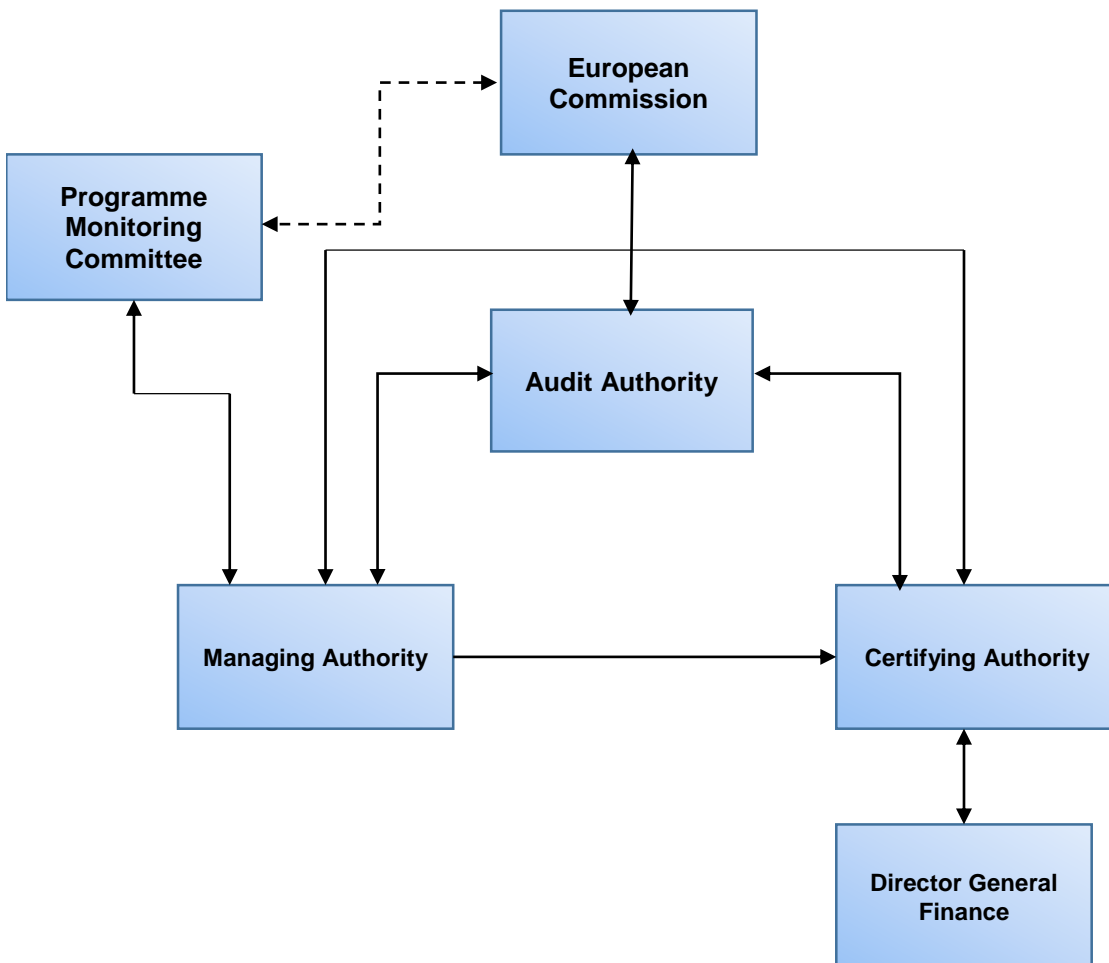
For the ERDF and ESF programmes the functions of the Member State are undertaken by the European Structural Fund and State Aid Division (ESFSAD), a division of the Directorate for Economic Development within the Directorate-General Economy of the SG. This reflects the governance arrangements following devolution and the establishment of the Scottish Parliament and SG. The SG has primary responsibility for the implementation of the funds and for their sound financial management. The SG accepts the responsibility for preventing and detecting ineligible expenditure and for appropriate recovery of funds.

The Head of the ESFSAD is responsible for the MCS and the functions detailed within it. Any proposal to depart from the processes and procedures set out in the desk instructions will be authorised at a minimum of Deputy Director level. All desk instructions listed in the accompanying annex (**Annex 1**) are subject to review and change as and when required and may be published out-with this main text document. This will be fully version controlled on the individual documents. The timelines and requirements prescribed around each function (and contained within the individual desk instructions) may also be subject to change and

extension, as directed by the EC in exceptional circumstances, e.g. Local or National Emergency (when triggered by the UK or Scottish Governments).

Annex 1 captures the workflow and key documents to undertake each of the functions associated with managing European Structural and Investment Funds. An Annual Review will be carried out into the continued effectiveness and detail of this Management and Control System and updates will be agreed between the Managing Authority (MA) and Audit Authority (AA) before being used. The individual sections will be maintained by the relevant body, i.e. MA, Certifying Authority (CA) and AA.

The main reporting lines between the Managing, Certifying and Audit Authorities, and the European Commission are shown below. This also shows the relationship between the Managing Authority and the Programme Monitoring Committee (PMC). The CA works independently of the MA and therefore separation of functions is assured. The CA has a reporting line to the Director General (DG) Finance of the Scottish Government.



1.3.1 Managing Authority

The Managing Authority is arranged with a team for each Programme growth principle of Sustainable, Smart and Inclusive, a Governance and Policy Team, a Procurement Team, Regulation Support Team, and a Programme Performance Team. The contact details for the team leaders are set out below and may change from time to time.

Sustainable Growth and Procurement Team

Sustainable - Low Carbon Economy, Low Carbon Transport, 8th City, Digital, Resource Efficient Circular Economy, Green Infrastructure
Procurement Team – Procurement Checks on Operations.

Head of Sustainable Growth and Procurement Team: Jim Millard
Tel:+44 131 244 1101 Jim.Millard@gov.scot

Smart Growth Team

Smart 1 - Developing Scotland's Workforce, Youth Employment Initiative
Smart 2 - Business, Innovation, Finance

Head of Smart Growth Team: Alan Coleman
Tel:+44 131 244 6831 Alan.Coleman2@gov.scot

Inclusive Growth Team

Inclusive 1 – Employability
Inclusive 2 – Social Inclusion and Combating Poverty

Head of Inclusive Growth Team: Lynda Smith
Tel:+44 131 244 1109 Lynda.Smith@gov.scot

Governance and Policy Team

Head of Governance and Policy Team: Ryan Gunn
Tel:+44 131 244 1239 Ryan.Gunn@gov.scot

Regulation Support Team

Head of Regulation Support Team: Eilidh Steele
Tel: *44 131 244 1095 Eilidh.Steele@gov.scot

Programme Performance Team

Head of Programme Performance Team: Tracey Gillon
Tel:+44 131 244 6819 Tracey.Gillon@gov.scot

While the MA and CA are both staffed with SG officials the MA does not carry out any functions of the CA and is therefore not also designated Certifying Authority as per Article 123(3) of Regulation (EU) No 1303/2013.

1.3.2 Certifying Authority

Head of Certifying Authority: Nigel Thomas
Tel:+44 131 244 6818 Nigel.Thomas@gov.scot

1.3.3 Audit Authority

The Scottish Government's Internal Audit Directorate (IAD) is the Audit Authority (AA) for Scotland for both the ERDF and ESF structural fund programmes. Acting as the Audit Authority, IAD performs the functions required under Article 127 of Regulation (EU) No. 1303/2013. No other bodies undertake or are responsible for Audit Authority functions in Scotland.

The Audit Strategy provides details of the AA professional standards; independence and responsibilities and is based on Commission guidance as set out in the Commission document Guidance for Member States on Audit Strategy EGESIF, 14-0011-02 final 27/08/2015. The Audit Strategy further provides a detailed descriptions on how the AA will undertake work in relation to:

- Overall risk assessment of the MA, CA and Operational Programmes
- Audits on the functioning of the MCS (Systems Audits)
- Audits of Operations (on the spot visits)
- Sampling methodology deployed
- Audit of the Accounts
- Audit of performance data
- Audit of the Management Declaration

The implementation of the Audit Strategy will be regularly monitored by the IAD senior management team and updated annually to take account of key risks, issues and regulatory developments.

The main contact and Head of the Audit Authority is:

Sharon Fairweather
Director of Internal Audit and Assurance
Scottish Government Internal Audit Directorate
3D North, Victoria Quay.
Tel: +44 131 244 7416 directorofinternalauditandassurance@gov.scot

To enable IAD to fulfil their responsibilities under the 2014-2020 Programme an appropriately resourced, new ring-fenced EC Funds Unit has been created.

1.3.4 Intermediate Bodies

There are no Intermediate Bodies in either Programme. This is set out in 2.1.3.

1.3.5 Article 123(5) of Regulation (EU) No 1303/2013 and separation of functions between MA/CA and AA

While all authorities are part of the SG, separation of functions is maintained between the CA, MA and the AA. The AA is part of SG Internal Audit Division, which is overseen by DG Finance. It is functionally and hierarchically independent of the ESFSAD. The Head of the CA and the leaders of the growth teams report directly and separately to the Head of the ESFSAD. The Head of CA has a reporting line to DG Finance which further demonstrates their functional independence. This is explained in the diagram at 1.3.

1.3.6 European Territorial Co-operation (ETC)

Coordination of UK participation in ETC programmes is the responsibility of the Department for Communities and Local Government (DCLG). DCLG authorises the appointment of First Level Controllers for individual project partners and organises Second Level Controls. National Contact Points, tasked with promoting individual programmes, will form part of a Contact Point Unit to be set up by DCLG. Scottish Government liaises closely with DCLG and the other Devolved Administrations on these arrangements but has no direct or immediate responsibilities.

Scottish Government is not a Managing or Certifying Authority or Joint Secretariat for any ETC Programmes. The European Territorial Co-operation Team within ESFSAD engages in ETC Programmes through participation in monitoring and steering committees and supporting stakeholder participation in Projects and Programmes.

SECTION 2 - MANAGING AUTHORITY

2.1 Managing Authority and its main functions

2.1.1. The status of the managing authority (national, regional or local public body or private body) and the body of which it is part.

As the designated MA, the SG is responsible for the efficiency and probity of the management and implementation of the programmes. The European Structural Funds and State Aid Division is responsible for discharging all the obligations and verifications required in Article 125 of Regulation (EU) No 1303/2013 and Regulations 1304/2013 and 1301/2013 of the European Parliament and of the Council which pertain to the delivery of the ESIF programmes for ESF and ERDF in Scotland. The MA is deemed a National Body.

2.1.2. Specification of the functions and tasks carried out directly by the managing authority.

- 1) Management of the operational programmes
 - a) support the work of the Programme Monitoring Committee
 - b) draw-up and submit annual and final implementation reports
 - c) make information available to beneficiaries that is relevant to the execution of their tasks, including guidance and procedures
 - d) operate a system to store all appropriate data in computerised form
 - e) ensure that data is collected, entered and stored

- 2) Selection, appraisal and approval of operations in line with the operational programmes and community rules
 - a) draw up appropriate selection criteria
 - b) prepare application form and guidance
 - c) assess and approve operation applications
 - d) issue an offer of grant setting out conditions of support including specific requirements of delivery under the operation
 - e) ensure that the operation falls within the scope of the Fund

- f) satisfy itself that the operation has the administrative, financial and operational capacity to fulfil the conditions of the operation
 - g) satisfy itself that, where the operation has started before the submission of an application for funding to the managing authority, applicable law relevant for that operation has been complied with
 - h) ensure that operations selected for support from the Funds do not include activities which have been part of an operation which has been or should have been subject to a procedure of recovery
- 3) Financial management and control of the operations
- a) payment of claims
 - b) ensure beneficiaries maintain a separate accounting system or adequate accounting code for transactions relating to an operation
 - c) put in place effective and proportionate anti-fraud measures taking into account the risks identified
 - d) carry out administrative verifications in respect of each claim
 - e) carry out on-the-spot verification of operations
 - f) put procedures in place to ensure that there is an adequate audit trail relating to all documents regarding expenditure and audits
 - g) draw up the management declaration and annual summary
 - h) verify that the co-financed products and services have been delivered and that the expenditure declared by the operation has been paid and complies with applicable law, the operational programme and the conditions for support of the operation

The MA does not carry out any functions of the CA. Section 3 describes the CA and its main functions and organisation.

2.1.3. Specification of the functions formally delegated by the managing authority, identification of the intermediate bodies and the form of the delegation (underlying that the managing authorities maintains the full responsibility for the delegated functions), under Article 123(6) and (7) of Regulation (EU) No 1303/2013. Reference to relevant documents (legal acts with empowerments, agreements). Where applicable, specifications of the functions of the controllers foreseen in Article 23(4) of Regulation (EU) 1299/2013, for European territorial cooperation programmes.

The MA has not formally delegated any of its functions or tasks to an intermediate body under Article 123(6) and (7) of Regulation (EU) No 1303/2013. Within this Programme, Scotland also does not have a controller function for any of the ETC programmes in which it is involved.

The MA has chosen to clarify the internal control functions which should be operated by a LP to ensure that the Strategic Intervention they deliver are delivered in a manner which is compliant with the Regulations. All documentation provided to the LP should be read in this manner. This in no way delegates responsibility or authority for actions required by the MA and all first line checks for legality and probity remain, at all times, the responsibility of the MA.

2.1.4 Description of the procedures for ensuring effective and proportionate anti-fraud measures taking account of the risks identified, including reference to the risk assessment carried out (Article 125(4)(c) of Regulation (EU) No 1303/2013).

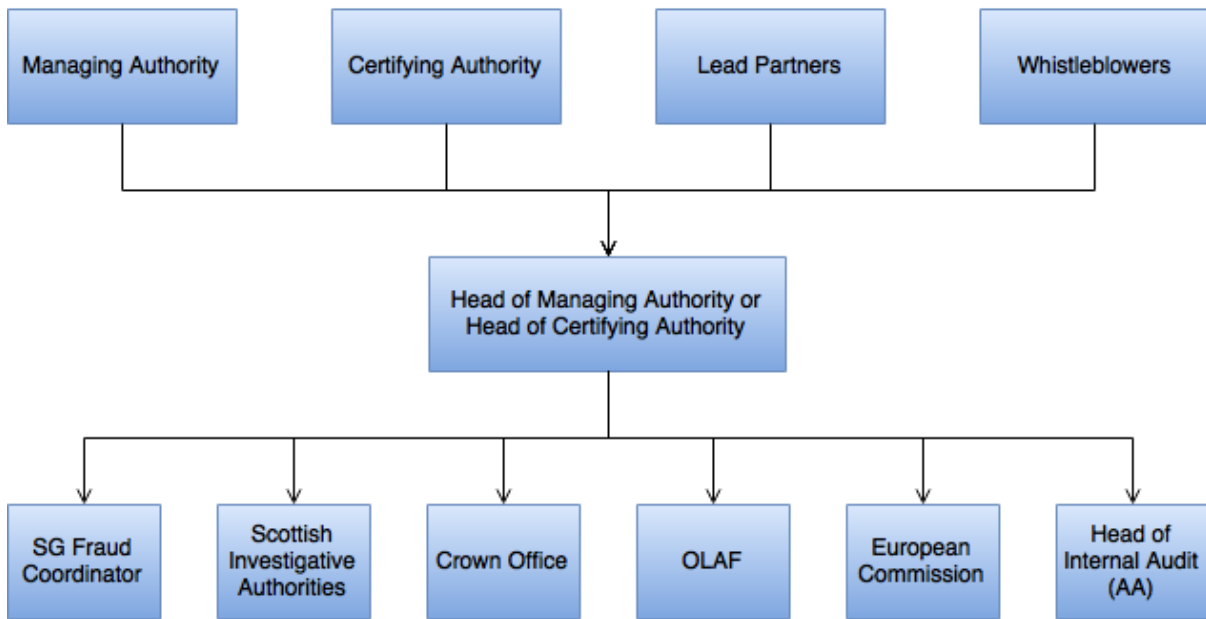
The anti-fraud measures set out are:

- the programmes are developed using a risk-based system to ensure adequate and proportionate preventive measures are in place to mitigate the residual risk of fraud to an acceptable level
- anti-fraud measures will be structured around the four key elements of: prevention, detection, correction and prosecution
- a fraud risk assessment has been undertaken to identify the impact and likelihood of fraud risks relevant to the key processes in the programmes. The fraud risk assessment will be updated annually. Responsibility for the result of the fraud risk assessment and actions arising rests with the Head of the MA.
- the anti-fraud plan arises from the fraud risk assessment and is aimed at ensuring measures are in place to deal with suspected and detected cases of fraud. Guidance will confirm the clear reporting mechanisms on both suspicion of fraud and also control weaknesses ensuring sufficient co-ordination with the AA, Scottish investigative authorities as appropriate, the Commission and OLAF
- appropriate processes are in place and detailed in Division's Suspected Fraud Response Plan for following up any suspected cases of fraud and related recoveries of EU funds spent in a fraudulent manner. Processes, procedures and controls connected to the potential or actual fraud will be reviewed and fed into the fraud risk assessment follow-up reviews

The Fraud Risk Plan (**Annex 1**) sets out

- anti-fraud Policy Statement
- anti-fraud Mission Statement
- approach to tackling fraud
- review processes
- reporting processes
- promotion processes
- conflicts of interest
- the Suspected Fraud Response Plan

Fraud Reporting



2.1.5 Strategic Risk Management and Mitigation

The Head of the Managing Authority is responsible for overseeing the management of strategic risks associated with European structural funding, including providing regular monthly updates to the Directorate risk register, the divisional risk register, risk reports to the ESF Joint Programme Board, escalation of risks where required to SGACC, and, for financial risks to Scottish Government's Chief Financial officer through close liaison with the division's Finance business partner. Political and reputational risks are managed in consultation with Scottish Ministers and special advisers and through close liaison with external representative organisations including Cosla and SCVO. Risks to resourcing capacity is managed through the MA Resourcing Plan and through close liaison with the Director and HR business partner.

Within the Managing Authority, risk to the delivery of programmes are managed and mitigated at every stage of the process for disseminating funding and monitoring delivery. Growth team staff hold regular portfolio meetings with all lead partners at which any actual or potential risks to delivery are discussed and action taken to mitigate the risk. Risk considerations and scoring is an integral part of all applications at Managing Authority Approval Panel meetings and are discussed at Programme Monitoring Committee and Highlands and Islands Territorial Committee meetings. The mandatory training courses on tackling fraud, information and asset management all include risk modules and are undertaken by all staff. These are recorded on the Divisional training matrix by the dedicated Training team within the division.

The work of the Managing Authority has interdependencies with that of the Certifying Authority and Audit Authority and State Aid Team. These are continually monitored and assessed through collaborative working and liaison.

The risks to the programmes are highlighted at the correct levels and are managed and mitigated through applying effective and efficient processes, reinforced by robust and regular staff training, and a clear and consistent working culture.

2.2 Organisation of the Managing Authority

2.2.1 Organisation and specification of the functions of the units

Skills Requirements

The MA is staffed with SG employees having a mix of skills, abilities and knowledge of the delivery of the Structural Fund programmes. Each post is allocated a specific staff grade based on the existing SG HR policy which defines the various responsibilities which can be carried out by staff employed at each grade. This policy sets out the competencies which are required by grade. The number, size and complexity of the programmes together with the roles set out within the detailed instructions of this MCS inform the number and grades of staff needed to ensure the effective delivery of the Programme. Managers within the MA use their experience of the programmes to agree the number and grades of staff with the Head of the MA who is responsible for ensuring these resources are made available

The Head of the Managing Authority, is the Deputy Director for ESFSAD and is a Senior Civil Servant.

The Team Leaders are C grade staff and are experienced operational line managers. The teams are staffed with a mix of B grade staff. The B3 and B2 grades are experienced managers and staff developing skills in this area. The B1 staff are experienced officers. A proportion of the staff have been involved in the previous management and delivery of the programmes and this, combined with staff new to Structural Funds, will bring a balance of existing delivery knowledge coupled with new approaches and ways of working.

The particular skills required for the delivery of the programme include project appraisal, compliance and monitoring and evaluation. Staff appointed to roles within the MA will either have these skills on appointment or develop a training programme to ensure they are developed to a level to ensure efficient delivery of the Programme. Staff new to these roles are supervised by an experienced member of the MA which ensures the consistent delivery of these functions. Where appropriate, MA staff may attend as observers visits carried out by the AA to enhance their understanding of the way in which the AA works and to learn from their approach.

The SG performance management system requires that individual training needs are managed through Personal Learning Plans which are reviewed annually as part of the staff appraisal. Additionally the training programme set out in 2.2.3.15 ensures that staff are trained in these skills for this programme

Where specialised skills are required, for example in the field of State Aid, Finance, Procurement, Analytical and Legal Services and Information Technology these will be sought from resources held by the SG. The SG is of a scale where all skills are available and where not, can be procured externally.

An organogram showing the structure of the European Structural and Investment Fund Teams is available at **Annex 1**.

Managing Authority

The structure, capacity and capability of the Managing Authority is set out and managed through the MA resourcing Plan.

The organogram shows that the MA is split in to three growth teams, a Governance and Policy Team, Procurement Team, Programme Performance Team and a Regulation Support Team.

Each of the growth teams is led by a C1 Team Leader focused around one of the three major European themes:

- Smart Growth
- Sustainable Growth
- Inclusive Growth

Each team divide the specific thematic objectives amongst the team and a specialist team be devoted to specialist roles. Each of these units (Smart 1, Inclusive 2 etc) is led by a B3 Senior Manager. The thematic units are multi-functional and comprise staff with compliance, verification and portfolio management knowledge and expertise. The focus and functions of these teams is detailed below.

Smart Growth Team

Smart 1 – Developing Scotland’s Workforce, and Youth Employment Initiative
Smart 2 - Business, Innovation, Finance

Sustainable Growth Team

Sustainable 1 – Low Carbon Economy, Low Carbon Transport
Sustainable 2 - Resource Efficient Circular Economy, Green Infrastructure, 8th City (Digital)
Procurement Managers

Inclusive Growth Team

Inclusive 1 – Employability
Inclusive 2 – Social Inclusion and Combating Poverty

The growth team functions ensure that the MCS is fully adhered to in the implementation of the Structural Fund Programmes in Scotland. The focused growth teams consist of multi-functional posts, and will;

- be the first point of contact for the submission of applications for Structural Funds support, ensuring compliance with the EU Regulations and operational programmes
- communicate to Lead Partners that all relevant guidance and application forms are maintained on the SG web site
- be responsible for submitting applications to the Scrutiny & Risk Panels – see 2.2.3.4 for details
- issue grants agreements
- ensure timeous submission of claims for reimbursement by the LP
- ensure units being claimed under Commission Delegated Regulations are eligible and have been delivered
- undertake Article 125 visits (administrative and on-the-spot)
- ensure that any irregular expenditure is removed and that supported actions are implemented in line with their approved applications
- prior to an expenditure declaration on the Scottish Structural Funds Programmes, the Growth Teams will liaise with the CA in respect of their Thematic Objectives, to ensure that any issues raised in the management verifications have been fully addressed
- where recoveries are identified, will ensure that these have been fully actioned.
- be responsible for reporting to the CA, AA and EC on any activity relating to approved applications

There are only two instances where the MA would be considered a beneficiary:

Technical Assistance

Technical Assistance (TA)_claims would be in relation to Technical Assistance (TA) claims against ESF staff costs. TA is only claimed against staff who work 100% of their time in the delivery of the ESF programmes, which is effectively all staff in the MA. No TA is claimed against the costs of Deputy Director and the CA. TA claims are processed in the following order:

- the claims are prepared by the Finance Team (Divisional BCLO) who provide the MA (Stakeholder Engagement and Governance Team) with details of the claim, in the agreed template, along with all evidence including payroll report, unit costs calculation and any invoices relating to the claim
- the Stakeholder Engagement and Governance Team after checking will submit the claim on EUMIS
- the MA (Sustainable Growth and Procurement) will then check the accuracy of the claim by reviewing all the submitted evidence.
- once the claim is verified and approved on EUMIS, the MA will send an internal journal transfer request to the Directorate's Business Management Team to arrange payment.

Retrospective Unit Costs Exercise

As part of the 2017 and 2018 Early Preventive System Audit (EPSA) reports, European Commission auditors expressed concerns with some of the cost models being used by the Managing Authority in relation to the 2014 to 2020 ESF Programme. It was subsequently agreed that the Managing Authority could remove any affected costs from the Annual Accounts and re-declare these costs on the basis of a standard scale of unit costs. It was also agreed that the units can be claimed retrospectively from the start of the 2014 – 2020 Programme. The unit cost options available to the Managing Authority are contained within Commission Delegated Regulation (EU) 2019/379 - Annex VI of which contains unit cost models that are available to be used by all Member States.

A methodology document for this exercise has been developed and is linked to this document – this outlines the processes that will be followed with regards to the Scottish Government claiming eligible units back from the Commission. This can be found at **Annex 1**.

As in the 2007-2013 programmes it is envisaged that there will be no staff in sensitive posts i.e. any post whose occupant could cause adverse effect to the integrity and functioning of the institution by virtue of the nature of his/her responsibility. The structure of ESFSAD has been designed to ensure this is not the case and as no single person has the authority to compromise the operation of the MCS there are therefore no individuals working in sensitive posts.

There is a clear separation of functions between the MA, CA and AA. Procedures are in place to ensure appropriate separation of functions within the MA are ensured and these are detailed in other parts of this document. It should be noted that in relation to any potential conflicts of interest, which can arise at any point in the delivery of the programmes, all civil servants employed by the SG are bound by the provision of the Civil Service code and are expected to perform duties with honesty and impartiality. The Conflict of Interest part within the Standards of Propriety section of the SG intranet gives clear guidance on this. All staff, regardless of grade, are aware of the requirements of the Civil Service Code and related consequences of failing to adhere to those requirements as this is a condition of their employment. Members and staff attending all meetings are asked to declare any conflicts of interest, the Chair of the meeting will take whatever action is deemed necessary to ensure the integrity of the process. Any member of staff is required to declare and conflicts of interest when they are carrying out their duties as specified in the MCS, their immediate line manager will take whatever action is deemed necessary to ensure the integrity of the process.

Governance and Policy Team

The Governance and Policy Team, led by a C1 Team Leader and mix of B Band staff is responsible for:

- ensuring the coordination of policy development across the Division, including formulating any policy responses to changes in regulations, and any changes to the direction of the operational programmes as a result of evaluation findings or changing economic conditions
- analysis, monitoring, evaluation and reporting on the programmes
- design and implementation of the monitoring and evaluation and communication strategies
- reporting on the programmes to Ministers, the Commission and UK Government
- the main interface with the Commission, UKG and member states on ESIF and cohesion policy
- secretariat for the governance arrangements including PMC, HITC and MAAP
- engagement and communication with a diverse range of stakeholders
- responsible for review and maintenance of the Management Information System (EUMIS)
- production and maintenance of control documents to monitor spend against targets in relation to the N+3 target
- responsible for updating the website, including updating relevant guidance and forms

Programme Performance Team

The Programme Performance Team, led by a C1 Team Leader and mix of A and B Band staff is responsible for:

- annual review and maintenance of the Management and Control system
- systematic monitoring and quality assurance of programme performance against the approved guidance within the MCS and National Rules
- production and maintenance of quality internal and external guidance/desk instruction in line with the MCS and National Rules.
- effective co-ordination of the Article 125 5(b) checks for the programmes
- effective co-ordination with the AA on their Article 127 checks and systems audits
- liaison with EC Auditors and ECA during visits to Scotland to undertake audit work in relation to the programmes, and ensuring EC systems are fully utilised in line with the regulations e.g. AFIS system
- planning and production of closure reports for programmes ensuring narrative reflects programme performance and lessons learned

Regulation Support Team

- establishing systems for the recovery of ESF grant from the European Commission on the basis of a standard scale of unit costs.
- responding to the European Commission Early Preventive Systems Audit (EPSA) audits relating to the 2014 – 2020 European Structural Funds Programme.
- providing assistance with responses to the AA system audits.

2.2.2. Framework to ensure that an appropriate risk management exercise is conducted when necessary, and in particular in the event of major modifications to the activities (management and control system).

Risk Based Approach

The programme architecture for 2014-20 has been carefully structured to manage compliance risks. This relies upon:

- strategic delivery, led by large-scale organisations who are capable of managing the compliance burden as well as delivering results with a more significant impact; and
- the use of simplified cost methodologies, contracting and procurement to give certainty of costs up front and mitigate the risk of poor record keeping in respect of complex actual costs.

The key stages in the delivery of the 2014-20 programmes have been designed as a risk based control environment.

Lessons learned from previous Programmes led to the identification of a smaller number of lead partners who would have the systems to enable the irregularities found previously to be best avoided. This led to the selection of the 32 local authorities in Scotland as well as a small number of others including Scottish Enterprise, Highlands and Islands Enterprise and Scottish Natural Heritage. The Lead Partners are responsible for collating and submitting applications for approval to the Managing Authority but are not responsible for approving these submissions. Lead Partners can refuse applications for funding but only on the basis that they do not fulfil the eligibility criteria set. Calls to submit proposals for funding from the programmes were issued to all lead partners.

The SG operates a well-established risk management framework. From this framework, the MA operates a Divisional Risk Register to highlight major issues affecting the operational programmes. Any issues identified through this process will be notified to the Managing Authority Approval Panel (MAAP). With regards to the Retrospective Unit Costs exercise, all operations will be given a 'Medium' risk rating.

The management of risk is built into the procedures for the stages in the programme implementation including the assessment and selection of SIs, the assessment and selection of Operations and the administrative and on the spot verifications of the outcomes of the Operations.

An assessment of the overall risks relating to a SI are set out in the SI Offer Letter/Email. The SI Offer Letter/Email is customisable depending on the characteristics of each individual LP.

The SI Scoring and Risk Assessment identifies those areas which need to be addressed prior to the submission of the underlying Operations Applications. These will be incorporated in the SI Grant Offer Letter. The Managing Authority Operations Check Sheet will ensure that the risks identified in the SI Grant Offer Letter/Email have been addressed and will also determine if there are any additional issues specific to that Operation and detail any mitigating actions to be taken when developing the Operations Verification Plan (OVP).

The Operations Verification Plan determines the sampling level for management verification undertaken by the MA. This Operations Verification Plan will be monitored throughout the

implementation of the Operation and the risk level updated as required depending on the results of all management verification carried out by the MA, AA or EC.

Strategic Intervention and Operation Application Change Process

The vast majority of changes to Operations will be reviewed and authorised by the Portfolio and Compliance Manager (PCM). If the change could impact on N+3 or on the Strategic Intervention's ability to deliver the agreed activity the Senior Portfolio and Compliance Manager (SPCM) must be informed. Changes to a Strategic Intervention will be approved by the Senior Portfolio and Compliance Manager. When changes at operation or SI level could have a significant impact on the SI and as a result the Priority Axis the MAAP must be informed. In some circumstances the MAAP will need to approve the proposed changes. The tables set out at Annex C of the MA Change Request Desk Instruction details who can make each level of change and when the MAAP must be informed. The change request process can be found at **Annex 1**.

A change which has a significant impact on the Strategic Intervention would for example include but not be limited to the following:

- An impact on the ability of the Operation, SI or Priority Axis to meet the agreed indicators.
- An increase or decrease in the grant request.
- An impact on the ability to meet N+3.
- A change to the scope of the work being undertaken.

Annex A of the MA Change Request Desk Instruction also outlines who is required to approve each level of change and the authorisation levels for increases in grant for an Operation or SI.

All Financial, Timescale or Target related changes regardless of size will require a revised Offer of Grant Letter to be issued. The only exception to this will be for challenge fund operations where the operation on EUMIS may reduce and another operation for the same value added. As these are all classed as the same operation no new offer of grant will be issued.

Process for all requests for change being referred to SPCM or MAAP

The PCM will forward the change request template form to the SPCM detailing the changes and their recommendation/comments. When the SPCM is approving the change they will record their comments on this form and approve on EUMIS.

Consideration by Managing Authority Approval Panel

Where there is a change to an Operation which has a significant impact on the Strategic Intervention then ALL such changes must be brought to a Managing Authority Approval Panel (MAAP) meeting for notification or approval. The Terms of Reference for the Managing Authority Approvals panel are set out and available at **Annex 1**.

In such circumstances the MAAP Changes Overview template must be prepared by the MA and presented to the MAAP for its approval. The responsibility for completing this template lies with the SPCM.

Once the MAAP has accepted the request for change then the Growth Team Leader or SPCM will inform the PCM who will update EUMIS and the template accordingly.

Rejection of changes

The MA has the right to reject any requested change or request further information. The LP will be informed of the reasons for the decision taken. The LP will have the opportunity to appeal as per the process set out in the MCS.

Refer to **Annex 1** for a copy of the Change Request Desk Instruction.

Changing Risk Level for an Operation

An Operation Risk Level is based on the formal assessment carried out by the MA during the appraisal of the applications of Operations. Should any of the constituent parts of this assessment change then the MA will consider if the overall Risk Score requires to be amended. Movement between Risk Levels is only possible when evidence driven.

Changing Risk Level at MAAP

Where in the opinion of the Senior Portfolio and Compliance Manager that any issue found requires an immediate increase in the Risk Level (not verification related) the Growth Team Leader will bring this to the MAAP. The MAAP will consider whether this is an isolated or systemic issue and agree the level and scope of any additional verifications work required. The MAAP will also consider if the issue might have a systemic issue across similar Operations and/or LP.

2.2.3. Description of the following procedures (that should be provided in writing to the staff of the managing authority and intermediate bodies; date and reference):

The guidance and desk instructions prepared for the use of the bodies responsible for the management and control of the operational programmes will be maintained electronically in SG Electronic Record and Document Management System (eRDM).

These desk instructions, containing National Rules and EUMIS instructions, will be available to all staff within ESFSAD. The MA and CA will maintain their own desk instructions which will be stored in eRDM. Desk instructions are working documents and are subject to change. Each update will be coordinated by the Programme Performance Team and logged on the version control cover sheet with a brief description of the amendment. Changes to the MCS will be with the agreement of the MA and CA, whilst individual desk instructions will be signed off following a two stage process, being fully reviewed and assessed by the division's Programme Guidance Group (PGG). The PGG will make recommendations to the members of the Programme Operating Meeting (POM) who will make a final decision. The PGG is made up of staff from across all the teams in the division, with the POM representation being Team Leader, Head of Performance and Governance, and Head of Structural Fund Programmes. These desk instructions will be updated as required. In exceptional/time critical circumstances, desk instruction can proceed straight to POM.

Amendments or new procedures which are to be included in guidance will be the responsibility of the Programme Performance Team within the MA who, once the amendments have been approved, will ensure that guidance is updated and that all staff are aware of the changes. Training and support will be provided to staff to inform them of the changes and to ensure the processes are clear. A dedicated training manager has been appointed. The detail of this will vary by the level of change made and could include formal training or simple notification of a change.

2.2.3.1. Procedures to support the work of the monitoring committee.

The European Structural and Investment Funds (ESIF) in Scotland for 2014-20 will have a single Programme Monitoring Committee (PMC) to encourage and maintain alignment across the Regional Development and Social Funds.

The Committee is required to carry out a wide set of duties, set out in the Common Provisions Regulations Article 47-49; and 110. These span a range of technical (e.g. guidance, selection criteria for operations) and strategic (evaluation of the overall effectiveness of the programmes) topics. To ensure the right levels of expertise are available to advise the Managing Authority on this broad range, the PMC is supported by, and delegates initial review and opinions on particular functions to, the Highland and Islands Territorial Committee.

The Highland and Islands Territorial Committee reports to the PMC and carry out the first scrutiny and discussion of defined issues within their remit, making recommendations to the PMC. All sub-structures operate under the full responsibility of the PMC and cannot replace it in executing its regulatory tasks. The final decision on any recommendations to the Managing Authorities will always rest with the PMC to ensure compliance with the European Commission Regulations, although in practice there may be some issues in which operational and territorial committees take a greater and more detailed interest than the PMC. The structure is shown below and the Terms of Reference are set out separately.

Scrutiny panels are not part of the formal governance, but rather a mechanism to ensure that the Managing Authority can take advice in its duty to select appropriate operations (Strategic interventions) under Article 125. Membership will be drawn from specific policy and field expertise relevant to a call for proposals (for example low carbon). Membership of a scrutiny panel is therefore for a specific scrutiny round, and is not permanent.

Programme Monitoring Committee

The role of the PMC will be to monitor progress towards the overall strategic direction set out in the Partnership Agreement, and advise Scottish Ministers and the Managing Authorities on any adjustments required to programmes, schemes or strategic interventions in order to ensure and maintain performance towards the targets and objectives of the Partnership Agreement.

To carry out this role, the PMC will

- monitor performance against the Partnership Agreement (PA) and the Scottish Operational Programmes (OPs) for the Structural Funds (ERDF and ESF) in Scotland
- make any corrective recommendations in relation to the performance of these programmes to ensure that targets and objectives of the PA and OPs are met

- approve the annual implementation reports and the reviews of performance against the PA in 2017 and 2019
- advise on any proposed alterations to the PA, OPs, and annual or multi-annual budget profiling which would affect the targets and profiling set out in the Partnership Agreement and programme documents
- consider the impact on consistency between and alignment across ESF and ERDF programmes and other European Funds, on the focus and implementation of schemes or operations which could impact the common strategy and/or demarcation between the Funds
- take advice from the Highland and Islands Territorial Committee on technical aspects specified below, and consider this advice in making any final recommendations on evaluations, communications, selection criteria, adjustments to budget lines and the implementation of horizontal themes.

Highland and Islands Territorial Committee

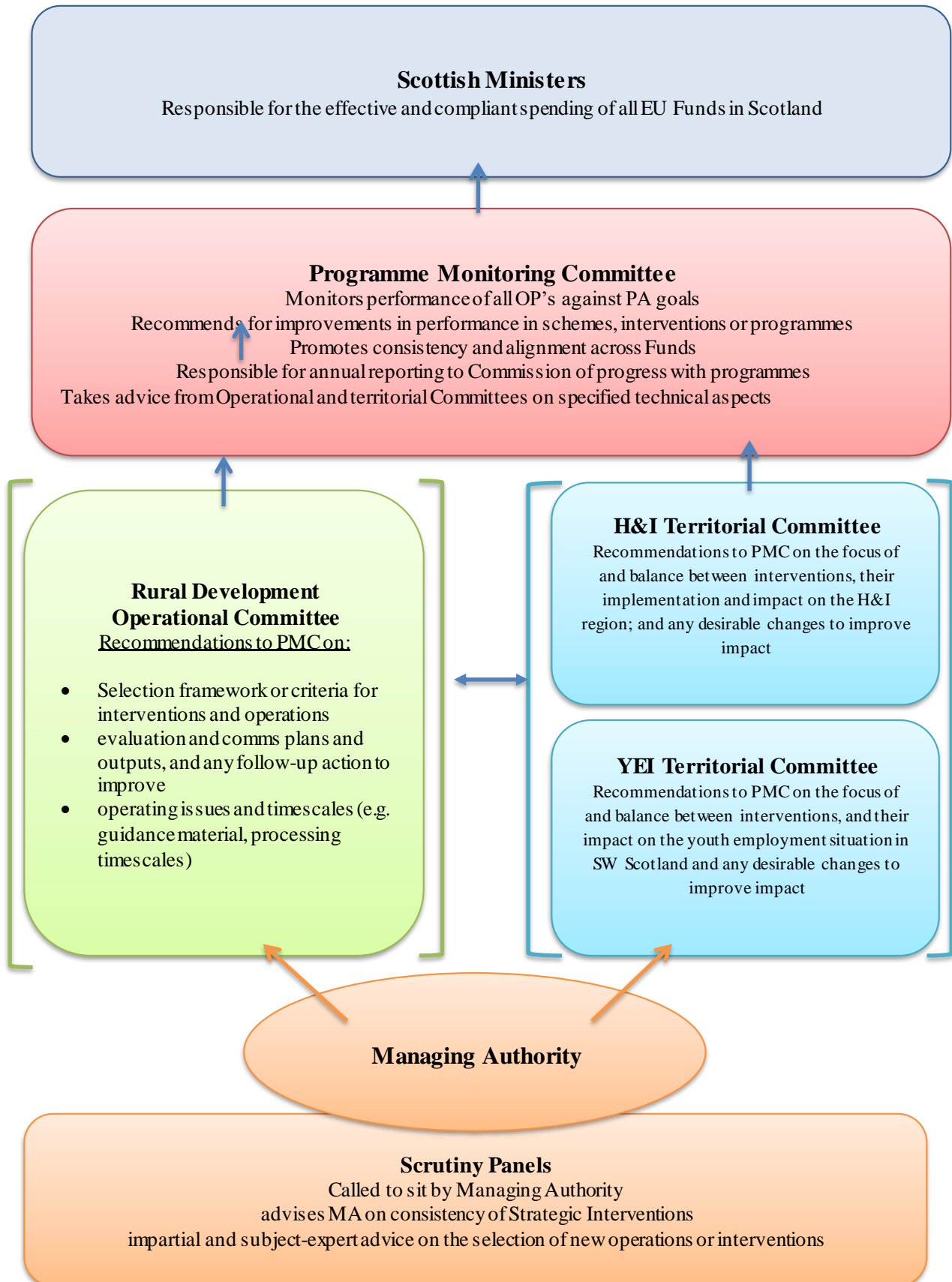
There will be one Territorial Committee responsible for monitoring and reviewing the planned activity and its impact on specific geographic areas. This will monitor the impact of the funds, especially the national approaches, on the Highlands and Islands region of Scotland to ensure that the approach remains viable and effective in this “transition region”.. This committee will advise the PMC on any desirable adjustments in these specific areas to ensure the Managing Authorities (MA’s) maintain their strategic focus. The Territorial Committees may report issue to the PMC.

The Highlands and Islands Territorial Committee will:

- monitor and report to the PMC on performance and spend in relation to Structural Funds in the transition region, particularly the achievements of the targets, financial management, absorption rates, and targeting of funds
- periodically review and report on progress made in other ESIF Operational Programmes including LEADER and Axis 4 (EMFF) and Community Initiatives and advise the MA’s and the Operational Committees on possible improvements to achieve better impacts in the region
- review the scope of and financial balance between Strategic Interventions and suggest recommendations for any amendments in agreement with Lead Partners as appropriate, and particularly for the mid-programme review, to ensure performance and suitability of activity for the transition region
- promote coordination between strategic interventions and lead partners within the transition region
- recommend to PMC evaluations specific to outcomes in the Transition region where these are different from or in addition to national evaluations
- make recommendations to the PMC, as appropriate, on any amendments which could be implemented to improve the effectiveness of the delivery of the funds including its financial management

The remainder of the structural funds programmes in this territory will be overseen by the PMC.

Governance Structure



2.2.3.2. Procedures for a system to collect, record and store in computerised form data on each operation necessary for monitoring, evaluation, financial management, verification and audit, including, where applicable, data on individual participants and a breakdown of data on indicators by gender when required.

A fully integrated, web-based, IT system has been developed to enable the MA to manage the 2014-2020 programmes. The detail of this is set out in Section 4 Information System. The system, called EUMIS, supports all phases of the process, including applications, claims, progress towards targets, payments and recoveries, and compliance and verification checks. The system holds detailed financial data on all operations, including forecast spend, activity due and dates due allowing the MA to track and monitor progress. All supporting documentation in respect of this information will be held in eRDM.

It will record units met, expenditure defrayed and all claim data required for reporting to the Commission. The system also holds targets and progress made towards indicator outputs and results. It holds data on individuals receiving support, breaking this down by the required characteristics. All indicators will be broken down by gender where appropriate using EC monitoring guidance. The data on individuals supported and activity undertaken will be uploaded and then checked and verified by the MA through the claims and verifications processes. The system has a flexible reporting tool to meet all reporting requirements.

2.2.3.3 Procedures for the supervision of the functions formally delegated by the managing authority under Article 123(6) and (7) of Regulation (EU) No 1303/2013.

The MA has not formally delegated any of the functions specified under Article 123 (6) and (7) of the Regulation No 1303/2013.

2.2.3.4. Procedures for appraising, selecting and approving operations and for ensuring their compliance, for the entire implementation period, with applicable rules (Article 125(3) of Regulation (EU) No 1303/2013), including instructions and guidance ensuring the contribution of operations to achieving the specific objectives and results of the relevant priorities in accordance with the provisions of Article 125(3)(a)(i) of Regulation (EU) No 1303/2013 and procedures to ensure that operations are not selected where they have been physically completed or fully implemented before the application for funding by the beneficiary (including the procedures used by the intermediate bodies where the appraisal, selection and approval of operations have been delegated).

The ERDF and ESF Scottish Operational Programmes 2014 - 2020 were formulated on the principle of groups of operations, Strategic Interventions (SI). These SI are of sufficient scale, longevity and ambition that can achieve long term change, but also ensure long-term stability of funding in support of that identified required change. Selection of operations will therefore operate on two levels, with the SI selected first, and the individual operations within it able to be added over a longer timeframe to ensure that the whole group performs and delivers the expected results. Several rounds of applications for both SI and Operations are planned within the overall Programme timetable. SI will be selected based on their:

- fit with EU and Scottish policy priorities, particularly where long-term policy is changing considerably and requires support for implementation
- transformational potential in respect of an identified need or development potential

- long-term sustainability and ability to be mainstreamed beyond EU funding support
- affordability within the EU Funds envelope, and certainty of match funding, to ensure absorption and balanced programmes

Strategic Interventions

SI are selected by the following process;

- A call for applications is published to lead partners
- Applications are received by the MA who carry out a technical and eligibility check
- Applications are passed to the Scrutiny and Risk Panel for comment
- Submission is prepared for the MAAP, who decide whether the SI is approved or not

The following documents and templates are used in this selection process and are referenced at **Annex 1**:

- SI Application Process
- SI Application Guidance - MA Checksheet
- SI Operation Application – MA Checksheet – Guidance
- SI - Scrutiny and Risk Panel - Assessment Form – TEMPLATE
- SI - Scrutiny and Risk Panel - Minute and Formal Record - TEMPLATE
- SI & Operation Application - MA Approval Panel - Terms of Reference
- SI & Operation Application - MA Approval Panel - Recommendations Overview Sheet – Template
- SI & Operation Application - MA Approval Panel - Appeals Process

At various stages during the Programme, LPs will be invited to submit SI applications by a given deadline for approval by the MA. Process is as follows:

- call for SI applications is advertised as a blog post on the Structural Funds blog, tweeted and by email

All applications received are recorded and progress tracked. The call for Strategic Interventions and Operation Applications specifies a mailbox for applicants to submit the application form and associated documentation.

Strategic Intervention Application Processing

Following receipt, the application is processed according to the SI Application Process – see **Annex 1**.

The SI application appraisal process involves a technical check undertaken by the MA, including an assessment against the SI Scoring and Risk Assessment Framework. The views of the Scrutiny and Risk Panel will be sought as set out below.

Scrutiny and Risk Panel (SARP)

The Scrutiny and Risk Panel will scrutinise and evaluate SI applications submitted by LPs to ensure alignment with EU 2020 targets, the relevant Priority Axis within the Operational Programmes and SG policy. The panel will review and consider any potential risks which will need to be addressed/monitored, and make recommendations to the MA on whether the

Strategic Intervention applications should be approved or rejected in line with policy objectives and the scoring framework agreed by the PMC. There will be 3 panels structured around one of the themes of Smart Growth, Sustainable Growth and Inclusive Growth to ensure that there is appropriate expertise to appraise applications under each of these themes.

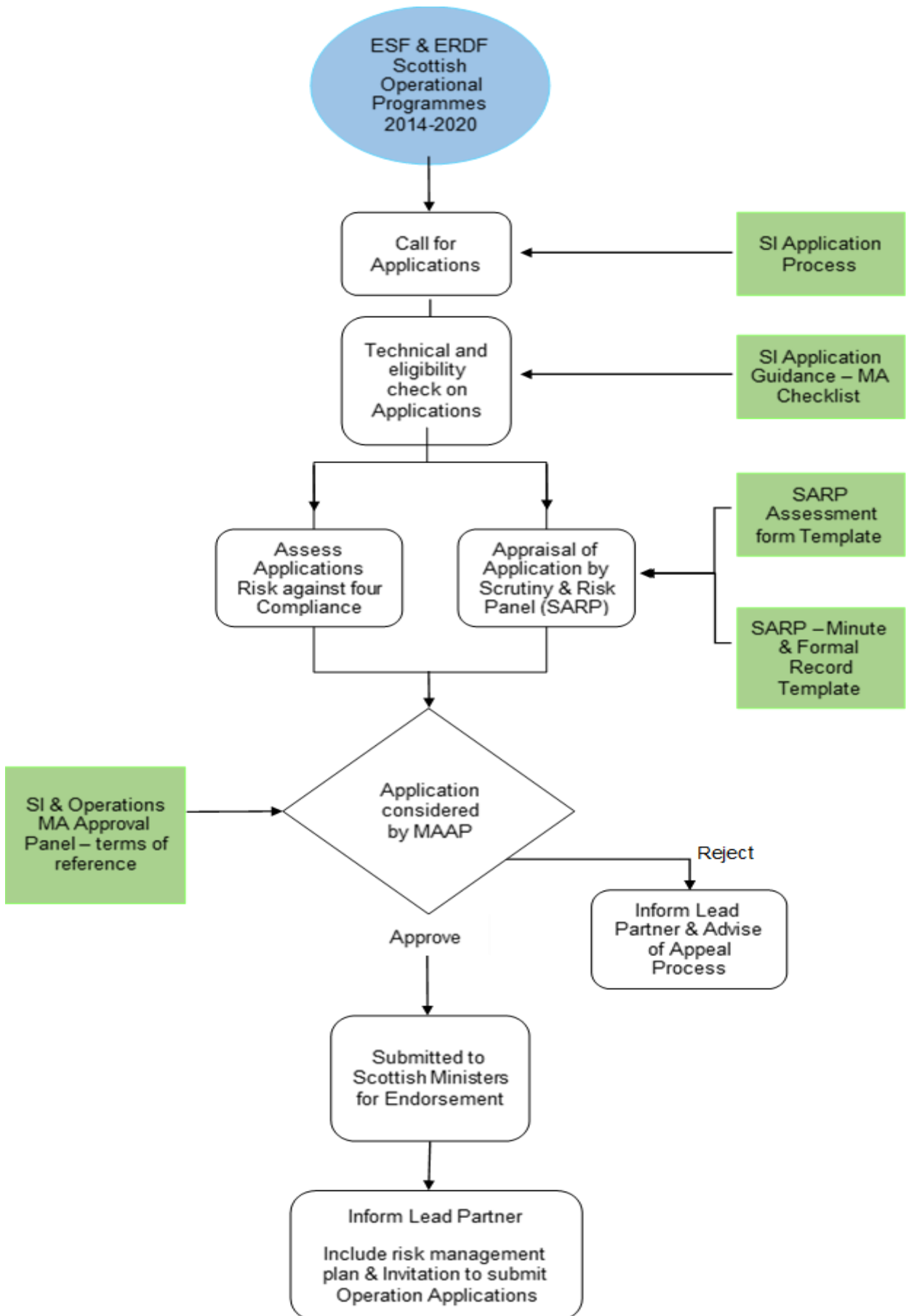
Membership of the Scrutiny and Risk Panels will comprise individuals, as deemed appropriate by the MA, to undertake the necessary checks on the applications. This will routinely involve individuals with analytical skills, financial skills, procurement and state aids expertise and knowledge of the relevant policy areas being discussed. Other experts will be co-opted in as and when required e.g. individuals with appropriate knowledge of other EU funds, to ensure that there are synergies between ESIF and the other EU funds. Whilst the Growth Team Leader will chair the SARP and provide detailed information on the operations to the MAAP, they will declare an interest in that strategic intervention and therefore take no part in the final decision on the application.

Strategic Intervention Approval and invitation to Submit Operation Application

In parallel with appraising the applications against the scoring framework, panels will also be asked to assess the level of risk within each SI against the 4 compliance themes of:

- Programme Compliance
- Legal Compliance
- Financial Compliance
- Performance Compliance

2.2.3.4 Procedure for appraising, selecting and approving Strategic Interventions



The results of this risk assessment will importantly highlight areas where the compliance regime should focus throughout the lifetime of the SI. A tailored risk management plan is included within the SI Approval Letter, which will be monitored by the MA. This will mean that compliance checks can be more proportionate and focussed and will reduce unnecessary checking. The tailored risk management plan will be included in the SI Approval and Invitation to submit Operation application letter.

Decisions Taken

Strategic Interventions

- **SI approved** - the MA will notify the LP in writing, using the SI Approval Letter/Email
- **SI rejected** - the MA will notify the LP in writing, advising of the reasons for the rejection, providing details of the appeals process.

Operations Applications

Following the approval of a SI the LP is invited to submit applications for Operations. When received, the MA:

- records receipt of the application and saves a copy of the application, submission email and associated documents on eRDM;
- maintains the record of the application on eRDM as the appraisal process proceeds.

The following guidance and templates are used in the appraisal of Operation applications and are referenced at **Annex 1**:

- SI Operation Application Process
- SI Operation Application – MA Checksheet
- SI Operation Application – MA Checksheet – Guidance
- SI - Scrutiny and Risk Panel - Assessment Form – TEMPLATE
- SI - Scrutiny and Risk Panel - Minute and Formal Record - TEMPLATE
- SI & Operation Application - MA Approval Panel - Terms of Reference
- SI & Operation Application - MA Approval Panel - Recommendations Overview Sheet – TEMPLATE
- SI & Operation Application - MA Approval Panel - Appeals Process
- SI Operation Application - Overall Assessment and Risk Scoring- TEMPLATE
- SI Operation Application - State Aid Feedback Form
- SI Operation Application Offer of Grant Guidance

Assessment takes place through the process outlined below. To ensure no conflict of interest arises, the Terms of Reference for MA Approval Panel identifies this as an important requirement for all members when assessing an application and makes clear that the Chair of the panel will ensure any potential conflicts are raised at meetings of the panel.

Staff are required to abide by the SG Standards of Conduct, including the section on 'Conflict of Interest' which identifies that "*as a public servant you have a particular duty to ensure that your official position is not used to further your own personal interests or the personal or other interests of others who have no legitimate entitlement to benefit. You also have a duty to*

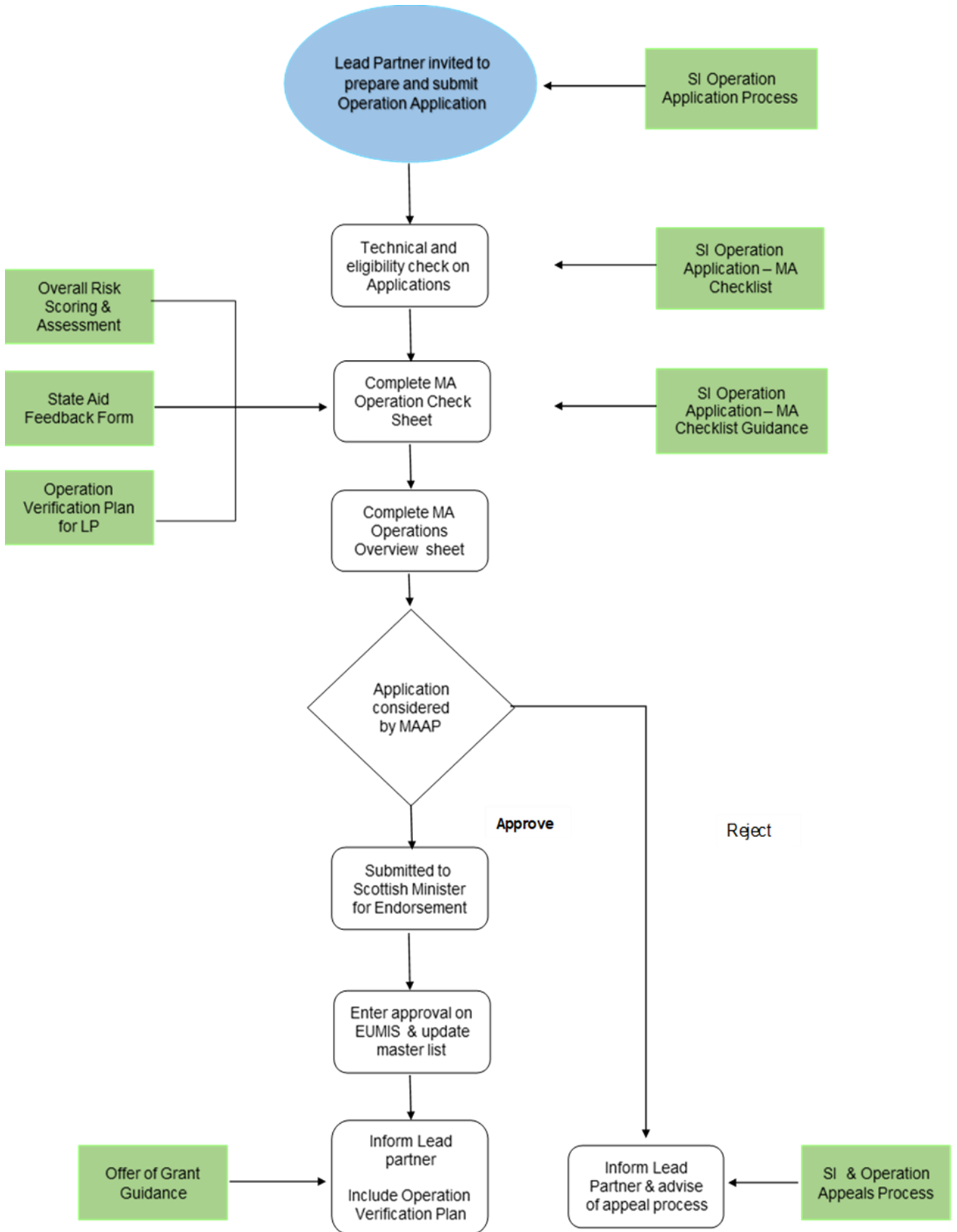
ensure that in your conduct no appearance of such bias or misuse of position is given, or can reasonably be inferred.”

Decisions Taken

Operations

- The decision to approve or reject the proposed operation will be taken by the MAAP in accordance with the MAAP Terms of Reference.
- Where the operation is approved by the MAAP, and endorsed by Scottish Ministers, the application will be approved on the EUMIS system by the MA. An offer of grant letter will be created and issued to the LP
- Where the operation is rejected by the MA, the MA will notify the LP in writing, giving reasons for the rejection and providing details of the appeal process.
- A centralised record of all applications received and assessed will be maintained by the Growth and Programme Performance Teams recording acceptance or rejection of each application. A record of all approved applications and the grant values will be maintained by the Governance Team.

2.2.3.4 Procedure for appraising, selecting and approving Operations



Appeals procedure:

An appeal against the decision to accept or reject an application can only be made on the process followed in dealing with the individual application, not the outcome reached in the decision. Any appeal will be conducted in line with the MA Approval Panel – Appeals Process (**Annex 1**). The appeals process is published on the ESIF pages of the SG website.

2.2.3.5. Procedures to ensure the provision to the beneficiary of a document setting out the conditions for support for each operation, including procedures to ensure that beneficiaries maintain either a separate accounting system or an adequate accounting code for all transactions relating to an operation.

As detailed in the procedures for appraising, selecting and approving operations above a legally binding offer of grant will be issued to the LP setting out conditions of support for each operation concerning the products and services to be delivered. The financial compliance section of the operation application and guidance asks beneficiaries specifically to confirm that they will maintain either a separate accounting system or an adequate accounting code for all transactions relating to an operation. Approval is contingent on compliance. Confirmation of this will be done as part of the management verification process prior to first payment of grant.

2.2.3.6. Procedures for the verifications of operations (in line with requirements under Article 125(4) to (7) of Regulation (EU) No 1303/2013), including for ensuring the compliance of operations with the Union policies (such as those related to partnership and multi-level governance, promotion of equality between men and women, non-discrimination, accessibility for persons with disabilities, sustainable development, public procurement, State aid and environment rules), and identification of the authorities or bodies carrying out such verifications. The description shall cover administrative management verifications in respect of each application for reimbursement by beneficiaries and on-the-spot management verifications of operations, that may be carried out on a sample basis. Where the management verifications have been delegated to intermediate bodies, the description should include the procedures applied by the intermediate bodies for those verifications and the procedures applied by the managing authority to supervise the effectiveness of the functions delegated to the intermediate bodies. The frequency and coverage shall be proportionate to the amount of public support to an operation and to the level of risk identified by these verifications and audits by the audit authority for the management and control system as a whole.

All Operations will be verified for compliance with the requirements of Article 125(5) of Regulation (EU) No 1303/2013. Three stages of management verification are planned:

- Verification during project selection
- Administrative verification on in respect of each application for reimbursement by beneficiaries
- On the spot verification as per the Stage 2 OTS Pre-Visit selection methodology (**Annex 1**).

Segregation of duties within the management verifications is assured as the Admin verification process is a multi-officer function, and the Stage 2 OTS check by a Lead Officer from a different Growth Team to that managing the implementation process.

Verification during project selection

The guidance set out in EGESIF 14-0012 02 final 17/09/2015 “Guidance for Member States on Management Verifications” has been developed into Desk Instructions for carrying out the administrative and on the spot verifications together with checklists and forms to be completed as part of those checks. Verification during project selection is covered in 2.2.3.4 above, including the use of a risk based approach to project selection. Medium/High Risk Operations will undergo additional checks to those identified as Low Risk and set out in the OVP annex in the Offer of Grant Letter.

Administrative Verification

An administrative verification will be carried out in respect of each application for reimbursement by beneficiaries. This will be based on an examination of the claim and its supporting documentation. All applications for reimbursement will be checked. A record will be kept of each verification stating the work performed, the date and the results. This will be recorded on a standard template which will be stored in eRDM and the main findings logged on the EUMIS IT System for reporting purposes. Should any follow-up work be required this will also be recorded, along with measures taken in respect of any irregularities detected.

All administrative verification checks will cover a minimum of the following with a sample selected using guidance included at **Annex 1**:

- the correctness of the application for reimbursement
- compliance with the approved operation
- compliance with the approved financing rate (where applicable)
- the correctness of unit cost methodologies (where applicable)
- the eligibility and status of a sample of participants/recipients (where applicable)
- the expenditure declared and the existence and compliance of the audit trail for a sample of expenditure items
- any items considered to be higher risk based on the eligibility of previous claims

The following general process will be followed for an administrative verification check (Desk Instruction at **Annex 1**):

- administrative checks by the individual MA Growth Teams drawing on the information available through the EUMIS IT system.
- Claims will be passed for approval with all being checked for reasonableness of eligibility of items and that costs have been defrayed.
- The MA Growth Team will carry out checks of eligible expenditure across cost model types in each claim using a representative and random sampling methodology. This will be checked against source documents.
- At this time, any identified items of ineligible expenditure or ineligible units will be rejected and not paid. This will be reflected in the verification check and error rate recorded. Section 2.2.2 sets out the procedures to be adopted should the check indicate a change to the risk level is warranted.
- Subsequent claims will be scrutinised using the same process with a focus on any similar expenditure re-appearing.

- Checks will be recorded and all documentation relating to the check will be held in eRDM until closure of the programmes has been agreed by the European Commission.

On the spot Verification

All Operations will be verified for compliance with the requirements of Article 125(5) of Regulation (EU) No 1303/2013. This will be through a Stage 2 OTS verification visit to Lead Partners undertaken by a Lead Officer and Growth Team Portfolio and Compliance Managers (PCMs) supported by Portfolio and Compliance Officers (PCOs).

The Stage 2 OTS verifications will be planned to happen when the operation is well under way both in terms of physical and financial progress. The nature, specific characteristics of an operation, amount of public support, risk level and the extent of administrative verifications influence the timing of a Stage 2 OTS verification. The timing of the visits will be as per the Stage 2 OTS Pre-Visit Sampling Methodology and agreed between the MA and the beneficiary.

The level of checking for On the Spot visits is set when an Operation is confirmed by the Managing Authority Approval Panel, and is communicated to the Lead Partner through the Operation Verification Plan. See section 2.2.3.4 for details of these processes.

Desk Instructions for the Stage 2 OTS Verifications are contained at **Annex 1**. The MA will visit, throughout the programme period, 50% of all operations.

Stage 2 OTS checks will verify the reality of expenditure and check compliance with the previously approved guidance on project selection and appraisal as well as:

- tendering/procurement
- State Aid
- horizontal themes
- revenue generation
- outcomes and publicity
- beneficiary costs, if appropriate

In order to achieve greater consistency, visiting officers will hold a wash-up meeting on the day of the visit and highlight any issues identified. The visit report will detail any issues and explain the next steps. MA will undertake any necessary recovery action.

The level of checking set out above is indicative and is proposed at the beginning of the programme in the absence of evidence levels and accuracy of claims and error rates. While it represents the clear intention, it is subject to change in the light of experience. If the evidence emerging from the analysis of findings supports an adjustment to the level or type of checks required, the MA will propose and agree amendments with the AA prior to implementation.

Supplementary checks:

In addition to the regulatory checks outlined above, the MA may undertake visits or supplementary checks on an operation or strategic intervention and in line with the Risk Management Plan.

Analysis of Findings from the Management Verifications

The MA will monitor the findings of the administrative and OTS management verifications and report these to the Programme Operating Meeting (POM). Issues to be considered when reporting will include

- Whether lessons from one operation that can be shared with other operations
- Whether there are early indications of systemic errors which require action by the MA or Lead Partner to address
- Review the systems used by the MA in carrying out the verifications which may result in changes to the MCS or Desk Instructions and Guidance which support it.

Actions arising from the report and POM will be included in the Minute of the POM meeting for tracking and close out. A summary of the report and the results of the actions arising may be shared with Lead Partners in order to share best practice and ensure a consistent approach across the programmes. The report will be recorded and stored in eRDM.

Evidence and Record Keeping

Detailed evidence, both physical & electronic, will be kept of:

- all applications for reimbursement will be checked. A record will be kept of each verification stating the work performed, the date and the results. Documentation will be stored in EUMIS and eRDM.
- should any follow-up work be required this will also be recorded, along with measures taken in respect of any irregularities detected.
- these records will constitute the supporting documentation and information for the annual summary to be prepared by the MA; and
- all planned management verifications will be completed in time to enable inclusion of certified expenditure in the accounts of a given accounting year.

Information to CA for Verification

The MA will provide all data as required by the CA on verification outcomes via the Programme Performance Team Control Documents.

2.2.3.7. Description of the procedures by which applications for reimbursement are received from beneficiaries, verified, and validated, and by which payments to beneficiaries are authorised, executed and accounted for, in line with obligations set out in Article 122(3) of Regulation (EU) No 1303/2013 as from 2016 (including the procedures used by the intermediate bodies where processing of applications for reimbursement has been delegated), in view of respecting the deadline of 90 days for payments to beneficiaries under Article 132 of Regulation (EU) No 1303/2013.

Defrayed expenditure and all data around supported beneficiaries is entered into EUMIS and the LP submits a claim. The claim can include costs and units from one or multiple operations within the SI. All costs are listed separately within the claim and total costs grouped by operation.

The MA checks the claim and then starts the verification process (detailed within 2.2.3.6 administrative verification above).

EUMIS percentage of costs to be verified is related to the risk level of an operation which is set out initially in the Offer of Grant and supporting Operation Verification Plan. Selecting the costs to be verified is covered by a detailed Desk Instruction on picking a random sample (**Annex 1**) and the MA may add additional items to check. The MA then informs the LP that the items have been selected so they can supply all relevant evidence. The MA will complete the verification and either accept or reject all individual items on EUMIS. Once the verification check is completed satisfactorily the MA accepts and approves the claim for payment.

Payments are approved on EUMIS and the system then links to SEAS, the SG's accounting system, and payment will be made to the LP.

To ensure payments are made within the 90 days required by Article 132 of Regulation (EU) No 1303/2013, the MA will review the claim and start the verification process as soon as practicable after receipt of the claim. Once all evidence has been gathered the MA will complete the verification check and make payment within the 90 day requirement.

This will be monitored by the MA Growth teams to ensure valid claims within their teams stay within these deadlines and this can also be monitored through the system reports by the programme performance team. If for any reason the LP does not provide the necessary supporting documentation to verify any of the items selected, the MA may delay payment until this is provided or the relevant item rejected and so removed from the claim payment.

The above process will be followed for all claims, with the exception of the claims submitted relating to the Retrospective Unit Costs exercise (this process is detailed in the Unit Costs Methodology). Processes relating to claiming these unit costs in the future are currently being developed and will be added to the Unit Cost Methodology in due course.

2.2.3.8. Identification of the authorities or bodies carrying out each step in the processing of the application for reimbursement, including a flowchart indicating all bodies involved.

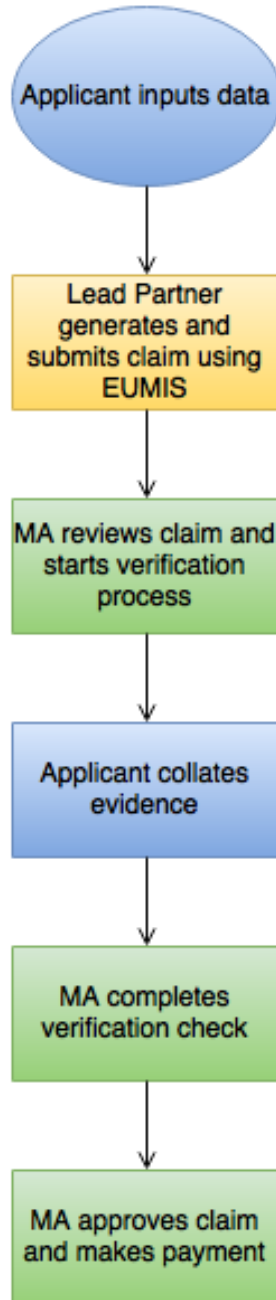
The LP and the MA are both involved in the claims process. A claim can include items from a number of operations within the SI. The LP is responsible for updating activity within their operation, uploading recipient data (for example an individual participant or an organisation), activity achieved by that recipient, units or costs relating to this, and the date achieved. They will also update match funding and any income received.

The LP reviews the units and costs waiting to be claimed for their operations and once a level of activity has been reached they will generate and submit a claim to the MA.

The MA reviews the claim and starts the verification process. The LP collates evidence and confirms they are satisfied with this at which point the MA checks the supporting documentation. The MA approves or rejects the selected items and then makes payment to the LP.

ESF - MCS

2.2.3.8 Flowchart showing bodies involved in processing an application for payment



The above process will be followed for all claims, with the exception of the claims submitted relating to the Retrospective Unit Costs exercise (this process is detailed in the Unit Costs Methodology). Processes relating to claiming these unit costs in the future are currently being developed and will be added to the Unit Cost Methodology in due course.

2.2.3.9. Description of how information is transmitted to the certifying authority by the managing authority, including information on deficiencies and/or irregularities (including suspected and established fraud) detected and their follow-up in the context of management verifications, audits and controls by Union or national bodies.

The MA will provide data on claim payments, verification outcomes and irregularities via reports from EUMIS. EUMIS holds a record of all costs and units claimed and verified. The format of this report has been agreed with the CA.

Copies of other verification visits will be made available to the CA by way of a notification from the relevant growth team that such a document is available and stored on EUMIS or eRDM as appropriate.

2.2.3.10. Description of how information is transmitted to the audit authority by the managing authority, including information on deficiencies and/or irregularities (including suspected and established fraud) detected and their follow-up in the context of management verifications, audits and controls by Union or national bodies.

The MA will provide the necessary data on claim payments, verification outcomes and irregularities via reports from the EUMIS system which will hold a record of all costs and units claimed and verified. The format of this report will be agreed with the AA.

Copies of other verification visits will be made available to the AA by way of a notification from the relevant growth team that such a document is available and stored on EUMIS or eRDM as appropriate.

2.2.3.11. Reference to national eligibility rules laid down by the Member State and applicable to the operational programme.

The National Rules laid down by the Member State and applicable to the operational programmes identified in Section 1 of this report can be found on the SG website Forms and Guidance section, and at **Annex 1**.

2.2.3.12. Procedures to draw up and submit to the Commission annual and final implementation reports (Article 125(2)(b) of Regulation (EU) No 1303/2013), including the procedures for collecting and reporting reliable data on performance indicators (Article 125(2)(a) of Regulation (EU) No 1303/2013).

From 2016 until and including 2023 the MA will submit to the Commission an annual report on the implementation of each Programme in the previous European Commission financial year. In addition, the MA will submit a final report on the implementation of the programme for ERDF and ESF by the deadline established in the Fund-specific rules. The format of the AIR will follow Guidance from the EC where available.

Annual implementation reports (AIRs) are required to set out key information on the implementation of the programmes and its priorities by reference to the financial data, common and programme-specific indicators and quantified target values, including changes in the value of result indicators where appropriate and, beginning with the AIR to be submitted in 2017, the milestones defined in the performance framework. This information will be sourced from EUMIS. Included with the Reports shall be a synthesis of the findings of any

evaluations of the programme that have become available during the previous financial year, any issues which affect the performance of the programme, and measures taken.

In addition to the above, the AIR submitted in 2017 shall set out progress made towards achieving the objectives of the programme, including the contribution of the ESI Funds to changes in the value of result indicators, when evidence is available from relevant evaluations. This AIR shall set out the actions taken to fulfil the ex-ante conditions not fulfilled at the time of the adoption of the programme. It shall also assess the implementation of actions to take into account the role of partners in the implementation of the programme and report on support for climate change objectives.

The AIR submitted in 2019 and the final report for the ESI Funds shall, in addition to the above, include information on, and assess progress towards, the achievement of the objectives of the programme and its contribution to achieving the Union strategy for smart, sustainable and inclusive growth.

The annual and final reports shall be approved by the PMC prior to submission to the Commission and will be made available to the public.

2.2.3.13. Procedures for drawing up the management declaration (Article 125(4) (e) of Regulation (EU) No 1303/2013).

Article 125(4)(e) of the Common Provisions Regulation states that the MA has the responsibility for drawing up and submitting the Management Declaration to the Commission. Guidance on the preparation and a model form is detailed in EGESIF_15-0008-05 03/12/2018, 'Guidance for Member States on the drawing of Management Declaration and Annual Summary' and will be used by the MA.

The Management Declaration will be based on the information provided in the Annual Summary and this will be submitted to the European Commission using SFC 2014.

The first Management Declaration will be prepared for the period ending 30 June 2016 and will be submitted to the European Commission by 15 February 2017. Thereafter the Management Declaration will be prepared on an annual basis and will be submitted on or before the 15 February of the following year.

2.2.3.14. Procedures for drawing up the annual summary of the final audit reports and of controls carried out, including an analysis of the nature and extent of errors and weaknesses identified in systems, as well as corrective action taken or planned (Article 125(4)(e) of Regulation (EU) No 1303/2013).

The MA will draw up the Annual Summary by carrying out the following procedures

- Prepare a summary of the final audit reports and of controls carried out. This will include all administrative verifications and OTS checks performed by the MA
- Prepare a global picture of management verifications, controls and audit performed in relation to expenditure declared during an accounting year and entered into the accounts
- Include a list of controls carried out by the AA

The summary of controls will include an analysis of the nature and extent of any errors and weaknesses identified as well as any corrective actions taken.

The summary of final audit reports will include an analysis of the nature and extent of the errors and weaknesses identified in the systems including identification of problems of a systemic nature.

The Annual Summary together with any relevant supporting documentation will be made available to the AA to enable the AA to carry out its formal assessment. Further details of this are set out in Section 3.

2.2.3.15. Procedures concerning the communication to staff of the above procedures, as well as an indication of training organised / foreseen and any guidance issued (date and reference).

Communication

- Guidance, policy and desk instructions are stored securely on eRDM and all staff have the links to these documents via Annex 1 contained within this document. These documents will be individually dated and cross referenced when released to staff and this will be detailed in the version control pages within those documents
- Appropriate guidance and reference documents are also held on the European Structural Funds section of the SG's website for staff and stakeholder reference
- Divisional emails are sent to alert staff to any changes / updates in policy or guidance
- The use of video conferencing equipment allows staff over all three sites to maintain regular contact and participate in team meetings so they kept up to date with any policy and guidance developments
- Regular Divisional all staff team meetings are also in place to facilitate good communication across the three sites

Training - general

- The Division's Training Manager who also acts as Training and Liaison Officer supported by the Directorate's Development Advisor will ensure gaps in training or perceived training needs identified at bi-annual Divisional meetings, regular Management Team, and general team meetings are filled appropriately
- There is a Directorate-wide Learning and Development Plan to ensure all staff have the skills required to carry out their wider role with confidence
- There is also a regularly updated Divisional Training Plan. This is a living document that is continually updated to include training as and when needs are identified.
- Each member of staff attending a training event must complete the Division's Training Matrix.
- Completion of training is monitored monthly by the Division's Training Officer through the Training Matrix.
- Training is evaluated following every event using staff feedback surveys. Material is regularly updated based on this feedback.
- Each member of staff completes an individual Personal Learning Plan (PLP) by the end of May each year identifying known learning and development needs.

- Personal Learning Plans are discussed and reviewed as part of monthly conversations to ensure progress is being made against the development needs identified.

Training – organised and foreseen

- EUMIS specific training has been provided to all staff, and staff new to the division will receive EUMIS training appropriate to their role. A programme of training for Growth Team staff will be reviewed and delivered as and when required by the Division's Training Manager. This will be to train staff on the procedures set out within the MCS and especially those associated with management verifications.
- Pricing Schedule Verification training will be provided for those staff within each growth team who will carry out Pricing Schedule Verification checks. This training will be developed in conjunction with SG Procurement Directorate to ensure it reflects the recent and forthcoming changes to Procurement legislation and guidance.
- Staff joining the teams will be supervised and their training needs assessed by their line manager. Divisional Induction events will be delivered to new staff including training for core elements of their specific job role.
- State Aid overview training will be delivered to appropriate staff.

Guidance issued

The ESFSAD section of The SG's website contains links to all regularly updated guidance issued. The Programme Performance Team within the Division are specifically charged with keeping guidance accurate, up to date and relevant, and also with ensuring all staff are kept informed of any changes. This is managed through a Programme Guidance Group with membership taken from across the divisions teams. The Governance and Policy Team are tasked with keeping the website up-to-date. There is a specific section within the site entitled 'Forms and Guidance' where all guidance is electronically stored. All guidance specifies the task and indicates the job role responsible to maintain a segregation of duties. The job role can be subject to change depending on the organisational structure, however, segregation of duties will always be observed.

All versions of all guidance are stored on eRDM and our publications strategy is linked at **Annex 1**.

2.2.3.16 Description, where applicable, of the procedures of the managing authority in relation to the scope, rules and procedures concerning the effective arrangements set out by the Member State* (Footnote 15: reference to the document or national legislation where these effective arrangements have been set out by the Member State) for the examination of complaints concerning the ESI Funds, in the context of Article 74(3) of Regulation (EU) No 1303/2013.

All complaints received by the CA and the MA will be handled in the same way.

To allow a complaint to be made about the work of the MA, the address of a dedicated complaints mailbox is highlighted on the ESFSAD website to allow complaints. Complaints will be handled as set out below:

- Complaint received via dedicated mailbox

- Letter/email logged on internal computerised storing system spreadsheet. Date of receipt, complainants name, address and brief description of complaint registered. Team Leader made aware
- Team Leader assigns investigation of the complaint to appropriate member of staff
- Within 20 working days of receipt of the complaint the investigation will be completed and a response issued. The response will include notice of the appeals process. Spreadsheet updated to reflect this and reference number of letter added to register and stored on computer system
- Should complainant appeal, the appeal will be investigated by the Team leader
- Letter/email logged on internal computerised storing system spreadsheet. Date of receipt and brief description of why complainant still has outstanding issues registered
- Response issued within 10 working days of receipt. Spreadsheet updated to reflect this and reference number of new letter added to register
- Complainant not satisfied with response and seeks final appeal
- Letter/email logged on internal computerised storing system spreadsheet. Date of receipt and brief description of why complainant still has outstanding issues registered
- Complaint dealt with by Head of European Structural Funds
- Final decision of the Managing Authority letter issued within 5 working days of receipt. Spreadsheet updated to reflect this and reference number of letter added to register

2.3 Audit Trail

2.3.1. Procedures to ensure an adequate audit trail and archiving system, including with respect to the security of data, taking account of Article 122(3) of Regulation (EU) No 1303/2013, in accordance with national rules on the certification of conformity of documents (Article 125(4)(d) of Regulation (EU) No 1303/2013 and Article 25 of Delegated Regulation (EU) No 480/2014).

The MA will comply with the requirements of Article 122 (3) of Regulation (EU) No 1303/2013. Specifically the Management Information System will ensure that all exchanges of information between beneficiaries and the MA, CA and AA can be carried out by electronic data exchange by 31 December 2015.

The MA will also comply with the detailed requirements of Article 25 of Commission Delegated Regulation (EU) No 480/2014 in line with their management verification guidelines.

2.3.2. Instructions given on keeping supporting documents available by beneficiaries/intermediate bodies/managing authority (date and reference):

The MA has detailed instructions on Document Retention Guidance on the ESIF website which ensures compliance with Article 140 of (EU) Regulation 1303/2013 requirements. These are included at **Annex 1**

- The EUMIS system and eRDM maintains all of the data required to be provided by Commission Regulation Article 25 of Commission Delegated Regulation (EU) No 480/2014 in respect of each operation and each claim and payment of public contribution all of the data in respect of the selection criteria, grant approval documents relating to

public procurement procedures, progress reports and reports on verifications and audits carried out will be retained in either the EUMIS system and/or eRDM

- A specific report is run by the CA extracting all data authorised by the MA for inclusion in the Certificate of Payments to be sent by the CA to the Commission. This report is retained on eRDM and enables the reconciliation of the amounts submitted to the Commission with the underlying data
- EUMIS will hold details of all costs and units selected and checked within a claim as part of the MA's verification process. The check sheets confirming the nature of the documents provided to confirm the accuracy of the costs claimed will be saved on eRDM. All management verification check sheets will be scanned in and stored in the eRDM system in the project folder. The MA will undertake the checks on each claim, and safeguard all documents provided by the beneficiary organisation in line with the agreed desk instructions on these checks
- The details of the identity and location of bodies holding the supporting documents relating to expenditure are recorded on a control document, maintained by the Programme Performance Team. Beneficiary organisations will be provided with detailed guidance, at pre application stage, covering all eligible activity, the accuracy of claims, separate accounting headings for European Funding, accurate reporting of progress against targets, the audit trail required and the holding of relevant documentation to demonstrate the accuracy of all expenditure and grant claimed. Details of all the audits carried out are maintained by the MA and an overall summary of the audit activities is maintained by the CA

2.3.2.1. Indication of the period during which documents are to be held.

The instructions given on the retention of supporting documents by beneficiaries are included in each grant offer letter. A separate document retention guidance is published on the SGs website. Extracts from the offer of grant offer letter are detailed below:

On operations for which the total approved eligible expenditure is less than EUR €1 000 000, for a period of three years from 31 December following the submission of the accounts in which the expenditure of the operation is included.

In the case of operations other than those referred to in the first subparagraph, all supporting documents shall be made available for a two year period from 31 December following the submission of the accounts in which the final expenditure of the completed operation is included.

The MA may decide to apply to operations for which the total eligible expenditure is less than € 1 000 000 the rule referred to in the second subparagraph.

The MA shall inform beneficiaries of the period referred to.

2.3.2.2. Format in which the documents are to be held.

European Commission Regulations allow for documents to be retained as either the original paper copies or as an electronic copy of the originals. The regulations allow for the electronic storage of documents provided that they are stored on a recognised data carrier (e.g. CD

ROM, Hard Disk or Magnetic Disk), are certified as being copies of the original, meet national standards and are auditable.

For the purposes of our verifications and audits Lead Partners are advised to keep a document that describes the procedures undertaken to obtain the necessary assurance that adequate IT security standards are in place to rely on the information held electronically / digitally. Beneficiaries using scanning, e-archiving or image processing systems (where original paper documents are scanned and stored in digital form) will be instructed to ensure that certification processes and controls are in place.

The documents shall be kept either in the form of the originals, or certified true copies of the originals, or on commonly accepted data carriers including electronic versions of original documents or documents existing in electronic version only.

Where paper documents are the true/original source of the scanned documents and the latter cannot be relied on for audit purposes (e.g. due to incorrect or incomplete scanning of the document, indications that the documents may have been forged), it means that the procedure laid down on the basis of Article 140(5) CPR has not been complied with, in which case corrective measures are required, including financial corrections where deemed appropriate.

2.4 Irregularities and recoveries

2.4.1. Description of the procedure (that should be provided in writing to the staff of the managing authority and intermediate bodies: date and reference) on reporting and correction of irregularities (including fraud) and their follow-up and recording of amounts withdrawn and recovered, amounts to be recovered, irrecoverable amounts and amounts related to operations suspended by a legal proceeding or by an administrative appeal having suspensory effect.

It is important to recognise that our risk-based, pre-payment approach means that ineligible activities and / or expenditure will mostly be detected prior to payment of grant by the MA and, by extension, prior to such expenditure being included in declarations to the European Commission. Detection and treatment of errors at this early stage means that ineligible expenditure should be stripped out before any 'charging (of) an unjustified item of expenditure to the Community Budget.' Any ineligible expenditure identified during the pre-payment checks will not be paid and will count as an error against the operation and the error rate will be recorded as part of the article check record within EUMIS.

Nevertheless, ineligible expenditure may still be detected post-payment. If ineligible expenditure is identified after a claim is paid, an irregularity must be recorded on the system

The MA will manage the day to day operation of the Irregularity and Recovery process through EUMIS and where required will input these directly onto OLAF's Anti-Fraud Information System, AFIS.

Irregularities are recorded against each claim for each operation and as per the correct irregularity classification types. For operations which are still live, the grant due will automatically be recovered from the next claim for the relevant operation, where a claim is forthcoming in the next 3-6 months. Where an operation is no longer live, or a claim is unlikely this will be recovered through issuing an invoice to the beneficiary. **Annex 1** includes a link

to the withdrawn/de-commitment guidance. All such invoices will be raised by our divisions administrative colleagues when instructed by the Growth Team. In preparation for the each payment application the MA will ensure that irregularities subject to recovery through the invoicing procedure have been actioned and are brought to the CA attention.

Where operations are suspended by a legal proceeding or by an administrative appeal having suspensory effect identified out with the verifications process and notified to the MA, no further claims will be paid and an irregularity entered onto EUMIS as a post payment irregularity. These sums would then be removed from the next declaration and until such time as the suspension is resolved.

Annex 1 includes guidance on the Types and Classification of Irregular Expenditure. The status of all irregularities and recoveries will be kept on EUMIS.

2.4.2. Description of the procedure (including a flowchart setting out the reporting lines) to comply with the obligation to notify irregularities to the Commission in accordance with Article 122(2) of Regulation (EU) No 1303/2013.

All irregularities, including those in excess of €10,000 grant, are recorded on EUMIS and will be classified in accordance with the Types and Classification of Irregular Expenditure Guidance. Checks will be carried out during the verification process to confirm whether irregularities exceed the €10,000 grant limit in aggregate. Where such an irregularity exceeds €10,000 grant the irregularity will be entered onto AFIS in accordance with the published guidance.

A desk instruction for staff setting out the reporting of irregularities is included at **Annex 1**.

SECTION 3 - CERTIFYING AUTHORITY

3.1 Certifying Authority and its main functions

3.1.1. The status of the certifying authority (national, regional or local public body or private body) and the body of which it is part.

The designated Certifying Authority (CA) is responsible for drawing up and submitting certified statements of expenditure to the European Commission. The sole responsibility of the CA is the discharging of the obligations set out in Article 126 of Regulation (EU) No 1303/2013 of the European Parliament and of the Council which pertain to the certifying authority functions of the ESIF programmes for ESF and ERDF in Scotland.

The Certifying Authority is a National Body as part of the Scottish Government.

3.1.2. Specification of the functions carried out by the certifying authority. Where the managing authority also carries out in addition the functions of the certifying authority, description of how separation of functions is ensured.

The CA alone carries out the following functions and tasks and is functionally separate from the MA. The CA does not carry out any functions of the MA. **Section 2** describes the MA and its main functions and organisation. The CA is responsible for:

- drawing up and submitting payment applications to the Commission, and certifying that they result from reliable accounting systems, are based on verifiable supporting documents and have been subject to verifications by the MA
- drawing up the accounts referred to in point (a) of Article 59(5) of the Financial Regulation
- certifying the completeness, accuracy and veracity of the accounts and that the expenditure entered in the accounts complies with the applicable law and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the operational programme and complies with applicable law
- ensuring that there is a system which records and stores, in computerised form, accounting records for each operation, and which supports all the data required for drawing up payment applications and accounts, including records of amounts recoverable, amounts recovered and amounts withdrawn following cancellation of all or part of the contribution for an operation or operational programme
- ensuring, for the purposes of drawing up and submitting payment applications, that it has received adequate information from the MA on the procedures and verifications carried out in relation to expenditure
- taking account when drawing up and submitting payment applications of the results of all audits carried out by, or under the responsibility of the AA
- to maintain, in a computerised form, accounting records of expenditure declared to the Commission and of the corresponding public contribution paid to beneficiaries; and,
- keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation. Amounts recovered will be repaid to the budget of the European Union prior to the closure of the operational programme by deducting them from the subsequent statement of expenditure

In carrying out its functions the CA takes account of the risk and fraud assessments carried out as required by this Management and Control System in developing its control and checking procedures. The CA will contribute to these assessments as set out in sections 2.1.4 and 2.2.2.

3.1.3. Functions formally delegated by the certifying authority, identification of the intermediate bodies and the form of the delegation under Article 123(6) Regulation (EU) No 1303/2013.

The CA has not formally delegated any of its functions or tasks to an intermediate body under Article 123(6) of Regulation (EU) No 1303/2013.

3.2 Organisation of the Certifying Authority

3.2.1 Organisation chart and specification of the functions of the units (including plan for allocation of appropriate human resources with necessary skills)

The CA is brigaded as part of the European Structural Funds and State Aid Division (ESFSAD) of the Scottish Government for staffing purposes. Section 2.2.1 sets out the organisation chart for the CA and illustrates its relationship with the MA and AA. The certifying function is independent of the other bodies within the management structure of the Programme and the CA has the authority not to sign any certificate if it concludes that there is sufficient justification. The CA is functionally independent of the approval and payment process of claims by beneficiaries. This is carried out by the MA and described in Section 2.

The Head of the CA is a C-band senior manager who has experience in the delivery of the ESF and ERDF programmes. The CA also consists of two B-band staff employed to manage the specific finance functions of the CA. Both of these officers have finance experience. The CA will not be a beneficiary of either the ESF or ERDF programmes.

Staffing and Resource allocation

The CA will be staffed with SG employees having a mix of skills, abilities and knowledge of the delivery of the Structural Fund programmes. Each post will be allocated a specific staff grade based on the existing SG HR policy which defines the various responsibilities which can be carried out by staff employed at each grade. This policy sets out the minimum qualifications which are required by grade.

The number, size and complexity of the programmes together with the roles set out within the detailed instructions of this MCS inform the number and grades of staff needed to ensure the effective delivery of the Programme. The Head of the CA will use their experience of the programmes to agree the number and grades of staff with the ESFSAD Head of Division who is responsible for ensuring these resources are made available

CA staff training and skill development will follow the same process as detailed in Section 2.2.1.

Sensitive Posts, Conflict of Interest and Integrity of the Certifying Authority

As in the 2007-2013 programmes, no staff are in sensitive posts i.e. one where the post holder could cause adverse effect to the integrity and functioning of the institution by virtue of the nature of their responsibility. The structure of ESFSAD ensures this is not the case and as no single person has the authority to compromise the operation of the MCS no individuals are working in sensitive posts.

Staff within the CA are civil servants employed by the SG and bound by the provision of the Civil Service Code where they are expected to perform duties with honesty and impartiality. The Code is available to all staff and guidance on issues of conflict of interest are made clear in the Standards of Propriety section of the SG intranet. All staff are required by the terms of their employment to be aware of the requirements of the Civil Service Code and the consequences of failing to adhere to those requirements. Declarations of Interest are invited at meetings, for instance the MA Approval Panel, with the Chair determining the action necessary to ensure the integrity of the process. Any member of staff who considers themselves to have a conflict of interest when they are carrying out their duties as specified in the MCS must inform their line manager who will determine the action necessary to ensure the integrity of the process.

Section 1.3 describes the reporting lines between the MA, CA, AA and the European Commission. The CA works independently from the MA ensuring the separation of functions is assured. Should the CA feel this to be compromised, the Head of the CA also has separate reporting line to DG Finance within the SG. Should a dispute arise the CA has the option to report the matter to DG Finance who will instruct what actions are necessary in accordance with the relevant European Regulations and in compliance with the Scottish Public Finance Manual.

Reporting

The CA will provide the Head of ESFSAD with reports on:

- the financial delivery of the Programmes
- whether the control environment is sufficient to enable the CA to sign a certificate
- when every Payment Request has been submitted, the date of the submission
- when annual accounts are finalised and submitted
- additional ad hoc reporting as required

In addition, and when requested, the CA will provide reports to DG Finance on the effective delivery of the Structural Fund Programmes which may be supplemented by briefings to the Deputy Director of Finance, Ministers and HM Treasury.

Declarations

Three payment claims are planned to be made to the European Commission each year, initially April, August and December. Additional payment claims can be made during the course of the reporting year.

Should the CA consider that insufficient information has been supplied by the MA to enable a payment claim to be made, a report will be drawn up indicating why no certification and payment request can be prepared. This report will be sent to the Head of the ESFSAD who will instruct the MA to provide additional information to enable preparation of the certification and payment request.

Audit

The CA collates, records and reviews the outcomes of audits from the following Audit Authorities:

- European Court of Auditors
- European Commission Auditors
- Audit Scotland
- Scottish Government Internal Audit Division (Audit Authority)

Details of audits from the four authorities will be discussed at audit control meetings held between the MA, the CA and the AA. Actions arising will be recorded in a minute of each meeting, with progress in closing identified issues being monitored at subsequent meetings. Actions which prove incapable of resolution will be escalated to the Head of ESFSAD and Head of Internal Audit for deciding on a course of action.

Should any audit report indicate to the Head of the CA that there are issues which would prevent the preparation of the certification and payment claim a direction will be sought on the action to be taken from the Head of Internal Audit. The Head of ESFSAD will be kept fully briefed by the Head of the CA should this situation arise.

3.2.2. Description of the procedures to be provided in writing to the staff of the certifying authority and intermediate bodies (date and reference):

3.2.2.1 Procedures for drawing up and submitting payment applications

- **Description of arrangements in place for the certifying authority to access any information on operations, necessary for the purpose of drawing up and submitting payment applications, including the results of management verifications (in line with Article 125 of Regulation (EU) No 1303/2013) and all relevant audits**

In order to ensure access by the CA to the detailed information on operations including management verifications and audits held by the MA and the AA, arrangements have been put in place which include appropriate access to the:

- EUMIS IT System
- eRDM
- Audit Reports

EUMIS will hold all the financial and management performance information on approved operations via the Article Check records section. All payments made to applicants will be processed by the Scottish Government Accounting System, SEAS. All other documentation relevant to the CA will be stored in eRDM.

In order to fulfil the requirements pursuant to Council Regulation (EU) No 1303/2013 Article 126, the CA will request the MA to submit a Monitoring Report (**Annex 1**) for each programme in sufficient time to meet the programme for declarations. When provided, the CA will:

- carry out a review of the outcomes of the checking processes carried out by the MA
- carry out a review of the outcomes of the audit reports provided by the AA, the EU Directorates General and the ECA and the European Commission.

The instructions on the checks to be carried out are set out in **Annex 1** and the results of these will be documented on the Monitoring Report. When complete, the Report will be checked and signed by the Head of the CA. This review will form the basis on which the CA will decide to proceed with the certification and submission of payment requests. These completed checks will be stored alongside the relevant Monitoring form and maintained to support the submission of a payment request. A copy of each Article 126 Monitoring form and its supporting checks will be kept in eRDM.

The CA will review annually the processes associated with the submission of an expenditure declaration to the Commission and the completion of the Monitoring Form. The aim of this review will be to assess whether all the processes and checks undertaken by the CA remain relevant and fit for purpose or require updating to reflect known best practice from other regions or practical experience. The review will be completed by 31 March of each year with the results reported to the Head of ESFSAD and recorded in eRDM. Actions arising from the review will be allocated by the Head of the CA and Head of ESFSAD as appropriate and monitored by them to ensure closure.

- **Description of the procedure by which payment applications are drawn up and submitted to the Commission, including procedure to ensure sending of the final application for interim payment by 31 July following the end of the previous accounting year**

Once the Head of the CA has signed the Article 126 Monitoring form, the procedure for drawing up and submitting the statement of expenditure begins

The CA will make all payment claims to the European Commission derived from the declarations of expenditure verified as eligible by the MA. Section 2.2.3.9 sets out the procedures for transmitting information between the MA and the CA.

In preparation of the application for payment the CA will complete the Monitoring form and:

- run a report from EUMIS of the expenditure period verified as eligible by the MA
- finalise the Article 126 Monitoring Report;
- reconcile the financial information detailed in the Monitoring Report with the payments made on the SEAS system;
- complete a Certificate and Statement of Expenditure and Application for Payment in the agreed format as laid out in Annex VI of Commission Implementing Regulation (EU) No 1011/2014;
- draw up a summary of the information;
- electronically sign the documentation in compliance with the instructions issued by the European Commission;
- retain electronic copies of payment applications and any supporting documentation on eRDM

3.2.2.2 Description of the accounting system used as a basis for certification of expenditure and accounts to the Commission (Article 126(d) of Regulation (EU) No 1303/2013.

a. arrangements for forwarding aggregated data to the certifying authority in case of a decentralised system

There are no decentralised systems in operation within the Scottish Programmes. All data to manage the ESIF is stored in EUMIS.

b. the link between the accounting system and the information system described under paragraph 4.1

The accounting function within EUMIS is used as the basis for certification of expenditure and the Scottish Government accounting system, SEAS is used to process payments to beneficiaries.

EUMIS has been designed and commissioned especially for this Programme and is described in detail in Section 4. EUMIS maintains a record of all of the financial and management performance information on approved operations.

All payments made to Lead Partners will be processed by the Scottish Government Accounting System, SEAS. SEAS is the electronic system by which all payments made by

the Scottish Government are processed. Payments made on SEAS are requested by a direct transfer of data from EUMIS.

Where the Lead Partner is a Scottish Government department, the payment will be by means of and Inter-Entity Journal transfer rather than a cash payment.

c. identification of European Structural and Investment Fund transactions in case of a common system with other Funds.

The CA checks to ensure the consistency and integrity of the payment data before payments are authorised on EUMIS and monthly reconciliations, facilitated by the use of dedicated ledger coding, are performed between the two systems to validate the accuracy of expenditure reported.

3.2.2.3 Description of the procedures in place for drawing up the accounts referred to in Article 59(5) of Regulation (EU, Euratom) No 966/2012 (Article 126(b) of Regulation (EU) No 1303/2013. Arrangements for certifying the completeness, accuracy and veracity of the accounts and that the expenditure entered in the accounts complies with applicable law (Article 126(c) of Regulation No 1303/2013 taking into account the results of all verifications and audits.

Drawing up and submitting the accounts referred to in point (a) of Article 59(5) of the Financial Regulation will use the information included in the statements of expenditure for the relevant Annual Accounting period. This information includes the work carried out in preparing the **two** planned declarations (payment requests) made each year.

The CA will prepare the accounts for the relevant Annual Accounting period in the format laid out in Annex VII of Commission Implementing Regulation (EU) No 1011/2014 and will include all pre-financing and sums for which recovery procedures are underway or have been completed. The Annual Accounts will be provided to the Commission before the 15 February of the year following the end of the accounting year to which they relate.

Preparing for the submission of the Annual Accounts to the Commission by 15 February requires the steps set out below to be carried out. The CA will manage the process of preparing the Annual Account together with the MA and AA. The dates in the steps below use an example where the accounting year starts on 1 July 2015 and ends 30 June 2016.

- On 30 June each year the CA closes the accounts for the accounting year which ends 30 June
- By 31 August each year the CA submits the final interim payment claim for the accounting year ended 30 June
- The CA submits the draft accounts to the MA and the AA following submission of the final interim claim starting September each year to allow the MA to prepare the draft Management Declaration and the draft Annual Summary by 31 October each year. Over the same period the AA prepares the audit opinion and the Annual Control Report (ACR)

- In early November each year the CA submits the final draft accounts to the MA to incorporate the latest audit findings. The MA submits the Management Declaration and Annual Summary to the AA by 31 December each year.
- By 15 February each year the annual accounts for the year ended 30 June, Management Declaration, the Audit Opinion and the ACR are submitted to the Commission via SFC.

In preparing the Annual Accounts, the CA will specifically check that:

- amounts withdrawn and recovered during the accounting year are clearly identified along with the amounts to be recovered as at the end of the accounting year, the recoveries effected pursuant to Article 71 Durability of Operations, and the irrecoverable amounts
- amounts of programme contributions paid to financial instruments under Article 41(1) and advances of State Aid under Article 131(4) are clearly identified
- for each priority, a reconciliation between the expenditure declared in the final interim payment claim and the expenditure declared in respect of the same accounting year in payment applications, accompanied by an explanation of any differences.

The preparation of the Annual Accounts desk instruction can be found at **Annex 1**.

3.2.2.4 Description, where applicable, of the procedures of the Certifying Authority in relation to the scope, rules and procedures concerning the effective arrangements set out by the Member State for the examination of complaints concerning the ESI Funds, in the context of Article 74(3) of Regulation (EU) No 1303/2013.

To allow a complaint to be made about the work of the CA, the address of a dedicated complaints mailbox is highlighted on the ESFSAD website to allow complaints. Complaints will be handled as set out below:

Desk Instruction for Complaints against the CA

- Complaint received via dedicated mailbox
- Letter/email logged on internal computerised storing system spreadsheet. Date of receipt, complainants name, address and brief description of complaint registered. Team Leader made aware.
- Team Leader assigns investigation of the complaint to appropriate member of staff
- Within 20 working days of receipt of the complaint the investigation will be completed and a response issued. The response will include notice of the appeals process. Spreadsheet updated to reflect this and reference number of letter added to register and stored on computer system.
- Should complainant appeal, the appeal will be investigated by the Team leader.

- Letter/email logged on internal computerised storing system spreadsheet. Date of receipt and brief description of why complainant still has outstanding issues registered.
- Response issued within 10 working days of receipt. Spreadsheet updated to reflect this and reference number of new letter added to register.
- Complainant not satisfied with response and seeks final appeal
- Letter/email logged on internal computerised storing system spreadsheet. Date of receipt and brief description of why complainant still has outstanding issues registered.
- Complaint dealt with by Head of European Structural Funds
- Final decision of the Managing Authority letter issued within 5 working days of receipt. Spreadsheet updated to reflect this and reference number of letter added to register.

3.3 Recoveries

3.3.1 Description of the system for ensuring prompt recovery of public assistance, including Union assistance.

Within EUMIS the MA will designate the status Withdrawn, Recovered, Pending Recovery, Suspended by Legal Proceedings or Irrecoverable as appropriate to monies which may be subject to recovery of public assistance. The amounts will be repaid to the budget of the Commission by deduction from the expenditure declared and notified to the Commission via the submission of the next statement of expenditure and summarised in the annual accounts each year using the prescribed Commission template.

3.3.2 Procedures for ensuring an adequate audit trail by maintaining accounting records in computerised form, including amounts recovered, amounts to be recovered, amounts withdrawn from a payment application, amounts irrecoverable and amounts related to operations suspended by a legal proceeding or by an administrative appeal having suspensory effect, for each operation, including the recoveries resulting from the application of Article 71 of Regulation (EU) No 1303/2013 on durability of operations.

The CA will maintain, as required by Council Regulation (EU) No 1303/2013 Article 126, a list of the amounts recovered, withdrawn and pending recovery following the cancellation of all or part of the contribution for an Operation. This list is held within the eRDM. **Annex 1** includes desk instructions for the preparation of this account

3.3.3 Arrangements for deducting amounts recovered or amounts to be withdrawn from expenditure to be declared

The information captured in 3.3.2 is held on eRDM and can be viewed and obtained in report form by the CA and will include the following information:

- Identification of Fund and Programme
- Strategic Intervention title and lead Sponsor
- Operation title
- Operation reference
- Recovery required

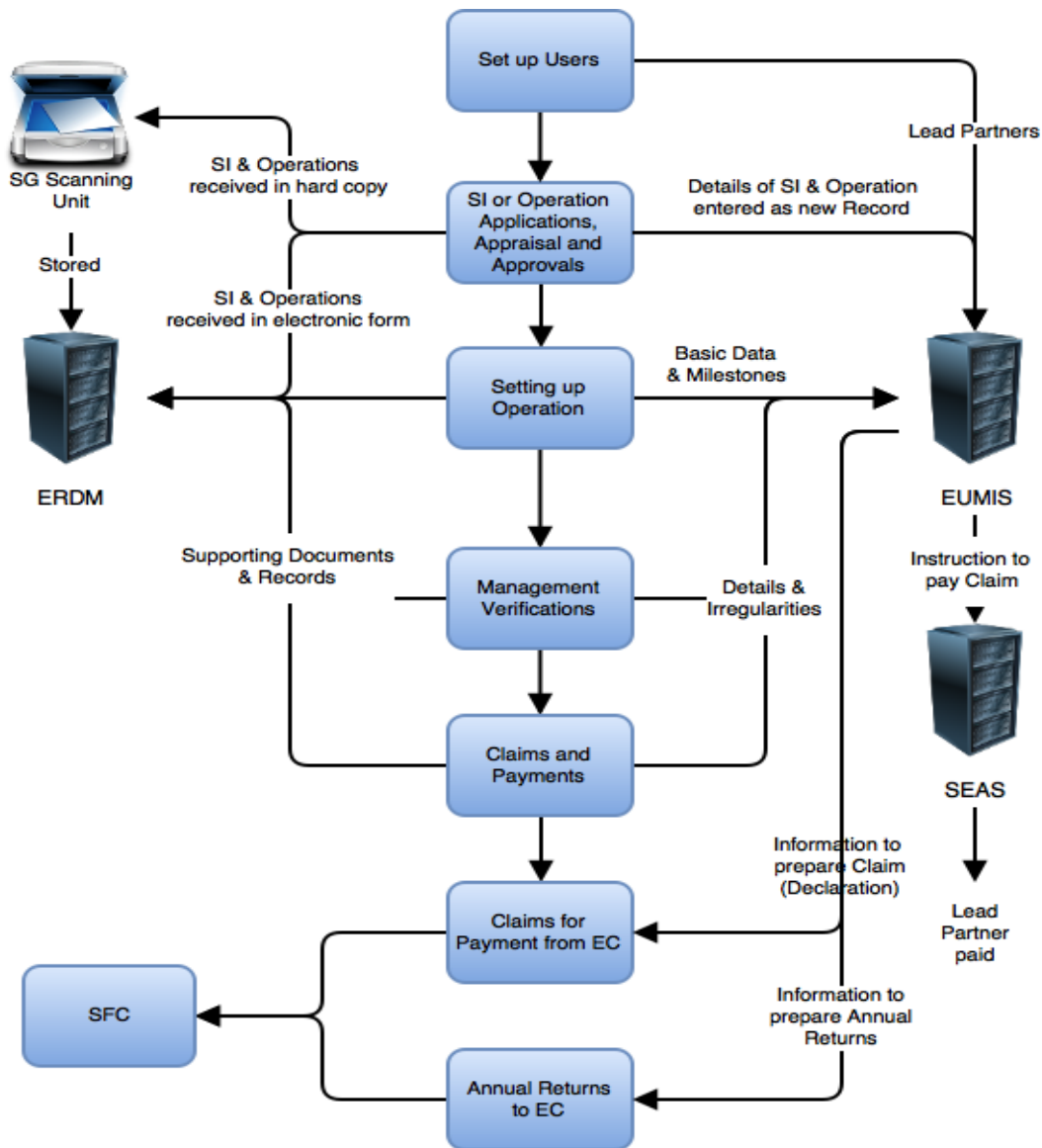
The amounts recovered/withdrawn will be recorded as a negative figure to allow for easy identification.

The CA will record all amounts recovered/withdrawn/pending recovery in the format determined by Council Regulation (EU) No 1303/2013 Article 126. This will be submitted to the European Commission via the Annual Accounts.

SECTION 4 - INFORMATION SYSTEM

4.1 Description of the information systems including a flowchart (central or common network system or decentralised system with links between the systems) for:

A bespoke, fully integrated web-based IT system has been developed to enable the MA to manage the 2014 to 2020 programmes. The system is called EUMIS. It supports all phases of the process, including applications, claims, progress towards targets, payments and recoveries, and compliance and verification checks. The system has a flexible reporting tool allowing users to meet all reporting requirements. The relationships between the steps in the delivery of the programme and where information is held is shown below.



There is no direct link between EUMIS and the Commission’s SFC database for the automated electronic exchange of information. The EUMIS reporting tools generate the necessary management information reports that can be manually uploaded in the SFC. Reports produced in this way will be time and date stamped and where necessary electronically signed before being loaded onto SFC.

EUMIS is available to Lead Partners through a web interface for the entry of operation applications, milestones and claims for payments. This online service shares the same common database as the internal systems allowing checking and authorisation of the various stages by the MA. EUMIS is hosted on the Scottish Government servers and is maintained by ISIS (the internal SG information management systems specialists). EUMIS is designed and built to meet the principle of segregation of duties in all processes. It is protected by the same systems as the remainder of the Government electronic systems.

4.1.1. Collecting, recording and storing, in a computerised form data on each operation, including where appropriate data on individual participants and a breakdown of data on indicators by gender when required, necessary for monitoring, evaluation, financial management, verification and audit, as required by Article

125(2)(d) of Regulation (EU) No 1303/2013 and by Article 24 of Commission Delegated Regulation 480/2014.

The single database within EUMIS holds detailed financial data on all operations, including forecast spend, activity due and dates due allowing the MA to track and monitor progress. Where required by the individual operation it will record units met, costs incurred and all claim data required for reporting to the Commission. Information on each operation is collected and entered at each stage of the lifecycle of the operation according to the detail on the individual screens within EUMIS.

Entering detail in this manner means EUMIS holds targets and progress made towards indicator outputs and results by gender where required. It holds data on individuals receiving support, breaking this down by all the required EU reporting characteristics. The data on individuals supported, and activity undertaken will be uploaded by the Lead Partners and then checked and verified by the MA through the claim and verification processes.

4.1.2. Ensuring that the data referred to in the previous point is collected, entered and stored in the system, and that data on indicators is broken down by gender where required by Annexes I and II to Regulation (EU) No 1304/2013, as required by Article 125(2)(e) of Regulation (EU) No 1303/2013.

The EUMIS system has been developed so that data relating to indicators has to be entered into the system for an indicator to count as achieved. The data required for reporting is mandatory on the system. Therefore the DA must upload data relating to indicators for them to be included towards targets. The system has reports allowing the MA to check all data uploaded.

The data regarding recipients (individual participants, organisations or other activity) being supported through an operation can be updated directly by the DA onto EUMIS or through a web service interface. Transmission via an interface established between the EUMIS system and the beneficiary's system which will identify common fields and transfer the appropriate information.

Data will not be accepted by EUMIS unless all mandatory fields required for reporting purposes have been completed. Data will be checked at claim stage.

Lead Partners will confirm that all outputs and results have been updated when submitting a claim and progress towards outputs and results will be monitored at claim stage

4.1.3. Ensuring that there is a system which records and stores, in computerised form, accounting records for each operation, and which supports all the data required for drawing up payment applications and accounts, including records of amounts to be recovered, amounts recovered, amounts irrecoverable and amounts withdrawn following cancellation of all or part of the contribution for an operation or operational programme, as set out in Article 126(d) and 137(b) of Regulation (EU) No 1303/2013;

EUMIS holds detailed records of all units and costs within each claim and the operation(s) these relate to.

Each operation is badged by the relevant reporting fields required by the Commission. If costs or units are deemed ineligible post payment, they will be recorded as irregularities and

the MA will designate the status withdrawn, recovered, pending recovery, de-minimis, irrecoverable or non-reportable, as appropriate. The amounts will be repaid to the budget of the Commission by deduction from the expenditure declared and notified to the Commission via the submission of the next statement of expenditure.

EUMIS holds the necessary data as to the amount and status of the irregularity, amounts to be recovered, recovered or irrecoverable. EUMIS can identify all operations which have been withdrawn and all payments relating to them can be reported as such. This information will be drawn by the MA in order for the CA to complete the Commission returns.

4.1.4. Maintaining accounting records in a computerised form of expenditure declared to the Commission and the corresponding public contribution paid to beneficiaries, as set out in Article 126(g) of Regulation (EU) No 1303/2013.

EUMIS reports the details of the total expenditure, public match funding and grant paid and date paid to beneficiaries. This information will be used by the MA and CA in the preparation of declarations of expenditure to the Commission as described in Section 3.2.2. Copies of the individual declarations are stored in eRDM.

This information is maintained in both Sterling and Euros.

4.1.5. Keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation, as set out in Article 126(h) of Regulation (EU) No 1303/2013.

The MA will record all amounts to be recovered and all amounts withdrawn following cancellation of all or part of the contribution for an operation. These amounts will be entered into EUMIS, from where, the CA will use this information to maintain as required by Council Regulation (EU) No 1303/2013 Article 126, a list of the amounts recovered, withdrawn and pending recovery following the cancellation of all or part of the contribution for an Operation. This list is available via a report from the EUMIS system.

The MA will record irregularities recorded against each claim for each operation and as per the correct irregularity classification types. For operations which are still live, the grant due will automatically be recovered from the next claim for the relevant operation. Where an operation is no longer live, this will be recovered through issuing an invoice to the beneficiary.

4.1.6. Keeping records of amounts related to operations suspended by a legal proceeding or by an administrative appeal having suspensory effects.

Where operations are suspended by a legal proceeding or by an administrative appeal having suspensory effect identified out-with the verifications process and notified to the MA, no further claims will be paid and an irregularity entered onto EUMIS as a post payment irregularity. These sums would then be removed from the next declaration and until such time as the suspension is resolved.

4.1.7. Indication as to whether the systems are operational and can reliably record the data mentioned above.

The system is fully operational and can reliably record all data required by the regulations.

4.2 Description of procedures to verify that the IT systems security is ensured.

EUMIS is hosted on Scottish Government servers and is covered by the SG IT Security Policy. This Policy addresses four fundamental security principles: authority, accountability, assurance and awareness. Its objectives are to ensure that:

- all IT systems used in the Scottish Government are properly assessed to ensure that corporate procedures, responsibilities and IT security objectives, in particular the legal requirements, are met;
- appropriate levels of security are in place to maintain the confidentiality, integrity and availability of information and information systems; and
- all employees are aware of the limits of their authority and their accountability for their actions.

Descriptions of the systems in place meet this policy are set out on the IT pages of the SG intranet, Saltire. Data held on SG servers is backed up according to the IT Security Policy to ensure business continuity.

The independent penetration test undertaken before the system was deployed found that there were no security vulnerabilities within the application or with its interface to the internet.

EUMIS itself is protected by several layers of security, the first of which is the requirement to only be available to registered users. A list of all registered users is maintained by the EUMIS administrator. A password is required to gain access to the system, and EUMIS automatically requires a new user to change the password provided to allow them after they first log on. Thereafter, passwords are required to be changed every three months. This is set within the detailed administrator screens of EUMIS. Any user who incorrectly enters a password three times is locked out, and can only be reset by the system administrator.

When a person no longer requires access to EUMIS, they are noted as inactive by the system administrator. This allows an audit of their work to be carried out and is more robust than removing them from the user list. Lead Partners each have a Strategic Intervention Manager who is able to add further logins for staff working on that SI. These details are added automatically to the user list maintained by the system administrator.

Permissions as to the fields which can be changed and the screens visible to an individual role are set by the system administrator, and include the commonly used roles in the programmes, portfolio compliance officer, portfolio compliance manager etc. Each person on the user list is given a role title that links with this permissions table. A copy of the permissions table is held in eRDM.

EUMIS automatically creates and stores an Audit trail logging all changes to the database by SI or Operation as appropriate, describing the user logged in, the SI or Operation being amended, the date and time of the changes and a journal of all changes made including the data being entered into the database.

The web interface used by Lead Partners will use Basic Authentication over SSL to ensure that only users known to EUMIS are able to make changes. Basic authentication stores a username/password combination in the request header unencrypted. To ensure the username/password combination is not readable by anyone potentially intercepting the request, the request must be sent via SSL. EUMIS is already currently configured to use SSL. Basic Authentication is known to be susceptible to Cross-Site-Request Forgery (CSRF)

attacks. This will be mitigated in the implementation of the service. Only specific user accounts to interact with the interface.

4.3 Description of the current situation as regards implementation of the requirements of Article 122(3) of Regulation (EU) No 1303/2013.

The system is fully operational and can reliably record all data required by the regulations.

ANNEX 1 (Internal Use Only)

The workflow and essential documents of all functions and procedures noted throughout the Management and Control System (MCS) are available here:

[2014-2020 Programmes - Management and Control Systems - 0 - Main Text - Annex 1A - SI Application & Approval Process - 03 May 2021 \(A33081269\)](#)

[2014-2020 Programmes - Management and Control Systems - 0 - Main Text - Annex 1B - Operation Application & Approval Process - 03 May 2021 \(A33081792\)](#)

[2014-2020 Programmes - Management and Control Systems - 0 - Main Text - Annex 1C - Article 125\(5\)\(a\) Claim & Verification Process - 03 May 2021 \(A33082284\)](#)

[2014-2020 Programmes - Management and Control Systems - 0 - Main Text - Annex 1D - Article 125\(5\)\(b\) On-the-spot Verification Process - 03 May 2021 \(A33082546\)](#)

[2014-2020 Programmes - Management and Control Systems - 0 - Main Text - Annex 1E - Change Request & Approval Process - 03 May 2021 \(A33082704\)](#)

[2014-2020 Programmes - Management and Control Systems - 0 - Main Text - Annex 1F - Certifying Authority Process and Guidance - 03 May 2021 \(A33082995\)](#)

[2014-2020 Programmes - Management and Control Systems - 0 - Main Text - Annex 1G - Cross-cutting Documents - 03 May 2021 \(A33083120\)](#)