

• Spring Course: How to Use Simplified Cost Options for ESI Funds *Implementation, Calculation Methods, Control and Audit*

3-Day Intensive Spring Course | 10 – 12 April 2019 | Barcelona, Spain

Experts



Louis Vervloet

General Director, ESF Agency Flanders,
Brussels



Luca Santin

Expert for EU Structural Funds, Italy



Juan Ignacio Gonzalez Bastero

Principal Manager –
Chamber 2 Directorate –
European Court of Auditors, Luxembourg
(tcb)

The Spring Course will combine experts' presentations, practical sessions, and interactive workshops, over the following topics:

Day 1

- Extended EU-level options offered by the new OMNIBUS Regulation
- **Calculate Simplified Cost Options:** flat rates, lump sums and standard scales of unit costs
- Application of Art. 14.1 and delegated acts

Day 2

- Making **Management Verifications** more effective
- Setting up **Simplified Cost Models for ERDF Projects**
- Drawing up, certifying and submitting **Annual Accounts** to the European Commission

Day 3

- Handling **Errors, Irregularities and Financial Corrections**
- Designing a strategy to prevent, detect and correct **Fraud and Corruption** in your institution
- **Indicators, Monitoring and Evaluation** of ESI Funds
- **Compliance with State Aid and Public Procurement** rules



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General Information

Overview

The 2014-2020 regulatory framework includes a number of measures that encourage the use of **Simplified Cost Options (SCOs)** and improves their **legal certainty**.

Moreover, the use of SCOs has been extended to all ESI Funds, being applicable to more projects and mandatory for small projects.

Among others, more possibilities are given to **apply flat rates**, not only based on indirect costs, but to calculate any type of costs, more **calculation methods** have been introduced and the **threshold for lump sums** has been increased. Although the extended use of simplification methods does explicitly include **ERDF programmes**, programme managers often encounter difficulties in their practical use, when it comes to cost calculation and eligibility of costs. As the use of simplified cost models and the move towards a **result-based management** have significant all responsible programming implications on the management and control of ESI Funds, bodies need to familiarise with these new requirements.

This intensive 3-day Spring Course is for specialists from **Managing, Certifying & Audit Authorities and beneficiaries**, who plan to set-up Simplified Cost Models or have already implemented this approach. Participants will learn about the new requirements and how to adapt their working methods and procedures to this simplified method in compliance with eligibility rules and regularity of expenditures.



Methodology

The **participants will be actively involved in the workshop**. The sessions will combine **presentations, case studies** and **discussion on practical problems**. You will have ample opportunities to present your own problematic issues and discuss them with the speakers and participants from other Member States.

Just send to us your cases and questions in advance! We will forward them to our speakers, who will include your issues in the programme and answer them during the training. All information concerning such problems and cases will be treated confidentially.

Target Group

- **Representatives from public authorities in charge of financial management, control and audit, especially from:**
 - Managing Authorities
 - Certifying Authorities
 - Audit Authorities
 - Intermediate Bodies
- **ESI Funds experts from regional and local authorities and experts involved in ETC Programme**
 - Beneficiaries of EU funded projects, i.e.: Private and public companies, associations, research institutes
 - Public and private banks
 - International, national and local associations and networks
 - Consultants

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Programme Day 1: Wednesday, 10 April 2019

Methodology and Calculation Methods of Simplified Cost Options

09:00 Registration & Welcome Coffee

09:30 Introduction Round

09:45 **Simplified Cost Options: Regulatory Framework and Principles**

- Methodology and principles of SCOs
- Focus on output and results: Why, when and how to use simplified cost models
- Fund-specific rules and national rules
- Simplification and reduction of 'gold-plating'
- New and extended EU-level options offered by the Omnibus regulation
- Extended off-the shelf SCOs

Louis Vervloet

General Director, ESF Agency Flanders, Brussels

10:45 Coffee Break

11:15 **Calculation Methods for Simplified Cost Options**

- Use of existing EU schemes or existing own national schemes
- Use of specific rates and methods from the CPR and Fund specific regulations
- Introduction into the calculation methods: flat-rate financing, standard scales of unit costs and lump sums
- Ex ante evaluation
- Combination of cost options

Louis Vervloet

General Director, ESF Agency Flanders, Brussels

12:00 **Flat-rate Financing: How to Apply & Practical Examples**

- Categories of costs and rates applied
- Calculation methods for indirect costs
- How do you calculate staff costs?
- Fund-specific rules
- Examples of flat-rates

Louis Vervloet

General Director, ESF Agency Flanders, Brussels

12:45 Lunch Break

14:00 **Standard Scales of Unit Costs & Lump Sums: Principles & Practical Examples**

- General principles
- When to apply and how to calculate?
- How do you calculate staff costs?
- Lump sums: Definition of milestones
- Limits of the use of lump sums
- Examples of unit costs and lump sums

Luca Santin

Expert for EU Structural Funds, Italy

Loius Vervloet

General Director, ESF Agency Flanders, Brussels

14:45 **Application of Art. 14.1 & Delegated Acts**

- Advanced options under Art. 14.1 ESF: Scope of application
- Principles and main differences of Art. 67 CPR and article 14.1 ESF
- What steps to take with the Commission to have a delegated act being approved?
- Practical examples from Member States and decisions

Louis Vervloet

General Director, ESF Agency Flanders, Brussels

15:30 Coffee Break

16:00 **Exercises and Practical Group Work on Calculation Methods**

Participants will work on real-life cases and exercises on the use of flat-rates, unit costs and lump sums.

Luca Santin and Louis Vervloet

17:00 End of Day 1

18:30 **Evening event & common dinner**



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Programme Day 2: Thursday, 11 April 2019

How to Implement and Make Best Use of SCOs in Your Operational Programme?

09:00 **Implementing SCOs: Considerations for Managing and Certifying Authorities & Beneficiaries**

- Why use SCOs: Considerations for MAs, CAs, IBs and beneficiaries
- How to develop a Simplified cost model: Steps, negotiations, and institutions involved
- How to work together with the European Commission
- Step-by-step guidance on how to implement flat-rates, unit costs and lump sums
- Developing and implementing a result-oriented approach
- The 3P-Model: 3 main processes of structuring organisations
- Benefits and risks of using SCOs
- National experiences and expert guidance: Discussion and exchange of experiences

Louis Vervloet

General Director, ESF Agency Flanders, Brussels

10:30 Coffee Break

11:00 **Setting up Simplified Cost Models for ERDF Projects**

- How to use simplified cost models in ERDF projects?
- Eligible costs under ERDF
- Public Procurement and SCOs
- Flexibility in the operation of simplified cost models
- Benefits, challenges and pitfalls

Luca Santin

Expert for EU Structural Funds, Italy

12:30 Lunch Break

13:45 **Best Practice and Recommendations for a Successful Use of Simplified Cost Models in Operational Programmes**

Group work and exercises on real-life examples: Receive guidance and recommendations on the most relevant approaches, actions and operative solutions adopted by Managing Authorities. Become familiar with the change management process due to the SCO implementation.

Luca Santin

Expert for EU Structural Funds, Italy

15:30 Coffee Break

16:00 **Interactive Session: Planning the Activities for Upcoming Months in Your Member State/Operational Programme**

- Participants are asked to exchange and report on their current practices & experiences on SCO
- Discuss your current challenges and individual questions in full confidentiality
- Receive expert guidance

Luca Santin & Louis Vervloet

17:00 End of Day 2



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Programme Day 3: Friday, 12 April 2019

Control and Audit of Simplified Cost Options

09:00 **First-Level Control & Verification of Simplified Cost Options**

- How to verify SCOs and what needs to be verified
- Eligible Costs using SCOs
- Compliance of SCOs with State aid and public procurement
- How to reduce risks and errors?
- Requirements for financial reporting

Louis Vervloet

General Director, ESF Agency Flanders, Brussels

10:00 **How to Ensure Good Cooperation between Managing and Audit Authorities?**

Juan Ignacio Gonzalez Bastero

*Principal Manager –Chamber 2 Directorate –
European Court of Auditors, Luxembourg (tcb)*

10:45 Coffee Break

11:15 **Audit of Simplified Cost Options**

- Using SCOs: Considerations for Audit Authorities
- Implications for the audit procedure: Audit of methodology
- Specific audit trail requirements
- Compliance with eligibility rules, public procurement and State aid rules
- Errors and irregularities in SCOs – how to avoid them?
- The European Court of Auditors' approach

Juan Ignacio Gonzalez Bastero

*Principal Manager –Chamber 2 Directorate –
European Court of Auditors, Luxembourg (tcb)*

12:45 Lunch Break

14:00 **Practical Exercises and Group Work on Eligibility of Costs: How to Avoid Errors and Irregularities in SCO?**

Participants will work on practical exercises and will discuss different situations where SCO are being applied. Given the use of different options, participants will assess whether and why there is ground for an irregularity.

Juan Ignacio Gonzalez Bastero

*Principal Manager –Chamber 2 Directorate –
European Court of Auditors, Luxembourg (tcb)*

15:30 End of Spring Course & Distribution of Certificates



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Experts

Juan Ignacio Gonzalez Bastero

Principal Manager – Chamber 2 Directorate – European Court of Auditors, Luxembourg

Juan Ignacio Gonzalez Bastero joined the European Court of Auditors in December 1999. Since 1 August 2015, he is Principal Manager of the team responsible for the Statement of Assurance (SoA) audit of Economic, social and territorial cohesion. Before, Juan Ignacio was first Head of Unit of the financial audit for Employment and Social affairs, and later Head of unit for the financial audit of the Regional, Transport and Energy policies. From January 2008 until October 2012, he was the Head of Private office of Dr. Harald Noack, German Member of the ECA and Dean of Chamber II (dealing with Structural Policies, Transport and Energy). During this period, he was also in charge of supervising the SoA audit for Research, Transport and Energy, the Cohesion Policy, the EU Joint Undertakings and the performance auditor on the effectiveness of ERDF financial instruments. From 2002 to 2008, he was Member of the Private Offices of Mr François Colling and Mr David Bostock where he also participated in different financial and performance audits in the research and agricultural areas. Before joining the ECA, Juan Ignacio held the position of Director for Finance and Administration of the Siemens-Nixdorf Retail and Banking Systems, S.L. in Spain. He has a University degree in Economics and Business and a Master in Business Administration. Furthermore, Juan Ignacio Gonzalez Bastero has been regular speaker for audit and financial management issues.

Luca Santin

Expert for EU Structural Funds, Italy (invited)

Since 2010 he has supported the implementation of SCOs, through the elaboration of the methodological and administrative documents related to all phases of the process: check of the preliminary conditions, definition of the methodology for the calculation of the standard costs, definition of the key variables concerning the application of SCOs, training of public officers responsible for the implementation and control of the operations concerned by SCOs. He is the author of the Case Study “The implementation of simplified cost options with the European Social Fund in Italy”, published in 2014 by the European Commission.

Louis Vervloet

General Director, ESF Agency Flanders, Brussels

Louis Vervloet is the general director of the Flemish ESF Agency and represents Belgium at the ESF Committee. He is also part of the Belgian delegation in the ESIF Committee. Louis has a degree in Public Administration and a long experience in working with the ESF. Since 1982 Louis has been responsible for the ESF in Belgium/Flanders. Since 1982 up to now, Louis has seen and experienced all evolutions from working with an individual application to drawing up and managing several annual programmes. He has worked as a detached expert at the European Commission.



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Registration

Participation fee

YES, I would like to participate in the
Spring Course: How to Use Simplified Cost Options for ESI Funds

- Reduced fee for public authorities: € 2.230,- (excl. VAT)
- Regular fee: € 2.630,- (excl. VAT)

21% Spanish VAT will be added.

The number of seats is limited.

Registrations will be accepted first come, first serve. The participation fees include the workshop material, drinks and snacks during the breaks and lunch.

Newsletter subscription

- Please send me information about Structural and Investment Funds issues for free. I may unsubscribe from this service any time.

Cancellations

Cancellations should be made in writing per post or fax. Please note that the full fee will be charged for cancellations received after 26 March 2019. Nomination of a substitute remains possible. A cancellation arising by reason of too small a number of participants is effected no later than two weeks prior to the seminar. In this case the participation fee will be refunded. A requirement for reimbursement of travel and accommodation expenses as well as loss of working hours is not possible, unless such costs result from wantonly negligent or deliberate behaviour on the part of the organiser. For more detailed information, scope and conduct of contract as well as cancellation policy, please check the Terms & Conditions on our website.

Please register with:



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Position, Department

Company Name

Address

Address

Phone, Fax

E-Mail

VAT Reg.-No.

Date, Signature

Upcoming Events

Interactive training on GBER: Energy, Environment & R&D&I

12 – 13 March 2019, Amsterdam, The Netherlands

In light of the upcoming revision of the GBER Regulation by the European Commission, Lexxion invites you to its interactive training on GBER. During the training you will learn about the GBER provisions in the fields of Energy and Environment, and R&D&I, discussing with experts from the Commission the purpose and the lessons learnt by the ex-post monitoring. You will also learn from other MS' best practices how to avoid the most common mistakes. Finally you will get acquainted with the Commission's prospective to monitoring and evaluation.

Summer Course on Irregularities and Fraud in ESI Funds and Public Procurement

5 – 7 June 2019, Lake Como (near Milan), Italy

During this Summer Course you will learn about differences between errors, irregularities and fraud, about common types of irregularities, about irregularities resulted from State aid, about simplified cost options and irregularities, and how to proceed with irregularities and financial corrections. The second day will be devoted to anti-fraud cycle and detecting and combating of fraud in management of ESI Funds. Irregularities and Fraud, resulted from Public Procurement will be the topic of the third day. Finally we will discuss remedial actions to be undertaken in order to prevent irregularities and fraud in any form.

For more information on any of our events please visit: www.lexxion.eu