

Scottish Government Managing Authority - ESF/ERDF Work Streams – Summary of key points

System Audit Article 125 (a) Pre Payment Verification Check

1. The MA have received the findings from AA on the claims sampled – working through this to understand the categories.
2. Undertaking retrospective checks on previously paid claims to bring them in-line with the current MCS.

System Audit Article 125 (b) Visits (On the spot) Stage 2

3. Phase 6 visits commenced on the 11 February 2020 and Lead Partners were advised by email on the 7 February that due to a change to “Pricing Schedule Checks” further sampling and evidence may be sought following the visit. This relates to Operations with procured costs.
4. Phase 6 visits commenced on the 11 February and concluded on the 18 March 2020.
5. The impact of Covid-19 lockdown meant that further evidence could not be submitted for some operations.
6. Of the 18 operations visited, 11 have been fully completed, six are still in progress and may not conclude until lockdown measures ease sufficiently to allow access to information.
7. Planning for Phase 7 has commenced and Lead Partners selected have been notified. These visits will be undertaken as a desk-based exercise.

Unit Cost Claims (ESF Only)

8. We are pleased that the majority of Lead Partners including Local Authorities have endeavoured to provide the evidence requested for this exercise.
9. Claim 1 is fully completed and has been declared to the European Commission. Claim 2 is in progress and the Audit Authority have started their checks on these.
10. Claims 3 and 4 work has commenced and they are all at various stages depending on information from Lead Partners. Further detail on the claims is contained within **ANNEX A**.

Next Steps

11. Unit Cost claim 2 to be checked by Audit Authority and then declared to the Commission – end of September (TBC).
12. Evidence to be submitted to the Commission to address issues that have led to the suspension by late summer.

Unit Costs

The retrospective unit cost exercise is progressing well - four retrospective claims are anticipated, relating to units delivered from the start of the Programme up to 30 June 2019. The Managing Authority recognises that the current COVID19 restrictions are having an impact on timescales and access to required systems / documentation and would like to acknowledge the continued support of Lead Partners by providing information promptly and correctly:

Claim 1

Claim 1, which include the units for 17 operations, has been formally included within a Declaration to the Commission and is currently with the Audit Authority to perform their final Article 127 checks. Once these checks are complete, the Managing Authority will be in a position to present this claim (along with a large amount of supporting documentation) to the Commission – this should assist with the process of lifting the suspension, when combined with all the other actions taken.

Claim 2

The MA is continuing to progress Claim 2 operations and is working with the Lead Partners involved to ensure a complete and robust audit trail is in place for each operation to support the units being claimed. The Audit Authority has commenced their initial assessment of the first operations that have been forwarded to them for review and the MA is working closely with the AA to respond to any queries and ensure the review is concluded quickly and satisfactorily.

Claim 3 and Claim 4

The MA is working with Lead Partners to collect a robust and verifiable audit trail for each member of staff that units are being claimed for.

Additional

Any feedback received from the audits and quality checks carried out on Claim 1 will be applied to Claims 2, 3 and 4 where necessary.

The MA continues to review all excluded operations (currently excluded from the exercise because they do not meet all requirements within the MA's unit cost methodology) on a regular basis and will add operations to the retrospective claims where appropriate.

Managing Authority
August 2020