1. With reference to the reply to written questions 19/20, what are the reasons for the changes made to the error rate of the following OPs: Brussels (decreased by 4.99%), Rioja (increased by 37.38%), Wales (both East and West, with a 10% flat rate), Tuscany (flat rate of 25%) and Sardinia (flat rate of 25%)?

Commission's reply:

Brussels

The error rate was recalculated by DG EMPL upon analysis of the Annual Control Report 2013. The very small population (12 units) justifies the non-statistical random sampling method in line with the guidance on sampling methods for the audit authorities (COCOF 08-0021-03).
The Audit Authorities drew two samples:
- A random sample drawn in the beginning of the year as requested by the Regulation; and
- A complementary sample to complement the random sample with similar expenditure and/or projects declared by the randomly chosen beneficiaries.
After analysis by DG EMPL, it appeared that the random sample and the complementary sample contained very similar projects with similar errors found. In line with the above-mentioned guidance, DG EMPL decided to combine the control results from both samples. It considered all controls as one random sample.
The Audit Authority error rate for the first sample resulted in an error rate of 15.99% and for the second sample in an error rate of 2.64%. When combining the control results into one sample, this resulted in an error rate of 11.00% (corresponding to the 4.99% decrease mentioned).

La Rioja

Part of the expenditure included in the Audit Authority sample (€ 172.497,98) had been detected by the Intermediary Body as being affected by errors before the sample was drawn. This expenditure had been corrected at national level in March 2014 (not yet de-certified at EC level).
The Audit Authority reported two different ways of calculating the error rate:
- 0.38% when excluding these errors from the error rate;
- 4.01% when including these errors in the error rate (however they were not extrapolated).
The Commission rejected the two error rates provided by the Member State. In line with the applicable guidance on sampling methods for the audit authorities (COCOF 08-0021-03) the errors detected before the sample was drawn, even if subsequently corrected at the time the Annual Control Report is submitted, must be extrapolated and taken into consideration for the total error. The subsequent correction can then be disclosed by the Audit Authority and taken into account when issuing its opinion.
Therefore, DG EMPL recalculated the error rate by extrapolating the errors found before the sample was drawn and established an error rate of 37.76%.

Wales

For determination of the error rate at operation level, the national auditors summed-up all errors identified in the amount vouched for testing and calculated a rate of the errors found as a proportion of the total cost declared under the operation. This method is not in line with the applicable guidance since:

- the error rate should not be related to the amount actually tested but to the total operation/project expenditure;
- the random errors should not be confused with the errors outside the random sample, otherwise this compromises the whole projection of the audit results.

The error rate in the Annual Control Report was considered to be understated as the Audit Authority did not make projection of audit results at operation/project level. Hence, DG EMPL decided to quantify the risk at 10% given the nature of the errors, i.e. mainly incorrect subsampling at project level and extrapolation of the project subsample error rate. The flat rate was determined on the basis of the applicable rates set out in Commission Decision No 7321 of 19 October 2011.

Tuscany and Sardinia:

Following DG EMPL audit work on the activities of the Audit Authority, it was considered, for both regions, that the audit work was insufficiently reliable to accept the Annual Control Report and the Audit Opinion reported for 2013. As a consequence and pending follow up work to be carried out by the EC auditors, both systems were put in reservation with a risk quantified at 25%. Follow up audit work has in the meantime taken place by DG EMPL auditors showing that the discrepancies were adequately addressed and the actions taken by the Audit Authorities concerned allowed lifting the reservation. The follow up audit work consisted in two fact finding missions, the one in Tuscany checking through a desk review and walk-through testing the audit work carried out by the Audit Authority and the one in Sardinia focussed on the assessment of the Audit Authority's reply to the pre-suspension letter.

2. Provide explanation on why in the table annexed as a reply to written question 29, and more specifically, the corrections to be applied to Thüringen, Bund, PL and Castilla y León, the figures are missing.

Commission's reply:

The excel table annexed as a reply to written question 29 has been up-dated by the Court of Auditors with all relevant information and is attached herewith.

As explained in its reply, the Commission is currently in the process of sending specific recommendations to the Member States audited by the Court during DAS 2013 pending the receipt of all final analysis of the Court on each individual error.

As indicated in the table, in a large number of cases the errors found by the Court are punctual and will be corrected through individual financial corrections. The financial corrections which will be requested by the Commission will correspond to the ineligible expenditure identified for each project.

Table for Q 29 31 32
- responding to Comn

3. With reference to the replies by the Commission to written question 33, how many studies have been carried out in Romania on the issue of the excessive salaries and what will the Commission do if these remain still too high?

Commission's reply:

As explained in the Commission's reply to written question 33, one study commissioned by the Managing Authority was financed under the Technical Assistance Operational Programme.

The Commission has paid close attention to the problem of excessive salaries charged to the ESF and has so far been systematically applying a financial correction of 25% on all salary related expenditure. Further audit work needs to be conducted in 2015 to ascertain whether this and other deficiencies have been addressed by the Romanian authorities. Should the outcome be negative, the Commission might either have to interrupt or suspend payments if the conditions of articles 91 or 92 of Regulation No 1083/2006 are met, i.e. there is a serious deficiency in the management and control system, or to request further financial corrections, or both.

4. Special reports by the Court of Auditors always conclude that that it is difficult to measure the effects of the interventions for specific groups (for example older workers, women, etc.) Will this still be the case in the current programming period?

Commission's reply:

Reporting on common output and result indicators will be compulsory (see Annex I and II of Reg. 1304/2013 on the ESF). For these indicators, the Commission will be able to report aggregated data at EU level and perform EU-wide analysis.
This concerns more concretely information on all participants in measures supported by the ESF according to their employment status, age (below 25 and above 54), education level and disadvantage type (e.g. if they are living in jobless households, are migrants, disabled etc.).
Common immediate result indicators will show how many participants, upon leaving, are searching for a job, are in education/training, gained a qualification or are in employment. They will also show how many disadvantaged participants fall into any of the categories above.
Common longer-term result indicators will show how many participants are in employment or with an improved labour market situation six months after leaving the assistance. Specific information will be available on the number of disadvantaged participants and participants over 54 years who are employed six months after leaving.

All data relating to participants shall be broken down by gender.
As a result of this new system, the number of participants (i.e. the outreach of the supported policies) will be known for all the target groups specified by the common output indicators. For people above 54 and disadvantaged people information will be available on the improvement of their job situation.
Effectiveness of ESF interventions will also be directly measured for young people supported under the Youth Employment Initiative on the basis of the common result indicators in Annex II of Regulation 1304/2013.
In addition to the common output and result indicators, managing authorities are encouraged to use programme-specific indicators in order to better measure the expected/achieved results. Programme-specific indicators can help to measure the effectiveness of ESF interventions on precise target groups (especially for investment priorities which refer to support to specific target groups such as young people) even if the result would never be EU-wide as their use is not compulsory and varies according to the specificities of the results sought.
All common output and immediate result indicators as well as the programme specific indicators shall be reported annually as from 2016 (for the Youth Employment Initiative as from 2015). The longer-term common result indicators shall be reported twice with the 2018 and 2023 annual Implementation reports.
In addition to the monitoring of outputs and results, the effectiveness of the funds will be subject to evaluation. Concerning the Youth Employment Initiative, two specific evaluations are foreseen: by the end of 2015 and by the end of 2018. The 2014-2020 CPR Regulation sets out that, during the programming period, the managing authority shall ensure that evaluations, including evaluations to assess effectiveness, efficiency and impact, are carried out for each programme.
On the basis of the above, for the period 2014-2020 it shall be possible to assess the contribution of the ESF interventions to the results achieved on any group of participants in ESF as identified in Annex I of Regulation 1304/2013 (with the only limitation for special category of data, for which Member States can set out exemptions), on other groups more specifically targeted by reporting at Member State level and on any target group for which a specific evaluation is decided.

5. What is the state of play with the management and control systems in Thüringen, Germany?

Commission's reply:

From the latest information available (audit in June 2014), the Management and Control Systems in Thüringen are assessed by the Commission in Category 2: "work well, but some improvements needed".
Compared to the 2013 Annual Activity Report where DG EMPL accepted an error rate of 2.85% for this OP, DG EMPL has observed an improvement of the management verifications at the level of the Intermediate Body (GFAW). A new IT-management system has been established, revised checklists for payment claims checks and on-the-spot controls are now in use. These recent measures seem to have had a positive impact of the error rate (below 1% for 2014). However, these good results need to be further confirmed by the results of future audits to be carried out by the Audit Authority.

The supervision and monitoring by the Managing Authority of the results of the management verifications performed by the Intermediate Body should also be further improved. This is due to the fact that the responsibility of supervising and monitoring the results of the management verifications is split between different Intermediate Bodies/departments ("Fachaufsichten") within the "Thüringer Ministerium für Wirtschaft, Technologie und Arbeit" and the "Thüringer Ministerium für Soziales, Familie und Gesundheit.