

UNIVERSITY OF LJUBLJANA  
FACULTY OF ECONOMICS

**MASTER'S THESIS**

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**BUSINESS PROCESS REENGINEERING TO IMPROVE THE  
MANAGEMENT AND CONTROL OF EU HOME AFFAIRS FUNDS  
IN SLOVENIA**

Ljubljana, November 2015

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## **AUTHORSHIP STATEMENT**

The undersigned GREGOR SKENDER, a student at the University of Ljubljana, Faculty of Economics, (hereafter: FELU), declare that I am the author of the master's thesis entitled BUSINESS PROCESS REENGINEERING TO IMPROVE THE MANAGEMENT AND CONTROL OF EU HOME AFFAIRS FUNDS IN SLOVENIA, written under supervision of PROF. DR. VLADO DIMOVSKI.

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# TABLE OF CONTENTS

<b>INTRODUCTION .....</b>	<b>1</b>
<b>1 PROBLEM BACKGROUND.....</b>	<b>3</b>
1.1 Purpose and objective of the research.....	3
1.2 Research strategy .....	4
1.3 Methodology .....	5
1.3.1 Research methods.....	5
1.3.2 Performance indicators .....	6
1.3.3 Research model .....	9
1.4 Key research questions and hypotheses .....	9
<b>2 GENERAL OUTLINE OF THE EU MULTIANNUAL FINANCIAL FRAMEWORK .....</b>	<b>10</b>
2.1 A historic perspective and EU budget resources over time.....	10
2.2 The EU budget and the Multiannual Financial Framework.....	11
2.3 The EU Home Affairs Funds.....	12
2.3.1 Why is EU funding in the area of Home Affairs needed? .....	12
2.3.2 Which are the available financing instruments? .....	13
<b>3 BUSINESS PROCESS REENGINEERING AND PERFORMANCE IMPROVEMENT .....</b>	<b>14</b>
3.1 Theoretical perspective on business process reengineering .....	14
3.1.1 Elements of a (business) process .....	16
3.1.2 Key dimensions, phases, and success factors of business process reengineering.....	17
3.1.3 Performance improvement measurement .....	20
3.1.4 Setting the plan for a business process reengineering project .....	21
3.2 The application of the business process reengineering to the public sector.....	26
<b>4 REENGINEERING THE MANAGEMENT AND CONTROL SYSTEM OF EU HOME AFFAIRS FUNDS.....</b>	<b>27</b>
4.1 Management and control system of EU Home Affairs Funds in the Multiannual Financial Framework 2007-2013.....	28
4.1.1 “As is” organizational structure of the Management and Control System .....	28
4.1.2 “As is” process inventory mapping .....	30
4.1.2.1 Process 1 – Designation of authorities and establishment of the MCS.....	30
4.1.2.2 Process 2 – Programming and budget planning .....	31
4.1.2.3 Process 3 – Project selection and programme implementation.....	32
4.1.2.4 Process 4 – Monitoring, reporting, and evaluation of programme implementation.....	33
4.1.2.5 Process 5 – Controls by designated authorities, detection of irregularities and financial corrections .....	33
4.1.2.6 Process 6 – Overarching and other processes .....	35
4.2 Management and control system of EU Home Affairs Funds in the Multiannual Financial Framework 2014-2020.....	37
4.2.1 “To be” organizational structure of the Management and Control System .....	37
4.2.2 “To be” process inventory mapping.....	39
4.2.2.1 Process 1 – Designation of authorities and establishment of the MCS.....	39
4.2.2.2 Process 2 – Programming and budget planning .....	40
4.2.2.3 Process 3 – Project selection and programme implementation.....	41
4.2.2.4 Process 4 – Monitoring, reporting, and evaluation of programme implementation.....	43

4.2.2.5	Process 5 – Controls by competent authorities, detection of irregularities and financial corrections .....	44
4.2.2.6	Process 6 – Overarching and other processes .....	46
<b>4.3</b>	<b>Vision, mission and strategic goals for the improved business system .....</b>	<b>48</b>
<b>4.4</b>	<b>General overview of key business process improvements.....</b>	<b>49</b>
4.4.1	Culture and people.....	49
4.4.2	Processes.....	49
4.4.3	Structure and system.....	51
4.4.4	Technology .....	51
<b>4.5</b>	<b>Results of performance improvement measurement and hypothesis testing .....</b>	<b>52</b>
<b>CONCLUSION.....</b>		<b>60</b>
<b>REFERENCE LIST .....</b>		<b>64</b>
<b>APPENDIXES</b>		

## **LIST OF FIGURES**

Figure 1. Research strategy .....	5
Figure 2. Research model.....	9

## **LIST OF TABLES**

Table 1. Summary of commonalities in performance improvement endeavors .....	18
Table 2. Generic model for a BPR project.....	24
Table 3. Results of performance measurement .....	54

## INTRODUCTION

Given the broadest definition of public finance as “any revenues or expenditures passing through state budgets, derived from whatever source and however spent” (Bailey, 2003, p.3), the European Union public finance can be characterized as somewhat specific in contrast to traditional understanding of government budgets. The **first difference** pertains to the budgetary revenues and allocation of funds. It is the member states contributing a lion’s share of revenues of the European budget (i.e. the EU has very limited actual own fiscal resources), but the allocation of expenditure to various policy areas and further distribution to individual member states is decided at a higher, supranational level through various EU decision making procedures. These procedures result in appropriate legal basis enabling the channeling of funds to policy areas legally determined (particularly by the Lisbon Treaty) and deemed necessary from the perspective of the EU citizens (i.e. policy areas with an ‘EU added value’). Thus, one could argue that member states cede part of their budgets to EU management in order to ensure the feasibility of EU public policy objectives and coherence of EU public policy and public finance.

**The second** important difference between the public policy and public finance at the EU and national levels is related to the degree of government intervention. Unlike the general trends of public policy over the past few decades moving towards the withdrawal of the state as a service provider and shifting to the neo-liberal policies of privatization and work-based welfare, the EU has been facing a continuous accumulation of powers and duties. One of the most obvious public policy areas where the EU has gained significant competence over the past years is the area of Home Affairs. With the entry into force of the Lisbon Treaty it became a part of the shared competence of the Union, subject to qualified majority voting in the Council and co-decision with the European Parliament (as opposed to the former intergovernmental cooperation method where a certain EU action was more the result of interstate cooperation than a supranational decision). Home Affairs is an area where government (EU) intervention gradually became desirable, useful and even undisputable; asylum, migration, integration, security, border management and crisis management policies became issues of common interest.

**Thirdly**, an important distinction between the states’ and EU budget concerns its practical implementation. A large share (approximately 75%) of the EU budget is being implemented at the member state level through the so-called shared management (i.e. together with the European Commission), which is very different from the practices of national budgeting, where budget decentralization is seen as entrusting the local communities with vast budgetary autonomy in order to exercise their rights of self-governance. In the case of the EU, shared management is actually a form of delegation of budget implementation to the member states. It is a method of financial deconcentration, an exercise of the subsidiarity principle which,

based on pre-determined allocations, requires from member states the preparation and implementation of programmes and projects in line with EU public policy objectives.

These differences require a specific system architecture, which enables the implementation of EU budget in line with the EU *acquis* as well as national legal requirements and budgetary practices. The practical implementation of shared management funding instruments is exercised via so-called **management and control systems** (hereinafter: MCS), which have to be established at the national level in order to ensure sufficient procedural guarantees for regularity, correctness and accuracy of expenditure. The current system of managing and controlling EU Home Affairs Funds in Slovenia has been established with the purpose of implementation of programmes within the 2007-2013 Multiannual Financial Framework (hereinafter: MFF 07-13). The negotiations on the 2014-2020 Multiannual Financial Framework (hereinafter: MFF 14-20) have brought about significant changes in terms of scope and shape of financing programmes. As establishment of a new system structure is a precondition for the disbursement of these funds, this is an excellent opportunity to analyze the current state-of-play and suggest significant structural and organizational changes and improvements.

The new system in Slovenia shall have to build upon the experiences gained during the past programming period and at the same time provide feasible solutions to some current pressing issues. A key problem stems from austerity measures and budget cuts, which jeopardize the implementation of projects co-funded from the Home Affairs Funds due to the system of pre-financing from the national budget and subsequent reimbursement of the EU contribution from the EU budget. Furthermore, there is a lack of understanding at the national level of the meaning of EU funding (i.e. treating of EU-funded projects as current expenditure instead of earmarked funds designated to achieving the programming objectives); this issue has to be addressed in order to follow the result-oriented programming approach under MFF 14-20. Some problems may arise from the fact that there are two overlapping systems – for the past and current financial perspective, which have to be managed simultaneously. Last but not least, a big challenge for the future MCS is adjustment to the unstable organizational structures resulting from frequent changes in government (changes to the structure and competences of various ministries).

Due to strict legal requirements at both national as well as EU level, there is a limited scope for implementation of these changes. Nevertheless, a comprehensive overview of all business processes within the MCS can provide adequate food for thought to explore the performance improvement possibilities and propose an overall enhancement of the system, thus increasing customer satisfaction, boosting efficiency and effectiveness of the MCS, as well as reducing costs.



# 1 PROBLEM BACKGROUND

The basic structure of the MCS for EU Home Affairs funds is set forth in the basic regulations, adopted by the European Parliament and the Council in April 2014 (see chapters 4.1 and 4.2 for the current and future MCS description). The new system architecture builds upon the existing system arrangement for managing the so-called SOLID funds<sup>1</sup> in the 2007-2013 period, but brings about significant changes in terms of eligibility of expenditure (new policy areas are covered by the funds), programming, organization of partnerships, reporting, monitoring and evaluation, MCS (including organizational structure), as well as budgetary procedures and clearance of accounts. The imperative to establish a new MCS for the 2014-2020 financing period is set forth in the basic legislative acts, which offers an opportunity to perform a thorough review of the existing business system and related business processes. As is the case in other business environments, the current MCS of EU Home Affairs Funds in Slovenia has been developing incrementally by adding, changing and upgrading its features, as Slovenia gradually opted into the SOLID financing instruments. Although this step-by-step development has enabled constant adjustment of the system to the requirements of the external environment, be it policy changes, ad hoc events such as increased migratory pressures, audit requirements and others, it has also resulted in highly complex solutions, which lack transparency and traceability of financing and are administratively wasteful. The current business processes can be streamlined and improved using a business process reengineering (hereinafter: BPR) approach designed as a comprehensive project aimed at establishing a new and improved business system.

## 1.1 Purpose and objective of the research

The suggested thesis is not a theoretical study of the applicability of BPR to the public sector organizations, but rather a practical example of a roadmap for a public sector BPR project directly applicable in the studied example. The initial **purpose** of the thesis is therefore to:

- a) analyze the past (2007-2013) and current (2014-2020) MFF in terms of existing and future management and control system(s), based on theoretical and empirical data;
- b) create a comprehensive overview (mapping) of the existing business processes of management and control of EU Home Affairs Funds in Slovenia on the basis of a business process perspective;
- c) establish a comprehensive BPR methodology and propose changes to the entire business system in terms of elimination, streamlining and improvement of business processes, taking into account the applicable legal framework;
- d) establish a comprehensive measurement model to (i) estimate *ex ante* the performance of reengineered processes, (ii) enable *ex post* evaluation of the BPR project and its benefits.

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<sup>1</sup> See explanation under section 2.3.2.

The key **objective** of the thesis is to propose a comprehensive roadmap for the implementation of a BPR project for Home Affairs funds MCS, including a performance improvement measurement model of BPR effects.

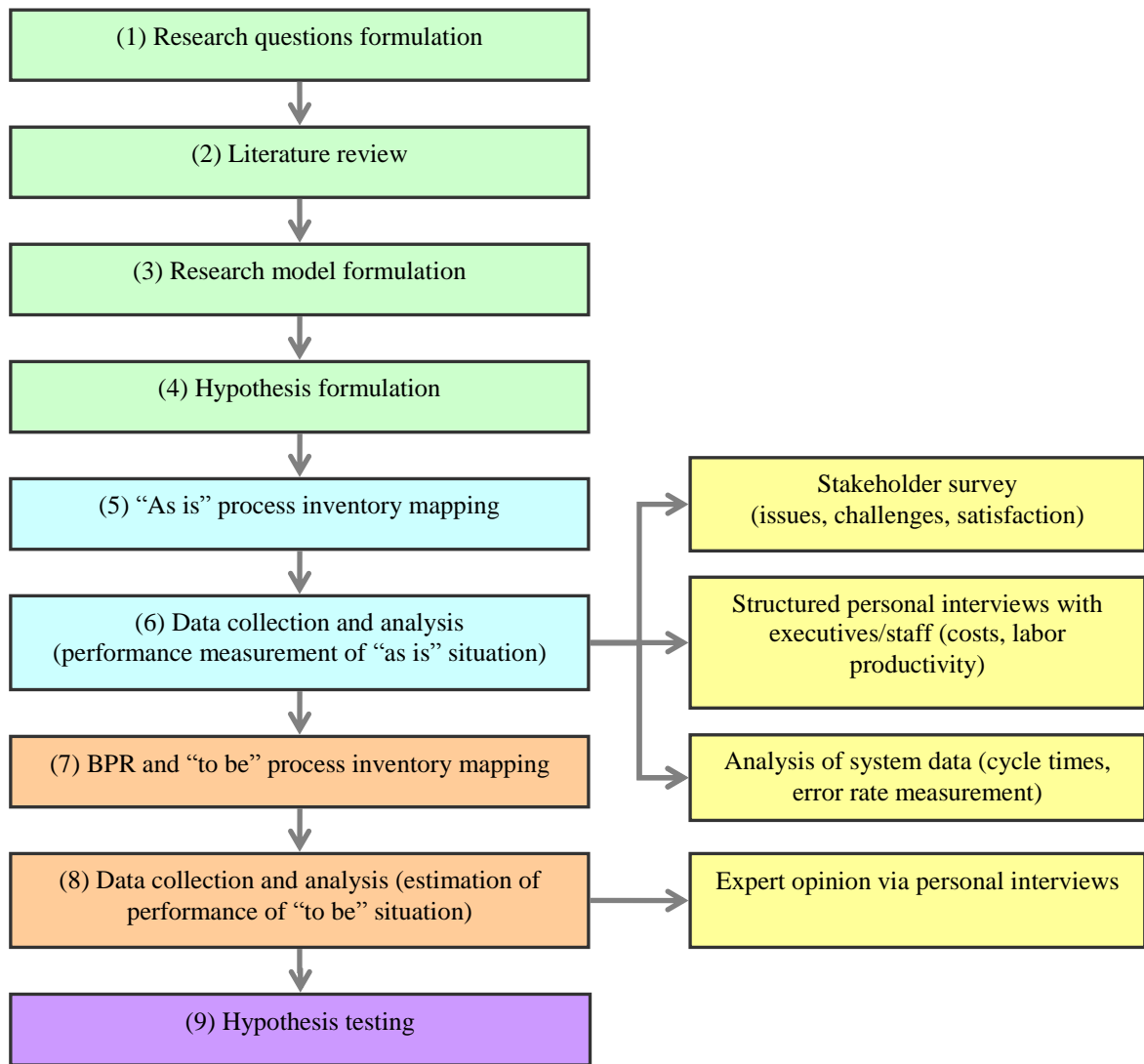
## 1.2 Research strategy

The most appropriate research strategy for exploring organizational issues and suggesting possible solutions is **action research**. Action research is “research in action” (rather than “research about action”) and establishes a collaborative democratic partnership between practitioners and the research, and emphasizes the repetitive nature of the process of diagnosing, planning, taking action and evaluating (the so-called ‘action research spiral’). It has a tendency to cause implications that go beyond the immediate project. Action research focuses on action alone, in particular on promotion of change within the organization, and therefore combines both data gathering and facilitation of change. It encompasses the focus on change, recognition of time needed for diagnosing, planning, taking action and evaluating, and involves employees throughout the process (Saunders, Lewis & Thornhill, 2009, p. 147-148).

The suggested research strategy is presented in a diagram below and is composed of **nine phases**. It **starts** with formulation of research questions and continues with literature review in **phase two**. **Phase three** is about formulation of the research model through definition of performance indicators. In **phase four**, hypotheses are designed in line with the principles of exactness, preciseness and measurability. **Phase five** continues with the current, “as is” process inventory mapping. **Phase six** deals with data collection and analysis to determine key issues and challenges of the “as is” situation. Suggested tools in this phase are a stakeholder survey (to identify key issues and challenges and measure customer satisfaction), structured personal interviews with executives and other staff (to estimate costs and labor productivity) and analysis of system data (to measure cycle times on the basis of process data and current error rates based on a register of irregularities). In the **seventh phase** BPR is used to suggest a new, improved business system (“to be” process inventory mapping). **Phase eight** again focuses on performance data through estimation of the “to be” (comparison with the “as is” situation), using an expert opinion on expected increase/reduction of process complexity, obtained via personal interview. The **final phase** of the research strategy is hypothesis testing through the use of collected data and analyses.

The research strategy combines both quantitative as well as qualitative methods. Due to time constraint, it is primarily a cross-sectional study, focusing on the “diagnosing” and “planning” phase of the action research spiral. It does, however, bear potential for a longitudinal study as it enables the use of an established research model to implement the suggested changes to the business system and evaluate its performance over time through a set of suggested performance indicators.

Figure 1. Research strategy



## 1.3 Methodology

### 1.3.1 Research methods

The **research methods** will be adjusted to different phases of the research strategy and can be grouped into three clusters:

#### 1. Qualitative methods for the study of legal and contextual background:

- analysis of official sources (particularly EU *acquis*, statistics and reports published by the European Commission);
- analysis of professional secondary resources (particularly literature in the field of public finance and BPR).

## 2. Qualitative methods for process inventory mapping:

- analysis of official sources (particularly EU *acquis* and national legal basis);
- analysis of internal manuals, rules, and guidelines;
- process-related data analysis gathered through a stakeholder survey (Appendix 6);
- process-related data analysis gathered through structured personal interviews with executives/staff (Appendix 8).

## 3. Quantitative methods for performance (improvement) measurement:

- financial measures – cost and productivity estimation based on standardized unit costs and flat rates<sup>2</sup> (using structured personal interviews with executives/staff and an expert opinion);
- external measures – customer satisfaction measurement (using a stakeholder survey);
- internal measures – Full Time Equivalent (hereinafter: FTE)<sup>3</sup> analysis (through structured personal interviews with executives/staff and an expert opinion); error rate analysis in administrative, on-the-spot controls, and audit missions findings as the best approximation for measurement of failure rate (on the basis of the analysis of system data); cycle time measurement (through analysis of system data on the basis of pre-set process outputs).

Key **research risks**, which could jeopardize the research process, are non-response to the survey and personal interviews, difficulties in gathering data on salaries for the estimation of costs, as well as participant and researcher bias. The latter relates to subjectivity when conducting personal interviews with colleagues within the Ministry of the Interior (hereinafter: MoI) and other competent bodies, and their personal judgments pertaining to the estimation of individual business processes (e.g. cycle times and work intensity estimates). In order to minimize these risks, formal support and consent from the heads of relevant organizations/departments was provided prior to the implementation of the research. Risk will further be mitigated by expanding the sample of survey respondents and interviewees to all stakeholders involved in the process of management and control of EU Home Affairs Funds management.

### 1.3.2 Performance indicators

On the basis of the proposed research strategy and with a view to operationalize the proposed research concepts, the following **performance indicators** have been developed as a part of this research:

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<sup>2</sup> Due to the fact that the vast majority of costs related to funds management are actually labor costs. Other costs (such as overheads, material costs and other direct costs) can be calculated as a flat rate based on the data for the entire organization.

<sup>3</sup> Full Time Equivalent (FTE) is a measure equivalent to one employee working full time. According to article 18, par. 7 of the Horizontal regulation, the average number of annual effective working hours is 1,720.

1. **Process FTE (FTE<sub>P</sub>)**: ratio of the annual number of working hours needed to perform a (sub)process on an annual basis [ $t_{LP(annual)}$ ], multiplied by a weighting factor on the frequency of occurrence of the (sub)process [ $W_f$ ] and divided by 1,720 hours<sup>4</sup>.

$$FTE_P = \frac{t_{LP(annual)} * W_f}{1,720h} \quad (1)$$

2. **Total FTE (FTE<sub>T</sub>)**: ratio of the sum of the annual number of working hours needed to perform all mapped (sub)processes, each multiplied by a weighting factor on the frequency of occurrence of a given (sub)process [ $\Sigma(t_{LP(annual)} * W_f)$ ] and divided by 1,720 hours.

$$FTE_T = \frac{\Sigma(t_{LP(annual)} * W_f)}{1,720h} \quad (2)$$

3. **Process annual labor cost (C<sub>LP(annual)</sub>)**: the value of an average hourly rate of civil servants directly involved in management and control of EU Home Affairs Funds denominated in Euros (i.e. latest documented average annual gross employment costs (C<sub>L(avg.annual)</sub>) divided by 1,720 hours), multiplied by the annual number of working hours needed to perform the (sub)process ( $t_{LP(annual)}$ ) and multiplied by a weighting factor on the frequency of occurrence of the (sub)process [ $W_f$ ].

$$C_{LP(annual)} = \frac{C_{L(avg.annual)}}{1,720h} * t_{LP(annual)} * W_f \quad (3)$$

4. **Total annual labor cost (C<sub>LT(annual)</sub>)**: the value of an average hourly rate of civil servants directly involved in management and control of EU Home Affairs Funds denominated in Euros (i.e. latest documented average annual gross employment costs (C<sub>L(avg.annual)</sub>) divided by 1,720 hours), multiplied by the sum of the annual number of working hours needed to perform all mapped (sub)processes, each multiplied by a weighting factor on the frequency of occurrence of a given (sub)process [ $\Sigma(t_{LP(annual)} * W_f)$ ].

$$C_{LT(annual)} = \frac{C_{L(avg.annual)}}{1,720h} * \Sigma(t_{LP(annual)} * W_f) \quad (4)$$

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<sup>4</sup> The definition of an average number of annual effective working hours as established in article 18, par. 7 of the Horizontal regulation (1,720 hours = 1 FTE).

5. **Total labor productivity (LP<sub>T</sub>):** defined as million € managed, i.e. total amount allocated to national programmes (A<sub>T</sub>) divided by total FTE (FTE<sub>T</sub>).

$$LP_T = \frac{A_T}{FTE_T} \quad (5)$$

6. **Size of administrative/support functions (A/S<sub>F</sub>):** factor defined as annual administrative/support function cost, i.e. total annual labor cost (C<sub>LT(annual)</sub>) multiplied by a 25% overhead flat rate<sup>5</sup>, divided by average annual million € managed, i.e. total amount allocated for national programmes divided by seven), expressed as a percentage.

$$A / S_F = \frac{(C_{LT(annual)} * 1,25)}{\left(\frac{A_T}{7}\right)} \quad (6)$$

7. **Error rate:** defined as a share of ineligible expenditure within the total amount requested and/or approved since the start of the programming period on a specified date, discovered during administrative, on-the-spot, and audit checks<sup>6</sup>.
8. **Cycle time:** days required for a business process to deliver a given output<sup>7</sup>.
9. **Customer satisfaction:** average stakeholders' assessment of the overall MCS in terms of timeliness of service, expertise of service, understandability of written instructions, kindness of civil servants, and availability of additional information on a 1-5 scale<sup>8</sup>.

The **costs of BPR** could also be considered as an indicator used for preparing a cost-benefit analysis. Nevertheless, these costs are irrelevant for this research due to legal requirement to establish a new MCS (these costs can also be viewed as setup costs of the new system) and are thus inevitable.

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<sup>5</sup> The flat rate factor stems from article 18, par. 6(a) of the Horizontal regulation, which stipulates that indirect costs may be calculated as “a flat rate of up to 25 % of eligible direct costs, provided that the rate is calculated on the basis of a fair, equitable and verifiable calculation method or a method applied under schemes for grants funded entirely by the Member State concerned for a similar type of project and beneficiary”. Given the fact that the methodology at the national level covering all major EU funding instruments (particularly the European Structural and Investment Funds) has not yet been established, we use the ceiling rate of 25% in our research.

<sup>6</sup> The error rates are being calculated on the basis of data available in registries and IT systems. For actual error rates see table 3 in chapter 4.5.

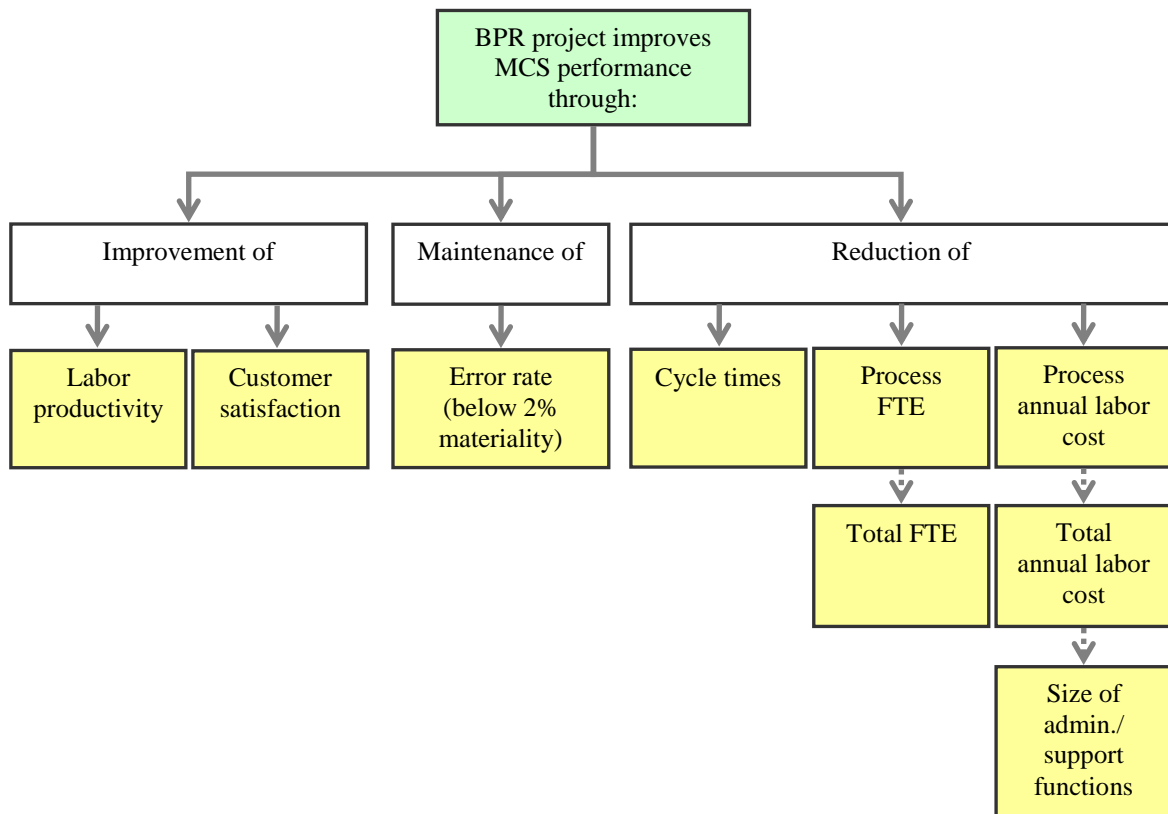
<sup>7</sup> Within our research, cycle times do not refer to all business process outputs, but only to those which can systematically be monitored and measured objectively (on the basis of data in the IT system). For actual cycle times see table 3 in chapter 4.5.

<sup>8</sup> The criteria for the measurement of customer satisfaction is based on existing methodology prepared for the needs of ISO 9001 in 2011 (Survey of Satisfaction with Services of the Project Unit for European Funds, Ministry of the Interior of the Republic of Slovenia).

### 1.3.3 Research model

The basic research model tests the impact of BPR on MCS performance improvement by testing its impact (“improvement”, “maintenance” or “reduction of”) on various performance indicators: process/total FTE, process/total annual labor cost, total labor productivity, size of administrative/support functions, error rate, cycle time, and customer satisfaction.

Figure 2. Research model



## 1.4 Key research questions and hypotheses

The **basic research** question is:

- How can we reengineer business processes of management and control of EU Home Affairs Funds in Slovenia for the period 2014-2020 in order to improve performance?

**Additional research questions**, related to the basic research question are:

- What are the vision, mission and strategic objectives of entities within the management and control system<sup>9</sup>?
- Who are the stakeholders, what are their key expectations, and how can we better match business processes with these expectations?
- How can we redesign business processes in order to meet legal requirements, organizational vision, mission and strategic objectives?
- How can we measure performance improvement before and after reengineering?

Based on above research questions, the following **hypotheses** have been designed:

- **Hypothesis 1:** BPR improves the performance of the MCS of EU Home Affairs Funds in Slovenia for the period 2014-2020.
- **Hypothesis 1A:** BPR reduces the total number of FTEs needed to perform the tasks of management and control of EU Home Affairs Funds.
- **Hypothesis 1B:** BPR reduces the MCS total annual labor cost.
- **Hypothesis 1C:** BPR improves the total labor productivity of the MCS.
- **Hypothesis 1D:** BPR reduces the size of administrative/support functions of the MCS.
- **Hypothesis 1E:** BPR maintains the error rate below 2% materiality.
- **Hypothesis 1F:** BPR reduces the cycle times of MCS processes.
- **Hypothesis 1G:** BPR improves customer satisfaction with the MCS.

## 2 GENERAL OUTLINE OF THE EU MULTIANNUAL FINANCIAL FRAMEWORK

### 2.1 A historic perspective and EU budget resources over time

The idea behind the creation of an MFF of the EU is based on the EU budget crisis in the late 1970s and early 1980s, when the Council and the European Parliament were not able to reach timely agreements on the following year's EU budget. The situation was mitigated through the use of provisional twelfths, which resulted in delayed implementation of programmes and reimbursement of payments to the member states. The underlying reason for the budget crisis was decreasing revenue and increasing expenditure as dismantling of tariffs led to a reduction of the volume of own resources. Whilst agricultural policy grew increasingly more expensive, new policies were launched as well as new members acceded to the Community (Greece in 1981, Spain and Portugal in 1986). The conditions for a smooth and efficient budget procedure were not achieved until the adoption of the first Multiannual Financial Framework – the “Delors I package” running for five years from 1988 to 1992), which established legally

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<sup>9</sup> Here, the term “vision” refers to an ideal image of the system or how it would function under optimal conditions. “Mission” similarly refers to the perceptions of optimal system performance, but on a more practical and action-oriented level (outcomes are defined). “Strategic objectives” are narrow, measurable, result-oriented guidelines that drive the system towards achievement of its mission.



binding expenditure ceilings and created a new category of own resource – contribution from member states based on Gross National Product (hereinafter: GNP). Three subsequently agreed MFFs then covered a longer, seven-year period.

Important changes occurred over time also in the area of EU budget resources. Initially, from 1958 onwards, the European Economic Community was financed almost exclusively through contributions by member states. From 1970 these were gradually replaced by own resources provided from customs duties and sugar levies only (so called traditional own resources). As of 1975, VAT-based own resources were added. After dismantling tariffs in the 80s, a new category of own resources was created in 1988 – member states' contributions based on Gross National Product (GNP), later replaced by Gross National Income (GNI). The purpose of this resource was to balance expenditure needs within the own resources and today these contributions amount to approximately 75% of EU revenues, whilst the traditional own resources and the VAT-based own resources cover about 13% and 11% respectively. The remaining 1% or so are other revenues (including fines for breaching competition laws). Over time, an increasing number of corrections to own resources has been introduced in order to compensate budgetary imbalances in some member states (Council of the European Union, 2014).

## **2.2 The EU budget and the Multiannual Financial Framework**

The annual budget proposed by the European Commission is adopted (usually after a sequence of amendments) by the European Parliament and the Council. However, the budget has to remain within the ceilings determined in advance in the MFF, a seven-year programming plan laid down by the Council, adopted with the unanimous approval of all member states and assent of the European parliament. The budget is therefore strictly programme-oriented, focusing on pre-set EU public policy objectives. A large majority of the budget (95%) goes to fund concrete activities on the ground, whilst the remaining 5% represents expenditure for EU administration (European Commission 2, 2014).

The EU has established a variety of funding instruments to be able to implement the programming plan and finance the implementation of Union policies. There are basically three different types of management of EU funds, which correspond to the needs of a growing volume of amounts to be administered. The variety of management methods also follows the gradual extension of the Commission's tasks as EU policies have evolved over time. The basic three types of fund management are (a) shared or decentralized, (b) joint and (c) centralized (European Commission, 2008, p. 290). Some 75% of the budget is actually spent under what is known as 'shared management', which is a concept of allocating sums of EU budget according to the predetermined criteria, and subsequent distribution and management of expenditure at the member state level. The responsibility for sound financial management lays both on the European Commission (which has the ultimate responsibility for

implementing the EU budget) as well as on member states (Who manages the money?). This expenditure, which is financed in full or in part by the EU budget, is handled by the member states in accordance with EU rules via national structures. A check is conducted to establish the eligibility of such expenditure, whilst spending is also audited by the Court of Auditors (European Commission, 2008, p. 291).

## **2.3 The EU Home Affairs Funds**

### **2.3.1 Why is EU funding in the area of Home Affairs needed?**

As explained initially, there are some significant differences between national budgets and the EU budget. In order to understand the specific nature of EU public finance in the field of Home Affairs one must first consider the rationale behind funding EU Home Affairs policy. According to the European Commission, “a more open and secure Europe requires adequate funding that is directed to those policy areas where we are facing collective challenges” (European Commission 1, 2014). It is particularly the Home Affairs policies that significantly contribute to the project of creation of an area of freedom, security and justice, thus shaping a Europe where persons can enter, move and live freely, confident that their rights are respected and their security assured (European Commission, 2011).

There is a series of events and trends, which could potentially endanger ‘the area of freedom, security and justice’ and consequently jeopardize EU citizens’ exercise of negative rights. The Union is facing rapid, unpredictable changes such as increasing international mobility, demographic developments, urbanization, increasingly diverse societies, shortages of the EU’s labor market, instability in many parts of the world and particularly in the direct neighborhood of Europe (the Mediterranean Basin and the Eastern Partnership countries), rapid developments in modern technology and cross-border nature of criminal networks that also bring new security challenges.

In order to support the competitiveness of the EU economy, the economic interests of the EU need to be reflected better also in the future Home Affairs agenda (European Commission, 2014). All these challenges go beyond the borders of individual member states and concern the Union as a whole; therefore, they call for a concerted action, shared responsibility and solidarity, which can most effectively be achieved at the supranational, EU level. This is well reflected also in the basic legal act of the EU – the Treaty of Lisbon. Pending its adoption in 2009, the treaty introduced the overall legal basis providing for the “communitarization” of Home Affairs. The treaty (which is basically a consolidated legal text composed by the Treaty on European Union and of the Treaty on the Functioning of the European Union, together with the annexes and protocols) abolished the ‘pillar structure’ of the EU and introduced the so-called co-decision procedure (of the Council and the Parliament) to a wide range of Home Affairs issues such as visas and residence permits, legal immigration, Europol cooperation,

non-operation police cooperation and others (General Secretariat of the Council of the EU, 2009). The Treaty of Lisbon is therefore the fundamental legal basis for setting up the EU Home Affairs public policy and allowing the establishment of financing instruments in the field of Home Affairs.

### 2.3.2 Which are the available financing instruments?

For the reasons stipulated above, the shared managed funds in the area of Home Affairs are also the focal point of our further discussion. Within the MFF 07-13, the Republic of Slovenia is entitled to funds within sub-heading 3a (“Freedom, security and justice”) on three areas and three general programmes. The general programme “Security and Safeguarding Liberties” (745 million €) and “Fundamental Rights and Citizenship” (542.90 million €) fall within the scope of centralized management, which means that member states can apply to calls for proposals published by the European Commission, which then approves individual projects based on evaluation of proposals. Unlike these two programmes, the third programme entitled “Solidarity and Management of Migration Flows” (SOLID programme) largely falls under shared management. It consists of four funds (hereinafter: SOLID funds): (1) The **European Fund for the Integration of third-country nationals** for the period 2007-2013 (2007/435/EC) (hereinafter: EIF), (2) **External Borders Fund** for the period 2007-2013 (574/2007/EC) (hereinafter: EBF), (3) **European Refugee Fund** for the period 2008-2013 (573/2007/EC) (hereinafter: ERF), and (4) **European Return Fund** for the period 2008-2013 (575/2007/EC) (hereinafter: RF).

The entire EU financial contribution from the SOLID programme for the 2007-2013 period amounts to 4,020.37 million €. The financial contribution from the funds takes the form of grants (called national envelopes), which are subject to shared management between the member states and the European Commission. Individual projects are normally 75% co-financed by the EU, whilst the remaining 25% comes as national co-financing. In the 2007-2013 period the Republic of Slovenia was eligible for the following allocations of EU contribution from the four funds: 49,573,161.47 € from the EBF, 4,731,904.5 € from the ERF, 6,979,450.02 € from the EIF, and 3,500,981.29 € from the ERF (Ministrstvo za notranje zadeve). Overall, the allocations amount to 64,785,497.28 € of EU contribution for the 2007-2013 period<sup>10</sup>.

For the MFF 14-20, the Commission proposed to bring the Home Affairs budget to 9.26 billion €. This represents an increase of almost 30% compared to the total budget for the previous period 2007-2013 (6.45 billion €), whilst the number of funding instruments reduced to two funds. The **Asylum, migration and integration fund** (hereinafter: AMIF) will focus on people flows and integrated management of migration. It will support actions addressing

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<sup>10</sup> Considering also the amount of national co-financing, the overall amount of SOLID funds available in Slovenia under MFF 07-13 is 85,335,161.56 €.

all aspects of migration, including asylum, legal migration, integration and the return of irregularly staying third country (i.e. non-EU) nationals (3.14 billion € altogether). The **Internal security fund** (hereinafter: ISF) will support the implementation of the Internal Security Strategy and the EU approach to law enforcement cooperation, including the management of the Union's external borders. It will also cover the development of new IT systems, such as the future entry/exit system and the Registered Traveler Programme. It will introduce for the first time shared management in the field of police cooperation, preventing and combating crime, and crisis management (3.76 € billion altogether).

The exact allocations of EU contribution per individual member state are determined on the basis specific allocation criteria set in the legislative package establishing the funds. For Slovenia, these allocations amount to 14,725,477.00 € from the AMIF and 41,256,740.00 € from the ISF. Overall, the allocations amount to 55,982,217.00 € of EU contribution for the 2014-2020 period<sup>11</sup>. The proportion of shared management within the total Home Affairs budget for the 2014-2020 period will represent some 72% of the two funds and approximately 54% of the overall Home Affairs budget (European Commission 1, 2014).

### **3 BUSINESS PROCESS REENGINEERING AND PERFORMANCE IMPROVEMENT**

#### **3.1 Theoretical perspective on business process reengineering**

The performance of organizations is closely linked to effective management of business processes that produce and deliver goods and services to customers (Anupidi et al., 2012, p. 3). Organizations are scrutinizing their business processes and systems to become more successful, and such endeavors are called by a number of names, for example BPR, business process improvement (or BPI), employee empowerment, total quality and customer focus, and others. All of these endeavors focus on (a) fundamental rethinking and redesigning of business processes in order to achieve improved critical, contemporary measures of performance (e.g. cost, quality, service and speed), (b) analysis and redesign of business and manufacturing processes to eliminate non-value adding activities and (c) new process of organizational change committed to customer service (Dutta & Manzoni, 1999, p. 3). Although there are some differences in the definitions of the above terms (e.g. BPR is usually associated with a more radical change than BPI), they all generally relate to a methodology of

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<sup>11</sup> Considering also the amount of national co-financing, the overall amount available in Slovenia under MFF 14-20 is 69,307,837.00 €. This amount is noticeably lower (by 16,027,324.56 €) than the amount available during MFF 07-13 for two main reasons. First, the entry of the Republic of Croatia in the EU and its expected entry into the Schengen area significantly reduced the allocations in the area of border management. Secondly, a higher rate of EU co-financing is available for a significant portion of the funds (90% or even 100%). Thus, the required national funds to be added to the amounts allocated are consequently lower. Nevertheless, these figures may vary throughout the programming period as additional "top-up" funding will be available for allocation at mid-term review in 2017.

improvement of administrative and support processes through various approaches such as benchmarking, process redesign and reengineering (Adesola & Baines, 2005, 2).

One of the first structured, scientific approaches to BPR was made by Davenport and Short, and Hammer in 1990. Like the scientific management at the end of the 19<sup>th</sup> century, the concept of BPR is aimed at transforming organizations in order to increase productivity. Of course this new transformation no longer follows the mechanistic vision of human labor, where work is organized as a sequence of tasks and complex tracking mechanisms are employed to monitor progress. Conventional processes are fragmented and slow due to lack of integration required to maintain quality and service (Hammer, 1990). BPR rather focuses on business processes and information technology. According to Davenport and Short (1990), BPR<sup>12</sup> stands for “analysis and design of work flows and processes within and between organizations” in order to improve its efficiency and effectiveness. BPR is thus a radical redesign of processes in order to gain significant improvements in performance (cost, quality, and service). Nevertheless, in practice BPR projects sometimes encompass only incremental improvements, depending on the nature of the problem (Ozcelik, 2010, p. 7; Hammer, 1990, p. 105).

BPR as a concept has often been criticized for lacking a sound theoretical basis, while BPR projects in practice have often failed or delivered less than expected due to various reasons (too high expectations, lack of cost-benefit analysis<sup>13</sup>, lack of expertise, unsatisfactory relationship with IT departments etc.). No matter the success rate, the degree of change with BPR projects is so significant that they enable a rather objective, measureable effect on organizations’ performance and are therefore relatively easy to evaluate.

The focal point of many performance improvement efforts is the emphasis on processes. Business today is even defined as a set of interrelated processes, logically and continuously evolving to satisfy the customer. Moreover, current performance improvement programmes are becoming processes themselves. Performance improvement is thus no longer just another project, but is increasingly becoming an ongoing effort of analyzing and radically redefining the key processes within the organization (Dutta & Manzoni, 1999, p. 4). BPR thus brings about significant changes to the business system in terms of job design, organizational structures and management systems – all refashioned in an integrated way (Hammer, 1990, p. 113).

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<sup>12</sup> They explain the concept of Business Process Redesign; however it is semantically equal to reengineering. They also put major emphasis on IT in reengineering activities, which was at the time (1990) a developing area in different business systems; today, it is an imperative in every organization.

<sup>13</sup> BPR projects can require significant investment in physical and human capital as well non-pecuniary costs related to problems with implementation (e.g. due to communication problems, resistance from employees, management reluctance etc.) (Ozcelik, 2010, p. 8).

### 3.1.1 Elements of a (business) process

Business activities are more than just a collection of individual or functional tasks, but a set of more over-reaching processes (Davenport & Short, 1990). Shortly, Anupindi et al. (2012, p. 3) define a **process** to be “any transformation that converts inputs to outputs”. The narrower term **business process** relates to organizations and encompasses a set of interrelated tasks that use the resources of the organization in order to provide results that are in line with the organization’s goals (Tinnila in Adesola & Baines, 2005, p. 2). More comprehensively, a business process can be defined as a sequence of activities or tasks, which transform inputs into predefined business outputs for internal or external customers (Davenport & Short, 1999; Dutta & Manzoni, 1999, p. 4). Similar definition is provided in the Business Process Reengineering Assessment Guide by the United States General Accounting Office, which describes business processes as “the steps and procedures that govern how resources are used to create products and services that meet the needs of particular customers or markets”. Processes can further be broken down into sub-processes with different tasks being carried out by several specialized functional areas (there is rarely one single person responsible for the performance of the entire process) (GAO, 1997, p. 6).

The whole set of business processes (and sub-processes) forms a **business system**, i.e. a manner in which a business unit, or a set of units, performs its business. A process view of organizations sees any organization as a process itself, i.e. as a collection of interconnected sub-processes. Such an approach is a tool for (1) evaluating processes and (2) studying the ways in which processes can be designed, restructured, and managed to improve performance.

Every business process itself is further composed of five elements that characterize the transformation towards improved performance and value created. The first element is composed of **inputs and outputs**, which are tangible or intangible items that flow into/from the process from/to the environment; they shape the interaction with the environment. The second element is **flow units**, which are items of inputs/outputs being analyzed, e.g. orders, finished products, projects etc. The third element is a **network of activities and buffers**; activity is a simplest form of transformation and the building block of a process, and buffer stores flow units that have finished with one activity but are waiting for the next activity to start (it transforms time dimension of a flow unit by delaying it, and in business process storage it is called inventory), whilst the network describes the precedence relationship amongst activities, which are sequential and determine which activity must be finished before another can begin). Fourthly, **resources** are also a crucial element of transformation (capital – land buildings, facilities, equipment, machines, and information systems; and labor – people). Finally, the fifth element is the **information structure**, setting rules and standards concerning what information is needed and available to whom (Anupindi, Chopra, Deshmukh, Van Mieghem & Zemel, 2012, p. 3).

### 3.1.2 Key dimensions, phases, and success factors of business process reengineering

Performance improvement programmes succeed only when they focus on multiple dimensions of the organization, which is also the central notion of two representative scientific frameworks in the field of organizational change – the 7-S model from the 70s, emphasizing seven key dimensions of change (strategy, skills, shared values, structure, systems, staff and style) and the Business Integration Model linking four dimensions (strategy, people, business processes and technology). Building on these models, Dutta & Manzoni (1999, p. 4-8) emphasize the need to consider a number of internal and external contextual factors, which influence organizations and differentiate numerous organizational contexts. Despite these differences, performance improvement in every organization should consider four basic dimensions:

1. **Culture and people** deal with employees and other stakeholders sharing values, experiences and common goals within a given organization. The shifts in organizational culture are intimately related to the rethinking of the business model. Regardless of the degree of cultural shifts, some aspects facilitate the process in all organizations, such as flexibility and adaptability, coherent changes to incentive programmes (e.g. pay policy), customer orientation, clarification of corporate goals and recognition of the need for (radical) change. Various elements of the organizational culture have to be addressed during the reengineering project, such as amount of information sharing, degree of formality, degree of empowerment and autonomy, sense of ownership, clarity of objectives, good leadership, and others.
2. **Processes** are defined as a sequence of activities that fulfill the needs of an internal or external customer, but also the manner of organization of work and the way change is actually being implemented. The extent of change varies from comprehensive improvement of all processes to focus on only one or two high-leverage processes. It also varies from streamlining (incremental improvements) to the creation of completely new processes (innovation). The reengineering project has to take into account the specifics of individual business processes, such as control methods, process objectives, rules and procedures, nature of work (individual/teamwork, task/process orientation) degree of ownership, customer focus, integration of functions, etc. Regardless of the approach chosen, proper redesigning of processes can yield significant enhancement in delivered customer value and increase the overall efficiency and effectiveness of the organization. It can also provide the context for employee empowerment and cultural change within the organization.
3. **Structure and systems** set the channels of communication, as well as the degree of individual and collective responsibility and accountability. During reengineering, cross-functional work teams can help redesign the processes through involvement of various stakeholders. This helps to improve the intra-process awareness and ownership of change. These teams are formed for a limited period of time or are permanent and their task is to

focus on concrete effort for change. Such process based structures can lead to a more participative organization and raise important questions regarding the allocation of responsibilities between the new process based structure and the traditional functional departments. Other structural and systemic issues to be address during the reengineering project are the degree of delegation, setting of boundaries, decision making procedures, level of hierarchy (including a physical layout), degree of empowerment and autonomy, level of formalization, integration of functions, and others.

4. **Technology** plays the critical role in the generation, transfer and management of information. IT now forms a core component of the performance improvement programmes. Business objectives drive IT requirements and tailor solutions to set business goals and desired changes. IT solutions can be characterized as organizationally neutral and can help automate procedures and empower lower management levels (Dutta & Manzoni 1999, p. 6-13). The reengineering project has to address various issues such as the level of standardization and automation, access to and information sharing, availability of technology and tools, upgradability and maintainability, development and technological advancement, technology readiness, etc.

Implementation of the organizational change should take into account the need for a coordinated, simultaneous action in all four dimensions of BPR, as this is a precondition to motivate individuals to behave in a desired manner. Furthermore, Dutta & Manzoni (1999, p. 13-14) emphasize some commonalities in performance improvement endeavors, regardless of the organizational context and specifics. We summarize these commonalities below.

Table 1. Summary of commonalities in performance improvement endeavors

Culture and people	Processes	Structure and systems	Technology
Recognition of the need for flexibility and adaptability	Identification of core processes	Cross functional teams	Recognition of the need for business objectives to drive IT requirements
Coherent changes to incentive programmes	Defining of the business process architecture	Process based structures	Specific solutions according to goals and changes implemented
Customer as focal point of cultural change	Seeking improvements in high-leverage processes	Relation between functional and process based structures	Integration of fragmented IT systems
Clarification of corporate goals	Process streamlining and process innovation	Flatter hierarchies	Organizationally neutral
Recognition of the importance of change	Pilot project approach	Redefinition of jobs	Business leadership
	Business and management process	Empowerment and delegation	Effective partnership between business staff and IT specialists
	Focus on customer	Communication of plans	
		Top management commitment	

Source: S. Dutta & J. Manzoni, *Process reengineering, organizational change and performance improvement*, 1999, p. 13.



These elements play a more or less important role in different **phases of the BPR project**. Guimaraes & Paranjape (2013, p. 1939) suggest five general phases of a typical BPR project: (1) project inception (identification and selection of BPR projects by managers and staff), (2) processes definition/analysis (definition of important processes and their relationships), (3) processes change/redesign (proposed changes with clear benefits for the organization), (4) changes implementation/adoption (processes accepted by affected staff and departments) and (5) project benefits assessment (measurable results of the BPR project such as improved quality, customer satisfaction, productivity, profitability and labor resources).

In each phase, specific **success factors** are important in order to benefit the project and the whole organization (after at least a year of implementation). In order to successfully complete the BPR project, managers could focus on ensuring the presence of certain success factors before moving to subsequent phases of the project. Guimaraes & Paranjape (2013) summarized the success factors proposed by several authors and, based on a survey amongst managers in manufacturing industries, empirically tested the relationships between BPR success factors and their benefits in practice. They grouped these factors into (1) project team cohesiveness, (2) effectiveness of the BPR process, (3) expertise available to the BPR project, (4) technical and IT support, and (5) project leadership and motivation. The study showed that the success of BPR projects is higher if corresponding factors are in place at the right time. It listed the success factors for every phase of the BPR project by order of importance:

- During the inception phase, strong leadership/motivation, team cohesiveness, and relevant process expertise available are most important (e.g. the need for a BPR project is recognized by the staff, managers and staff see the benefit of the project clearly, the project is the “winner” amongst available possibilities).
- During the project definition/analysis, effective BPR process, relevant process expertise available, and team cohesiveness are most important (clearly defined key processes and their relationships, solid understanding of the processes and its added value to the company).
- During the processes change/redesign, relevant process expertise available, effective BPR process, effective technical support, and team cohesiveness are most important (clearly simplified process changes and value added to the organization, improved effectiveness and/or efficiency).
- During changes implementation/adoption, team cohesiveness, strong leadership/motivation, effective technical support and effective BPR process are most important (acceptance of changes by affected staff and departments, good cooperation of all stakeholders).

### 3.1.3 Performance improvement measurement

**Performance measurement** is an instrument for assessing the progress made in relation to the established goals and objectives. In the public sector this refers to the results delivered by a policy measure or programme. Performance measurement starts with documenting the current processes and activities, which turn inputs into outputs (goods and/or services). It is then followed by assessment of the outcomes as a set of broader economic or social changes. Key dimensions of performance, which are the basis for the establishment of measurement tools, are efficiency in the use of resources, effectiveness in reaching the objectives, economy (cost) and service quality (e.g. timeliness, accessibility, reliability, continuity, etc.).

**Performance improvement measurement** is a comparative performance measurement approach, which, on the basis of pre-set indicators, measures its values before and after a certain change to the (business) environment has taken place (OECD, 2001, p. 359-360).

In order to assess an improved business process and its benefits (phase five of the BPR project), it must be measured in quantifiable terms thus enabling managers and/or outsiders to measure results in the future. Guimaraes & Paranjape (2013, p. 1940) state some obvious benefits for a manufacturing organization<sup>14</sup>: **quality** (improved products or services and related information), **user/customer satisfaction** (better and quicker response to requests), **productivity** (decreased cycle time, error rate, inventory, or cost), **profitability** (increased assets, economic growth), and **improved labor resources** (employee morale, knowledge, and productivity). Similarly, the United States General Accounting Office (GAO) guide on BPR assessment lists some benefits of BPR for a public sector organization; by identifying, analyzing and redesigning core business processes, these organizations can improve critical performance measures, such as cost, quality, service, and speed (GAO, 1997, p. 6). As research shows, the benefits of BPR projects and overall performance of organizations is likely to remain unaffected during the implementation alone, however it increases significantly after the implementation period (Ozcelik, 2010, p. 12). The benefits should therefore be monitored and measured on a medium and long term basis.

Potential benefits of BPR (or quantifiable measures of process performance) can be grouped into three clusters:

1. **Financial measures** appraise the financial performance of a process based on the difference between the value of outputs provided to customers (products and services) and their cost of production and delivery. This is the principal goal of profit making enterprises (maximizing the difference and keeping the profit), whilst non-profit organizations generally leave a large part of the difference with their clients using the rest to maintain viability and growth. Key financial measures are usually absolute performance

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<sup>14</sup> Apart from profitability, all can be applied also to a public sector organization.

- (revenues, costs, net income, profit), performance relative to asset utilization (ratios such as return on assets, return on investment, inventory turns), “survival” strength (cash flow).
2. **External measures** track customer expectation indicating how customers view the organization’s products and services. Customer expectations can be measured against four attributes: product or service cost, response time, variety, and quality. Measures that track customer (dis)satisfaction are a useful incentive for future improvement, but they cannot measure how the business processes can be enhanced, therefore, in order to make them operationally useful, they have to be linked to internal measures that the managers can control.
  3. **Internal measures** gauge the effectiveness of the process in meeting customer expectations by identifying areas where the process is performing well and those areas where improvement is necessary. These measures can directly be controlled by the managers through decisions on internal operational procedures. Customer expectations can be translated into internal measures tracking the performance of the processes through: processing cost<sup>15</sup>, flow time<sup>16</sup>, process flexibility<sup>17</sup>, and output quality<sup>18</sup>. Internal measures thus influence customer (dis)satisfaction, and consequently financial performance, if customer expectations have been identified accurately. In order to be effective, internal measures must: (a) be linked to external measures important to customers and (b) be directly controllable by the process manager (Anupindi et al., 2012, p. 7).

### 3.1.4 Setting the plan for a business process reengineering project

In 1990 Davenport and Short proposed a five step approach to BPR. First, business vision and process objectives should be developed, along with objectives for process redesign (such as cost, time reduction, output quality and quality of work life, learning or empowerment). Second, processes to be redesigned need to be identified and prioritized, be it through an exhaustive approach (i.e. identification and prioritization of all process within a business system) or a high impact approach (identification of crucial processes for the organization’s success). Each process should be outlined in terms of start and end points, interfaces and organization units. Third, existing processes should be understood and measured to set the baseline for further improvement (only the specific objectives of the BPR project should be measured). Fourth, IT levers should be identified from the very beginning of the BPR project. Finally, a prototype of the new process should be designed through IT tools, generic design criteria (evaluation of alternative designs) or organizational prototypes (implementation after pilot testing). The BPR approach should differ according to the nature of the organization; business processes should be classified according to process entities (inter-organizational,

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<sup>15</sup> Total cost incurred in producing and delivering outputs.

<sup>16</sup> Total time needed to transform a flow unit from input into output.

<sup>17</sup> Availability of the process to produce and deliver the desired product variety (flexible resources, dealing with fluctuating demand).

<sup>18</sup> Ability of the process to produce and deliver quality products or services.

inter-functional or interpersonal processes), objects manipulated during the process (physical or informational), process activities (operational or managerial). After the BPR project has been implemented, several issues remain to be addressed, such as management roles and commitment from senior management, suitability of organizational structure to process orientation, skill requirements, continuity of redesigns and “tuning”, IT organization and technology infrastructure, as well as continuous improvement.

Although the concept of BPR has gradually been developing since the 90s, the number of studies on its actual impact on the performance of organizations is still small (Ozcelik, 2010, p. 8). There is a lack of a systematic and rigorous assessment of its tools and practices as well as of a structured step-by-step approach and corresponding guidelines for practitioners (Adesola & Baines, 2005, p. 2). The overall success of the BPR project can be achieved by addressing the following five questions: “What should the process design or architecture be? What metrics should be used to track performance of a process? What policies should govern process operations? How should process performance be controlled over time? How should process performance be improved?” (Anupindi et al., 2012, p. 14)

Adesola & Baines (2005) followed a similar flow of questions when developing a simplified (‘prototype’) methodology for supporting the implementation of BPR. The methodology is based on a study of feasibility, usability and usefulness, and is given the acronym **model-based and integrated process improvement (MIPI)**<sup>19</sup>. MIPI partially overlaps with a five step methodology proposed by Davenport and Short, but is somewhat more comprehensive. It encompasses the seven steps described below.

The **first step** is about understanding the business needs. This step is about development of vision and strategic objectives, competitor analysis, development of an organizational model, evaluation of current practices, prioritization of objectives, change of scope, establishment of measurable targets, development of process objectives and assessment of readiness, acquisition of approval and resources, benchmarking of the process. Available techniques are organizational model, SWOT analysis, force field analysis, readiness assessment, stakeholder analysis, process prioritization matrix, Pareto analysis, or process performance table.

The **second step** is to understand the process. This step is about identifying the business process architecture, scoping and defining the process, capturing and modeling the “as is” process information, and modeling the process. Available techniques are XPat process, IDEF0, walkthrough, process flowchart, ABC, cause and effect analysis, or value added analysis.

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<sup>19</sup> The authors actually focus on the concept of BPI rather than BPR, but the model is equally applicable to both improvement and reengineering initiatives.

In **step three** we need to model and analyze the process. This step is about verifying and validating the model, measuring the existing process performance, and analyzing the business process. An available technique is value added analysis.

Redesigning of the process is the **fourth step**, which is about benchmarking the process, identifying performance criteria for process redesigning, identification of a focus of redesign activity, modeling and validation of the “to be” process model, identification of IT requirements, and estimation of performance of the redesigned process. Available techniques are benchmarking, creative silence workshop, and brainstorming.

**Step five** is implementation of the new process. This step is about planning the implementation, acquisition of implementation approval, review of change management plan, communication of the change, technological development, operationalization of the new process, training of staff, and roll-out of changes.

**Step six** deals with assessment of the new process and methodology. This step is about conducting of process deployment and performance data reflections, and revision of the organizational approach. Available techniques are action plan, evaluation measurement report, and customers’ satisfaction measurement survey.

The **seventh and final step** encompasses reviewing of the new process. This step is about developing a strategic view of the business, setting of process targets and performance, and development of a plan to meet targets and implementation of the plan. An available tool is a process improvement matrix.

Each step encompasses aim (purpose of individual steps), actions (how to carry out the steps), people involved, outcome/exit (what is expected as results and exit criteria), checklists (what is expected as achievement), hints and tips (general advice based on experience), and relevant tools and techniques (to be applied at each step).

Based on the literature studied we have developed a **generic model for a BPR project**, broken down by phases and taking into account the MIPI model steps, key process improvement dimensions, and success factors. The model served as the basis for the preparation of the research strategy (see chapter 1.2).

Table 2. Generic model for a BPR project

BPR phase	MIPI stage(s)	Key dimensions to be observed	Key success factors	TO-DOs	Techniques
1. Project inception	1. Understand business needs	Culture and people	Strong leadership/ motivation, team cohesiveness, and relevant process expertise available	Evaluate current practices Set clear, measurable targets and benchmarking Develop vision and process objectives Prioritize objectives Seek management and staff support for a BPR project Seek approval and resources Develop organizational model	Organizational model SWOT analysis Force field analysis Readiness assessment Stakeholder analysis Process prioritization matrix Pareto analysis Process performance table
2. Processes definition/ analysis	2. Understand the process 3. Model and analyze process	Culture and people Processes Structure and systems	Effective BPR process, relevant process expertise available, and team cohesiveness	Define “as is” state-of-play Understand process architecture and its added value to the company Define structure and systems, relationships between business processes Define (high impact) business processes by inputs/outputs, flow units, network of activities and buffers, resources, information infrastructure Define customers Define process type (entities, objects and activities) Define process owners Model processes, verify and validate the model and measure existing performance	XPat process IDEF0 Walkthrough Process flowchart ABC Cause and effect analysis Value added analysis

(table continues)

(continued)

BPR phase	MIPI stage(s)	Key dimensions to be observed	Key success factors	TO-DOs	Techniques
3. Processes change/ redesign	4. Redesign process	Culture and people Processes Structure and systems Technology	Relevant process expertise available, effective BPR process, effective technical support, and team cohesiveness	Focus reengineering (on high impact processes) Improve and streamline high leverage processes in order to improve effectiveness and efficiency Benchmark processes by setting performance criteria for reengineering (performance improvement measurement) Model “to be” processes Define IT requirements, create partnership with IT staff Estimate performance of reengineered processes	Benchmarking Creative silence workshop Brainstorming
4. Changes implementation/ adoption <sup>20</sup>	5. Implement new process	Culture and people Processes Structure and systems Technology	Team cohesiveness, strong leadership/ motivation, effective technical support and effective BPR process	Pilot approach Implementation plan and acquisition of approval Change management plan Communication of changes, technological development Customer focus (involve customers) Acceptance of changes by affected staff and departments Good cooperation with all stakeholders Operationalization of the reengineered processes Training of staff Roll-out of changes	
5. Project benefits assessment <sup>21</sup>	6. Assess new process and methodology 7. Review new process	Processes Structure and systems Technology		Performance data reflection Revision of the organizational approach Set strategic view of business Set process targets and performance Develop a plan to meet targets and performance	Action plan Evaluation measurement report Customer survey Improvement matrix

<sup>20</sup> Implementation of changes is not a subject of this research.

<sup>21</sup> Assessment of actual benefits is not a subject of this research, as it can be performed after a certain period pending actual implementation of the proposed BPR project. Due to time constraints, a hypothetical assessment of a possible impact has been performed on the basis of an expert opinion (see research strategy under chapter 1.2).

### **3.2 The application of the business process reengineering to the public sector**

The BPR concept started to develop in the private sector with the aim to fundamentally rethink the way of work and improve its competitiveness. Most studies on BPR focus on enterprises, most commonly on manufacturing organizations where business processes are particularly explicit and results are clearly visible (GAO, 1997, p. 5).

The public sector on the other hand is stereotypically associated with excessive bureaucracy, complex business processes, ineffectiveness, wastefulness, as well as a lack of customer focus and measurable results. With general government spending in the developed economies as high as 50% of GDP, and general government debt exceeding 100% of GDP in some countries<sup>22</sup> (OECD), the public sector is increasingly under pressure for improving its performance in terms of efficiency, governance, accountability, and e-government (Emerie, 2012, p. i).

A highly globalized external environment and public scrutiny constantly force governments to seek solutions for the improvement of performance of its administrative systems in order to use the resources more efficiently. This is actually a part of a wider New Public Management (hereinafter: NPM) initiative, which pressures for administration efficiency, higher performance level, transparency, good governance and increased accountability. All of this calls for a more radical (rather than incremental) system change, thus making the BPR concept appealing also for the public sector. Achieving major cost savings and performance improvement is, after all, always related to redesigning the way things are done. Nevertheless, practical introduction of BPR in the public sector is still a relatively recent, little researched phenomenon (Emerie, 2012).

The basic postulates of BPR developed in the private sector, such as methods and tools for its implementation, practicalities, and lessons learned, are highly valuable for the public sector. However, they cannot be transferred directly as these two sectors have distinct characteristics in terms of mission, strategic goals, and values they promote (Linden & Emerie, 2012, p. 5). Reengineering thus has to start with an assessment of an organization's mission, strategic goals, and customer needs by asking a set of fundamental questions like: "Does our mission need to be redefined? Are our strategic goals aligned with our mission? Who are our customers (GAO, 1997, p. 5-6)?"

According to the United States General Accounting Office (GAO) guide on BPR assessment, a reengineering project of a public sector organization should address nine assessment issues grouped into three major areas (GAO, 1997, p. 7-8). The first area is assessment of the organization's decision to pursue reengineering and encompasses strategic and general

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<sup>22</sup> Average general government spending for OECD member states in 2011 was 46.3% (with Denmark – 57.7% of GDP – at the top of the list, and Korea – 30.2% of GDP – at the bottom). Average general government debt for OECD member states in 2012 was 84.9% (with Japan – 234.8% of GDP – at the top of the list, and Estonia – 13.2% of GDP – at the bottom).



management issues that need to be resolved before an organization starts a reengineering project (setting mission and strategic goals, identifying performance problems and improvement goals, decision on reengineering). The second area of issues to be considered is assessment of the new process' development (appropriate management of the reengineering project, analysis of target processes and feasible alternatives, completion of a sound business case for the implementation of the new processes). The third area covers assessment of a BPR project implementation and its results and concerns mainly the problems related to deployment of a new or renewed business process (appropriate tracking of a comprehensive implementation plan, proper addressing of change management issues, results of the BPR project).

#### **4 REENGINEERING THE MANAGEMENT AND CONTROL SYSTEM OF EU HOME AFFAIRS FUNDS**

As initially explained, the majority of the appropriations within the EU budget are spent at the member state level on the basis of shared management in line with previously agreed programming documents (national programmes in our case). In order to make the system of joint responsibility for the implementation of funds feasible, robust and efficient (business) systems – the MCSs – have to be established to provide for the management of the implementation as well as control over the spending of funds.

MCSs in individual member states are adapted to the specifics of various forms of government and administrative systems. Nevertheless, the architecture of the MCSs is similar across shared management instruments, as it is based on common principles set forth by the provisions in the Union *acquis*. The basic idea behind an MCS is to provide a system enabling an efficient and effective disbursement of funds and spending control while maintaining a simplified and optimized structure, thus finding a balance between costs and the risks involved (European Parliament, 2012, p. 8).

According to the European Court of Auditors (European Court of Auditors, 2012, p. 5), the MCSs are established to manage and control the assistance granted under the shared managed instruments at the member state level. The systems are aimed at ensuring a sound financial management and providing adequate assurance of the correctness, regularity and eligibility of the expenditure declarations presented to the Commission. The systems have to establish standardized control procedures, which ensure preventing, detecting and correcting errors and irregularities (European Court of Auditors, 2014, p. 56).

A thorough examination of the MCS under MFF 07-13 and suggestion of the future MCS under MFF 14-20 is the core of our research and also serves as the basis for performance (improvement) measurement. It covers all key dimensions of business processes: culture and people, processes, structure and systems, technology. While processes, structure and systems,

and technology are directly presented in the overview of the organizational structure and process inventory mapping, the “culture and people” dimension is rather intangible and all-encompassing. Although it has not been directly involved in the descriptions and schematics presented in the continuation of this research, it has been inherently built into the research strategy. All key stakeholders (i.e. staff working with EU Home Affairs Funds) were actively involved in the process of mapping, evaluating and improving the business system by sharing their personal as well as organizational values, experiences and views. Furthermore, a thorough and in-depth analysis of the MCS also served as the preparation and recognition of the need for changes in business processes.

## **4.1 Management and control system of EU Home Affairs Funds in the Multiannual Financial Framework 2007-2013**

### **4.1.1 “As is” organizational structure of the Management and Control System**

A prerequisite for the use of SOLID funds is an established and functioning MCS. In Slovenia, the MCS for the 2007-2013 period is thoroughly described in the Description of management and control systems, doc. no. 410-9/2012/88 of 1 October 2012, which was approved by the European Commission. The system encompasses (in a hierarchical order from top to bottom) **the European Commission** (and in this framework the so-called **AMIF-ISF Committee**), **designated authorities**, **delegated authorities** and **associated bodies**, other **final beneficiaries** (NGOs and public entities or private persons operating under a non-profit principle), the **Monitoring Committee for internal security and migration funds** (hereinafter: Monitoring Committee), and the **Interdepartmental working group for coordination and operational coordination of the implementation of projects financed from funds in the area of internal security and migration** (hereinafter: Interdepartmental Working Group).

The European Commission is disbursing the funds from the EU budget to the member states and holds an overall responsibility for the implementation of the SOLID programme. Cooperation between the European Commission and member states takes place via direct channels of communication (e.g. via desk officers) and within the framework of the so-called AMIF-ISF Committee, which is a coordination and decision making body covering all existing EU Home Affairs Funds.

The designated authorities were established by the Decision of the Government of the Republic of Slovenia No. 20000-1/2007/7 of 26 April 2007 (and its amendment No. 20000-1/2007/12 of 6 March 2008). The government designated:

- the MoI as the **responsible authority** (hereinafter: RA), competent for the overall management and control of annual SOLID funds in Slovenia in an efficient, effective and

accurate manner in accordance with the principle of sound financial management; the tasks of the RA are performed by the Project unit for internal security and migration funds (hereinafter: project unit);

- the Ministry of finance, Department for management of EU funds as the **certifying authority** (hereinafter: CA), competent for certification of the expenditure declared by the RA and the transfer of funds between the EU and national budget;
- the Ministry of finance, Budget supervision office of the Republic of Slovenia as the **audit authority** (hereinafter: AA), competent for audits of projects and the functioning of the MCS.

The RA signed an Agreement on management and control with both the CA and the AA.

Some tasks of the RA related to the implementation of the funds are further transferred to the delegated authorities<sup>23</sup>. These are bodies governed by public law whose tasks encompass the preparation of technical bases and participation in the implementation of public calls for proposals, where projects proposals by NGOs and other public entities or private persons operating under a non-profit principle are appraised and selected. The selected final beneficiaries are responsible for the implementation of the projects on the basis of signed contracts, whilst the delegated authorities implement controls on claims by the beneficiaries and disburse funds to the beneficiaries through the system of advancing of funds from the national budget and subsequent reimbursement of the amount of eligible EU contribution. Delegated authorities are further responsible for the preparation of claims for reimbursement of funds, which are the basis for the disbursement of EU funds.

Some projects are awarded directly to the associated bodies<sup>24</sup> without a call for proposals. These projects are implemented under the so-called ‘executing body mode’, i.e. by the RA in association with the associated bodies (which are also bodies governed by public law), whereby the RA transfers the implementation of projects to associated bodies due to *de jure*, *de facto* monopoly or security reasons. The RA and a given associated body conclude an agreement on the implementation of the project. The associated body is fully responsible for the implementation of projects, controls of expenditure, as well as preparation of claims for reimbursement of funds.

Both delegated authorities act also as associated bodies, depending on the method of the implementation of a project (call for proposal or direct award). The RA signed the Operational Management Agreements with delegated authorities/ associated bodies.

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<sup>23</sup> There are two delegated authorities under the MFF 07-13, namely the Police and Internal Administrative Affairs, Migration and Naturalization Directorate within the MoI.

<sup>24</sup> Ministry of Justice, Ministry of Foreign Affairs, Police, and the Internal Administrative Affairs, Migration and Naturalization Directorate within the MoI.

An important part of the MCS is the established system of inter-departmental coordination and cooperation with stakeholders, which takes place within the Interdepartmental Working Group and the Monitoring Committee. The members (and their deputies) in both bodies are civil servants from bodies governed by public law involved in the implementation of the funds as designated authorities (RO and CA), delegated authorities/associated bodies, and other government bodies whose areas of competence (partially) relate to projects co-funded from the funds. Representatives of the AA participate as observers. Both bodies deal with issues such as prioritization, selection and approval of project proposals, distribution of funds, compliance and synergies with other instruments of EU financing, implementation monitoring, evaluation, and final reporting. The Interdepartmental Working Group is actually a preparatory body of the Monitoring Committee; therefore all final decisions are made by the latter body, normally by consent or by a simple majority of present members.

The Monitoring Committee is chaired by the President (State Secretary at the MoI), who is also the **programme manager**, representing the RA during the implementation of the funds (Ministrstvo za notranje zadeve, 2014, p. 7-16).

An organizational chart of the MCS under MFF 07-13 is in Appendix 1.

#### **4.1.2 “As is” process inventory mapping**

As is process inventory mapping was performed in line with phase five of the research strategy – “As is” process inventory mapping – presented in chapter 1.2. Mapping was done on the basis of an applicable legal basis and other official documents constituting the legal and formal framework of the current system<sup>25</sup>. We have opted for an exhaustive approach, which focuses on all business processes within the MCS (unlike a high impact approach, which focuses only on crucial business processes).

Six key processes have been identified and further divided these into sub-processes and their key features. An overview of the relevant legal basis and other official documents for each sub-process was prepared, and each sub-process was given a detailed description. Also, key stakeholders and outputs have been assigned to each sub-process. Below we provide a brief overview of the existing (“as is”) business system, whilst a comprehensive overview of the process inventory for the 2007-2013 period together with schematics is available in Appendix 2.

##### **4.1.2.1 Process 1 – Designation of authorities and establishment of the MCS**

Sub-process 1.1 – Designation of (designated) authorities at the governmental level: the sub-process encompasses designation of the RA (responsible for the management and

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<sup>25</sup> Detailed legal basis for individual processes is available in Appendix 2.

implementation of SOLID funds national programmes in accordance with the principles of sound financial management), the AA (responsible for verifying the effective functioning of the management and control system) and the CA (responsible for the certification of declared expenditure and transfer of funds between the EU and national budget). For the organizational structure of the MCS see chapter 4.1.1.

Sub-process 1.2 – Establishment of the MCS: the establishment of the MCS involves a number of tasks: (a) preparation and revision of the description of the MCS, including notification of the EC, (b) delegation of tasks to the delegated authorities (with level and tasks established in the Operational Management Agreements), (c) setting up and revision of the organizational structure, systemization of jobs and inter-institutional relations, (d) preparation and revision of key implementing documents at the level of designated authorities (RA, CA, AA) and delegated authorities/associated bodies (Manual of Procedures for the Implementation of the Four Funds, Internal Manuals of Procedures of the RA, CA and AA, Internal Manuals of Procedures of delegated authorities/associated bodies, Agreement on Management and Control), (e) nomination of the programme manager, (f) nomination of programme custodians with each delegated authority/associated body, and (g) nomination of contact points for day-to-day cooperation between the RA and delegated authorities/associated bodies).

#### 4.1.2.2 Process 2 – Programming and budget planning

Sub-process 2.1 – Multiannual programming: multiannual programming for SOLID funds is based on strategic guidelines of the EC, and includes the possibility of a revision of the programmes (at the initiative of the member state or at mid-term review). The preparation of multiannual programmes is a task of the RA in association with delegated authorities/associated bodies.

Sub-process 2.2 – Annual programming: the implementation of SOLID funds is based on annual programmes, which are prepared on the basis of the multiannual programmes and pre-defined annual allocations of EU funds by the European Commission. The process of preparation, approval and revision of annual programmes is similar to the one related to multiannual programming. This sub-process further encompasses the dissemination of information on approved programmes as well as entry of programming items into the MIGRA IT system for monitoring and financial management of the funds (hereinafter: MIGRA).

Sub-process 2.3 – Budget planning: this sub-process refers to the annual planning of commitments by the designated authorities and delegated authorities/associated bodies. Planning of funds is a precondition for advanced financing of the projects and technical

assistance<sup>26</sup> from the national budget (and subsequent reimbursement of the EU contribution). Planning of the EU contribution (normally 75%, 100% for technical assistance) and national co-financing (normally 25%, 0% for technical assistance) takes place on separate budget items and is aligned with the commitments set forth in the programming documents (annual programmes).

#### 4.1.2.3 Process 3 – Project selection and programme implementation

Sub-process 3.1 – Selection and implementation of projects when the RA acts as an executing body (executing body mode): under executing body mode the implementation of projects is transferred to the associated bodies due to *de jure*, *de facto* monopolies or security reasons. The RA receives and appraises project proposals submitted by associated bodies. Upon approval, contracts for the implementation of the projects are prepared and signed. Implementation of projects is done by associated bodies through a tendering procedure (procurement contracts for purchasing of goods and services on the market) and/or in-house implementation. In case a need arises during the implementation phase, follow-up and amendments to the contracts can be proposed and concluded.

Sub-process 3.2 – Selection and implementation of projects when the RA acts as an awarding body (awarding body mode): the sub-process encompasses cases when the RA implements projects on the basis of open calls for proposals. The calls are prepared and organized on the basis of multiannual and annual programmes and at the initiative of the delegated authority and in cooperation with the Public procurement and purchasing service at the MoI. The documentation of the call defines project objectives, selection criteria, financing structure, date of submission, eligibility rules, time limit for implementation, etc. Received project proposals are appraised on the basis of formal, technical and budgetary analysis, as well as qualitative assessment according to the pre-set criteria. Grant agreements are signed with the selected final beneficiaries<sup>27</sup>, thus creating the basis for project implementation. In case a need arises during the implementation phase, follow-up and amendments to the grant agreements can be proposed and prepared.

Sub-process 3.3 – Financial management of programmes and payments to final beneficiaries: the sub-process starts with 100% administrative, financial, technical and eligibility controls of accounting and other project documentation, including controls of physical aspects of projects (control of all eligible expenditure in terms of suitability, correctness and eligibility of expenditure, revenues and costs) by the designated authorities (for technical assistance),

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<sup>26</sup> Technical assistance refers to EU funds earmarked for the functioning of the MCS, such as preparatory measures, management, monitoring, evaluation, information and control measures, as well as measures for the reinforcement of the administrative capacity for the implementation of the funds. Only designated and delegated authorities are eligible for technical assistance funding.

<sup>27</sup> NGOs and legal entities operating under a non-profit principle.

delegated authorities and associated bodies (for projects). 100% controls can further be backed by on-the-spot controls.

Once controls have been carried out, payment orders (for EU and Slovenian contributions) and accompanying documentation are prepared, thus forming the basis for the pre-financing of projects from the national budget. Payment orders are sent to an in-house documentation circuit within each relevant authority/body. Once payment orders are signed and approved, payments to final beneficiaries can be implemented; the accounting service prepares a request for payment from the designated budget items to the final beneficiary and sends it to the Payments Administration of the Republic of Slovenia, which executes the payment within 5 working days after filing a request. After payments to final beneficiaries, the designated authorities, delegated authorities or associated bodies prepare claims for reimbursement on the basis of which the EU contribution is reimbursed into the national budget (see process 5.2).

#### 4.1.2.4 Process 4 – Monitoring, reporting, and evaluation of programme implementation

Sub-process 4.1 – Regular monitoring and reporting on project implementation by the delegated authorities/ associated bodies: regular monitoring of project implementation is performed by contract custodians and project managers, which gather monitoring data on key operational and financial indicators as well as quality and quantity aspects of project implementation. On the basis of data gathered, delegated authorities and associated bodies prepare progress and final reports on the implementation of projects and submit these to the RA.

Sub-process 4.2 – Regular monitoring of programme implementation by the RA and reporting to the EC: on the basis of progress and final reports on the implementation of projects (see process 4.1) the RA prepares progress and final reports on the implementation of annual programmes and submits these to the European Commission.

Sub-process 4.3 – Preparation of evaluation reports of programme implementation: during 2007-2013, the RA had to submit to the European Commission three evaluation reports assessing the relevance, effectiveness and impact of actions financed from the funds. These reports, which are normally prepared by an independent external evaluator, are the first interim evaluation report (was due in 2010), second interim evaluation report (was due in 2012) and an ex-post evaluation report upon closure of the programmes (due in 2015).

#### 4.1.2.5 Process 5 – Controls by designated authorities, detection of irregularities and financial corrections

Sub-process 5.1 – Controls by the RA: the RA performs two types of controls. The first are on-the-spot controls of ongoing and completed projects based on a risk register and an on-the-spot sample control plan. The second type are 100% controls of administrative, financial, technical and physical aspects of projects.

The starting point of these controls is the entry of claims for reimbursement (prepared under process 3.3.) into MIGRA, along with scanning and archiving of claims and accompanying documentation. Based on the documentation in the claims, the RA performs the verifications to ensure that expenditure declared is real and justified for the purpose of the project and in accordance with the project contracts and grant agreements. Verifications encompass a 100% administrative and financial control of each claim for reimbursement and a 100% control of supporting documents (public tendering procedures, accuracy and eligibility of expenses).

In case of positive results of the verification process, the RA prepares a claim for transfer of funds from the budget in MIGRA and sends it to the CA for actual reimbursement of the EU contribution (see process 5.2). In case of negative results of the verification process and irregularities detected, the RA reduces the total amount of the claim for transfer of funds accordingly, prepares an official notice on the requested corrections of the claim for reimbursement, and sends it to the designated body, delegated authority or associated body, which issued the claim for reimbursement (see process 5.3).

Sub-process 5.2 – Reimbursement of EU contribution, payments by the Commission and certification of expenditure: upon receipt of a claim for transfer of funds by the RA, the CA assigns each an entry number and enters it into their records. It verifies the correctness of expenditure of individual claims and reimburses the EU contribution from the four funds' sub-accounts to the general budget reserve line. As the CA is competent for management of all payments and recoveries by the European Commission (pre-payment, second pre-payment and payment of balance/recovery), it is also responsible for the monitoring of ongoing expenses and preparation of the certified declaration of expenditure, i.e. certification of expenditure. The declaration is a precondition for the second pre-financing payment (optional) and final payment by the European Commission; it accompanies progress and final reports by the RA (see process 4.2). The CA further stores all accounting records of expenditure submitted to the European Commission in a computerized form, ensures the recovery of all amounts unduly paid, manages the four funds' sub-accounts, and keeps record of all on-the-spot controls in MIGRA.

Sub-process 5.3 – Detection of irregularities, reporting on irregularities, and financial corrections: irregularities can be detected by the delegated authorities and associated bodies during project implementation and preparation of the claims for reimbursement, by the RA during implementation of controls, by the AA during audits or by the CA during the verification of the correctness of expenditure of claims for transfer of funds. All irregularities



have to be reported as follows: (a) quarterly reporting by the delegated authorities, associated bodies, AA and CA to the RA, (b) ad hoc reporting on major irregularities by the delegated authorities, associated bodies, AA and CA to the RA and reporting on these by the RA to the AA, (c) summary quarterly reporting on all irregularities detected by the RA, AA, CA, delegated authorities and associated bodies, (d) annual reporting to the European Commission via progress and final reports, and (e) follow-up reporting to the European Commission of any previous report made on non-recovered amounts.

The RA keeps a record of all irregularities detected in the registry of irregularities. Detected irregularities are followed by financial corrections, whereby different rules apply to financial corrections according to the phase in which irregularity is detected (before or after reimbursement from the Union budget) and the budgetary year in which expenses were incurred (current or past financial years). Financial corrections before reimbursement from the Union budget do not result in recoveries but can be consolidated thorough appropriate booking-over of budgetary commitments. In case corrections are applied after the reimbursement from the Union budget has taken place, recoveries apply and the CA has to ensure appropriate follow-up of recovery orders in MIGRA.

Sub-process 5.4 – Auditing: the AA performs audits according to the audit strategy and annual audit plans, based on risk assessment and cost-benefit analysis. There are two types of audits performed by the AA. The first are sample based (15%) on-the-spot audits of projects on the basis of documentation and records held by final beneficiaries and/or project partners. These audits result in audit recommendations and follow-up of these recommendations, as well as a thorough examination of potential systematic problems discovered during audits of projects. If required, the AA can perform additional audits and suggest corrective measures. The second type of audits are system audits, i.e. audits of the MCS. These audits result in opinions on the functioning of the MCS, which can be either qualified or adverse. Each year, the AA prepares an annual report comprising of an annual audit report (including the notion of recommendations in case the error rate exceeds 2%), an audit opinion on the functioning of the MCS, and a validity declaration. The report is submitted to the European Commission and recorded in MIGRA by the CA.

#### 4.1.2.6 Process 6 – Overarching and other processes

Sub-process 6.1 – Physical and electronic archiving and audit trail assurance: this sub-process encompasses various archiving systems and different types of documents, namely: (a) physical and electronic archiving of all official documents by public entities in SPIS4<sup>28</sup> or other official archiving applications; (b) archiving of original accounting records and original project data (project implementation, monitoring, control); (c) electronic recording and storing of accounting records in a designated accounting system (MFERAC for state

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<sup>28</sup> The main government document archiving system in Slovenia.

authorities) or using an adequate accounting code; (d) electronic and physical storage of copies of project data (project implementation, monitoring, control) by the RA in official files and in MIGRA (claims for reimbursement, claims for transfer of funds); (e) storage of system data (Description of the MCS, Operational Management Agreements, internal manuals of procedures, Agreement on Management and Control, etc.) by the RA as well as competent designated authorities, delegated authorities and associated bodies; (f) electronic exchange of system data and reports submitted to the European Commission by the RA in SFC2007<sup>29</sup> (description of MCS, revision of MCS, programming documents, financial breakdown of annual programmes, progress and final reports, documents established by the audit authority – audit reports – and certifying authority – declarations of expenditure, evaluation reports); (g) electronic storage of AA's and CA's documents in MIGRA.

Sub-process 6.2 – Development, setting-up, upgrading and management of the MIGRA IT system: the sub-process relates to development, setting-up, upgrading and management of MIGRA, as well as management of the MIGRA database by the RA. The database includes all data entered by the designated authorities.

Sub-process 6.3 – Inter-departmental coordination and cooperation with stakeholders: inter-departmental coordination and cooperation takes place within two bodies – the Interdepartmental Working Group and the Monitoring Committee. The meetings (or correspondence sessions) of each of the two bodies require organization, preparation of agenda and materials, and drafting of the final minutes including decisions. EU cooperation refers to the work of the AMIF-ISF committee at the EU level. When applicable, specific forms of partnerships with authorities and bodies involved in implementation of the programmes are organized by the RA.

Sub-process 6.4 – Information and publicity measures: information and publicity is ensured through online dissemination of information via RA's website, media coverage using various forms and methods of communication (information events, website updating, public media, etc.), and activities by the final beneficiaries for informing the general public about the assistance obtained from the funds. Delegated authorities and associated bodies submit to the RA semi-annual reports on information and publicity measures. On the basis of information received the RA prepares a comprehensive semi-annual report on information and publicity and publishes it on its website.

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<sup>29</sup> Electronic system for fund management in the European Union in the period 2007-2013 (i.e. secure electronic data exchange system between the Commission and member states).

## 4.2 Management and control system of EU Home Affairs Funds in the Multiannual Financial Framework 2014-2020

### 4.2.1 “To be” organizational structure of the Management and Control System

On the basis of the analysis of the MCS during MFF 07-13, the applicable legal basis and the generic model for a BPR project presented in chapter 3.1.4, we have prepared a proposal for a simplified and improved system for the 2014-2020 period.

The Horizontal Regulation<sup>30</sup>, which covers both AMIF and ISF establishes a uniform MCS, which somewhat resembles the current system applicable under SOLID funds (see chapter 4.1.1), however, significant changes are suggested in this proposal due to the changes in the legal basis as well as for improvement reasons.

On top of the system remains, as before, the **European Commission** and the **AMIF-ISF Committee**.

Designated authorities are henceforth called **competent authorities** and encompass the **RA** and **AA** as well as any delegated authority. The legal basis abolishes the CA and establishes a new body – the **designating authority** at the ministerial level (i.e. the minister), which designates the RA. As the RA cannot implement actual transfers of funds between the EU and national budget, this task (formerly performed by the CA) has to be delegated by the government. The government thus has to adopt a decision on the nomination of three competent authorities:

- the minister of the interior as the **designating authority**, competent for the designation of the RA,
- the Ministry of finance, Budget supervision office of the Republic of Slovenia as the **AA**, competent for audits of projects and the functioning of the MCS, and
- the Ministry of finance, Department for management of EU funds as the **Delegated authority for the transfer of funds between the Union and national budget** (hereinafter: DAF), solely responsible for the implementation of financial transactions.

Upon receiving an opinion from the AA concerning the compliance of the new MCS with the designation criteria set forth in the legal basis<sup>31</sup>, the designating authority performs a formal designation of the **RA** by granting the designation to the project unit for Internal Security and

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<sup>30</sup> Regulation (EU) No 514/2014 of the European Parliament and of the Council of 16 April 2014 laying down general provisions on the Asylum, Migration and Integration Fund and on the instrument for financial support for police cooperation, preventing and combating crime, and crisis management.

<sup>31</sup> Commission Delegated Regulation (EU) No 1042/2014 of 25 July 2014 supplementing Regulation (EU) No 514/2014 with regard to the designation and management and control responsibilities of Responsible Authorities and with regard to status and obligations of Audit Authorities.

Migration Funds within the MoI<sup>32</sup>. As before, the RA is solely responsible for the proper management and control of AMIF and ISF national programmes. The RA further has to sign an Agreement on management and control with the AA, whilst the delegation of tasks is defined in the acts of delegation.

The division of roles between delegated authorities and associated bodies under MFF 07-13 was complex and sometimes misleading, as the same authorities played different roles in the system. Thus, a clear division between delegated tasks and tasks of those authorities implementing projects on the basis of *de jure* or *de facto* monopolies is proposed by distinguishing two different types of fund allocation.

The first option for the allocation of funds is **direct award** and relates only to **Public entities acting as final beneficiaries** (hereinafter: PEFB)<sup>33</sup>. PEFB are professional public bodies implementing projects directly due to their administrative jurisdiction in the policy areas covered by the funds and acting as final beneficiaries (before, associated bodies implemented projects in association with the RA under ‘executing body mode’). PEFB remain fully responsible for the implementation of projects, controls of expenditure as well as preparation of claims for reimbursement of funds. PEFB are no longer a direct entity of the MCS, but are given a special status due to their role in the programming processes (preparation of national programmes and action plans).

The second possibility for the allocation of funds refers to awarding of **grants to NGOs and other non-profit final beneficiaries** on the basis of public calls for proposals. These calls are implemented by the **Delegated authority for projects implemented through public calls for proposals** (hereinafter: DAC), which is formed as a project group within the MoI (the only body to be implementing calls for proposals). The DAC is nominated by the minister of the interior and is responsible for the tasks previously performed by the delegated authorities (preparation of calls, implementation of controls, and preparation of claims for reimbursement). According to the principle of a matrix organization the project group could be composed of skilled staff from all competent services within the MoI (i.e. the Internal Administrative Affairs, Migration and Naturalization Directorate, the Police, as well as various support services, such as the Accounting Service, Budget and Finance Service, Public Procurement and Purchasing Service, and Financial Control of EU Funds Section).

The currently established process of inter-departmental coordination through the **Interdepartmental Working Group** and the **Monitoring Committee** is functioning well and should be pursued. Nevertheless, to fully comply with the so-called partnership

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<sup>32</sup> Precise definition of the RA provides a clear distinction of responsibilities and tasks within the MoI (under MFF 07-13, the entire MoI was the RA).

<sup>33</sup> Internal Administrative Affairs, Migration and Naturalization Directorate at the MoI, the Police, Ministry of Foreign Affairs, Ministry of Public Administration, and the Ministry of Defense.

principle<sup>34</sup>, a representative of a non-governmental sector should be nominated as a member of the Monitoring Committee. The **programme manager** continues to represent the RA and retains the function of the chair of the Monitoring Committee.

An organizational chart of the MCS under MFF 14-20 is in Appendix 3.

#### 4.2.2 “To be” process inventory mapping

The “to be” process inventory mapping falls under phase seven of the research strategy – BPR and “to be” process inventory mapping – in chapter 1.2. It is the core of the BPR project, aimed at proposing the changes to the business system in order to improve its performance. It deals with the process change and redesign and serves as the foundation for future implementation of the improved MCS. The improvements are based on legal requirements stemming from the applicable legal basis<sup>35</sup> as well as on findings of the stakeholder survey<sup>36</sup> (see Appendix 6 for survey and Appendix 7 for results) and structured personal interviews with executives and staff<sup>37</sup> (see Appendix 8 for interviews and Appendix 9 for results).

A comprehensive overview of the suggested “to be” process inventory for the 2014-2020 period together with schematics is available in Appendix 4. Below we provide a brief overview of the new, improved business system.

##### 4.2.2.1 Process 1 – Designation of authorities and establishment of the MCS

Sub-process 1.1 – Designation of (competent) authorities at the governmental level: designated authorities are now referred to as competent authorities, nominated on the basis of a three phase procedure. First, the government nominates a designating authority, the AA and DAF<sup>38</sup>. The AA then reviews the description of the future MCS (prepared by the body, which is yet to be designated as the RA) and prepares its opinion concerning the compliance of the RA with the designation criteria. On the basis of the AA’s opinion, the designating authority designates the RA (ministerial decision).

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<sup>34</sup> According to article 12 of the Horizontal regulation, partnership relates to all phases of the implementation of the funds and encompasses relevant public authorities, international organizations, non-governmental organizations and social partners.

<sup>35</sup> Detailed legal basis for individual processes is available in Appendix 4.

<sup>36</sup> The survey, composed of two sections (section A on the business processes and section B on customer satisfaction), was sent to relevant stakeholders via email in January 2015. Replies from 23 respondents, i.e. staff working in the area of EU Home Affairs Funds, were returned. Certain questions in the survey are not related to this research but were sent out simultaneously for other purposes (e.g. questions concerning the “EU Funding” website).

<sup>37</sup> The interviews were focused on the assessment of the current business system. 30 executives and staff from the Ministry of Justice, Ministry of Finance, Ministry of Foreign Affairs, MoI and the Police participated in the interviews taking place from January to February 2015.

<sup>38</sup> This body is yet to play the role of a delegated authority of the RA. Nevertheless, as the RA cannot delegate tasks to bodies beyond its jurisdiction (i.e. to services within other ministries) this has to be done by the government in advance.

Sub-process 1.2 – Establishment of the MCS: upon designation of competent authorities, detailed inter-institutional relations and responsibilities have to be established. The tasks remain similar to those under MFF 07-13; however, the complexity of the system and the overall number of documents required for the establishment of the MCS has been streamlined. This sub-process entails: (a) preparation of an official notification on formal designation of the RA to the European Commission, (b) preparation of acts of delegation of RA tasks to the delegated authorities<sup>39</sup>, (c) setting up and revision of the organizational structures, systemization of jobs and inter-institutional relations within public bodies involved in the implementation of EU Home Affairs Funds, (d) preparation and revision of key implementing documents at the level of competent authorities (manuals of procedures, agreements), (e) nomination of the programme manager by the minister of the interior, (f) nomination of contact points responsible for day-to-day cooperation between competent authorities and PEFB/DAC.

#### 4.2.2.2 Process 2 – Programming and budget planning

Sub-process 2.1 – Multiannual programming: the RA is responsible for the preparation of multiannual national programmes for the AMIF and ISF. The key phases in the procedure are: (a) policy dialogue with the European commission, (b) coordination of official minutes of the dialogue, (c) first draft of national programmes prepared in cooperation with competent policy area officials, (d) bilateral meetings with competent policy area officials based on comments received by the EC, (e) second draft of national programmes, (f) public consultation with all interested stakeholders, (g) discussion at the Interdepartmental Working Group and the Monitoring Committee, (h) unofficial submission of the third draft national programmes to the European commission, (i) government notification on the state-of-play of the preparation of national programmes, (j) official submission of the final draft national programmes, (k) revision of the final draft national programmes and second official submission, (l) government decision on the final text, (m) editorial and technical alignment of the text, and (n) approval by the EC. During the implementation, the national programmes can be revised at the initiative of the member state or the European Commission. The revision can take place at mid-term review in 2018 or at any point during the implementation of the programmes, should such a need arise.

Sub-process 2.2 – Preparation of an action plan: as there is no longer a requirement for annual programming under MFF 14-20, an action plan based on approved national programmes ensures the required pace of implementation of programmes. The action plan is prepared at the beginning of the implementation of national programmes as a single document covering the entire programming period. It is then adjusted at least annually to the state-of-play of the implementation of the programmes as well as concrete needs on the ground. The action plan

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<sup>39</sup> DAF nominated by the Government and DAC nominated by the Minister of the interior (see chapter 4.2.1).

follows the hierarchical structure of national programmes, previously established budget commitments, timetable, as well as pre-set programme indicators.

PEFB and DAC feed the information into the action plan (project proposals). The action plan and its revisions are approved by the Monitoring Committee and signed by the programme manager. Information from the action plan is entered in the IT system for project and financial management of EU Home Affairs Funds in the 2014-2020 period – MIGRA II, thus assigning each project a unique project code. The RA makes sure that the action plan is disseminated to all interested stakeholders and published online. The information in the action plan serves as the basis for submission of project applications (see sub-process 3.2).

Sub-process 2.3 – Budget planning: the sub-process remains generally the same as in the 2007-2013 period, whilst crucial changes refer to the programming documents, which are the basis for budget planning. As before, competent authorities and PEFB have to plan budget commitments on two separate dedicated budget items for each of the funds, one budget item for Union co-funding (normally 75% of contribution, 100% for technical assistance) and the other budget item for the Slovenian national contribution (normally 25% of contribution, 0% for technical assistance). As all budget items are financed from the national budget, this establishes a system of advancing of funds (pre-financing) and subsequent reimbursement of the total amount of eligible EU contribution.

#### 4.2.2.3 Process 3 – Project selection and programme implementation

Sub-process 3.1 – Selection and implementation of projects when the RA acts as an executing body (executing body mode): the definition of ‘executing body mode’ under MFF 14-20 has been narrowed down strictly to the implementation of projects directly by the RA (either alone or in association with any other national authority). In such cases the RA, which is the beneficiary of the grant, issues an administrative decision to co-finance a project under the national programme. The administrative decision has to be based on approved action plans (see sub-process 2.2) and signed by the programme manager (i.e. State secretary at the MoI). Implementation of projects under executing body mode is not predicted under MFF 14-20.

Sub-process 3.2 – Selection and implementation of projects when the RA acts as an awarding body (awarding body mode): all projects within MFF 14-20 will be implemented solely under ‘awarding body mode’ on the basis of an approved action plan, whereby grants will be awarded either via calls for proposals (grant agreements) or through direct awards (award decisions).

In case of public calls for proposals, the DAC prepares and organizes these calls and appraises the projects proposals submitted by potential final beneficiaries (usually NGOs) based on formal, technical and budgetary analysis, and qualitative assessment according to pre-set

criteria. Approved projects are awarded the funds through grant agreements, indicating the amount of the grant, the share of EU contribution, timetable, tasks and costs, forward budget, operational objectives, indicators for evaluating results and impacts, eligible costs, payment and book-keeping provisions, audit trail, data protection and publicity. The selection procedure and the final agreement have to be verified and entered in MIGRA II. DAC further enters all project details in MIGRA II and links the project to the corresponding grant agreement. On the basis of signed agreements, NGOs implement projects as final beneficiaries. If so provided in the agreement, final beneficiaries may request an advanced payment before the start of the implementation. In duly justified circumstances and based on appropriate follow-up of project implementation, amendments to the grant agreements can also be made.

On the other hand, grants can be awarded on the basis of ‘direct award’. This relates to situations where the specific nature of the projects or the technical or administrative competences of the relevant bodies leaves no other choice, such as in case of *de jure* or *de facto* monopolies or for security reasons. Final beneficiaries, i.e. PEFB, and competent authorities (for technical assistance), are awarded projects on the basis of project proposals submitted to the RA electronically in MIGRA II. The RA appraises project applications using e-checklists and, once project applications are complete, issues automatically generated award decisions in MIGRA II. PEFB (and competent authorities for technical assistance) implement projects through tendering procedures (procurement contracts for purchasing of goods and services on the market) and/or in-house implementation. Tendering procedures have to be verified and concluded contracts for the supply of goods/services supply have to be entered in MIGRA II by PEFB/competent authorities. Possible amendments to the award decisions are possible, but are based on pre-set thresholds for tolerable/significant deviation from the approved project proposal.

Sub-process 3.3 – Financial management of programmes and payments to final beneficiaries: as the implementation of EU funds is based on pre-financing from the national budget and subsequent reimbursement of the eligible amount of EU contribution, all public bodies involved (competent authorities for technical assistance, DAC and PEFB for projects) are subject to public finance regulations and thus have to perform internal controls on all public expenditure. In case projects are implemented on the basis of public calls for proposals, final beneficiaries (i.e. NGOs) submit claims for payment in MIGRA II and thus periodically report to DAC on both financial and operational implementation of projects. In case projects are selected through direct award, PEFB and competent authorities submit similar documents in MIGRA II – claims for reimbursement. Both types of claims are subject to 100% administrative, financial, technical and eligibility controls by competent authorities (for technical assistance), PEFB and DAC (for projects). As a general rule, controls are performed before payment to final beneficiaries from the national budget. Controls are performed within



MIGRA II using e-checklists. If required, PEFB and DAC can supplement these controls with operational on-the-spot visits to obtain additional information.

Once expenditure has been verified, payment orders are prepared by competent authorities, PEFB or DAC in the eligible amount established (separate for EU and Slovenian contributions), and sent to in-house financial documentation circuits for approval. Approved payment orders are the basis for actual payments executed by the Payments Administration of the Republic of Slovenia. After payment, final claims for reimbursement are prepared in MIGRA II (DAC generates the claim on the basis of claims for payments and adds payment details, whilst PEFB completes draft claims for reimbursement with payment details). Signed claims for reimbursement are sent to the RA for verification and approval.

#### 4.2.2.4 Process 4 – Monitoring, reporting, and evaluation of programme implementation

Sub-process 4.1 – Regular monitoring of project (and operating support) implementation by final beneficiaries: monitoring of project implementation consists of regular and systematic collection of data on outputs and results of interventions, and the examination of such data. Final beneficiaries gather the data in order to check the quality and quantity aspects of project implementation, such as activities carried out, indicator values, timeline tracking, implementation of information and publicity measures, and other implementation related data. Monitoring takes place at the level of final beneficiaries, i.e. PEFB (for projects implemented under direct award) and NGOs or other non-profit organizations (for projects implemented on the basis of open calls for proposals). Final beneficiaries enter the data in MIGRA II as a part of claims for payment/reimbursement, which actually serve as interim and final project implementation reports. Monitoring data is verified by the PEFB and DAC during the implementation of 100% administrative, financial, technical, and eligibility controls and, once accurate and complete, submitted to the RA via final claims for reimbursement (see process 3.3).

Sub-process 4.2 – Regular monitoring of programme implementation by the RA and reporting to the European Commission: the RA performs 100% administrative checks of monitoring data submitted by DAC and PEFB via claims for reimbursement using standardized e-checklists in MIGRA II<sup>40</sup>. In case the RA discovers inconsistencies or irregularities it may ask for modifications or additional explanations. Once all claims for a given financial year are approved and finalized, the RA prepares in MIGRA II annual implementation reports for submission to the European Commission (final reports upon closure of the programmes). Certain sections of the report are generated automatically by MIGRA II (e.g. indicator values and financial reports). Annual implementation reports are discussed and approved by both the

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<sup>40</sup> The RA also checks implementation data using operational on-the-spot controls, however, these controls take place during the implementation of the project, i.e. before claims are submitted and result in recommendations for corrective actions (see process 5.1).

Interdepartmental Working Group and the Monitoring Committee. Reports are automatically transferred from MIGRA II to the Commission System for Fund Management in the European Union in the period 2014-2020 – SFC2014 on the basis of a communication protocol. In SFC2014, a competent officer at the RA officially submits the reports.

Sub-process 4.3 – Preparation of evaluation reports of programme implementation: the aim of the evaluations is to assess the relevance, effectiveness, efficiency, sustainability, coherence, complementarity and EU added value of the interventions implemented in the framework of the national programmes. There are two obligatory evaluation reports in the 2014-2020 period – the interim (2017) and ex-post evaluation report (2023). Reports are prepared by an external evaluator on the basis of a call for tenders as the experts preparing the reports have to be functionally independent of the RA, the AA and the delegated authorities. Evaluators can make use of a comprehensive project database and document archive in MIGRA II. Reports are presented to the Interdepartmental Working Group and the Monitoring Committee and submitted to the European Commission through SFC2014.

#### 4.2.2.5 Process 5 – Controls by competent authorities, detection of irregularities and financial corrections

Sub-process 5.1 – Controls by the RA: the RA performs two types of controls. The first are 100% administrative controls of claims for reimbursement by competent authorities (technical assistance), PEFB and DAC (projects) in MIGRA II using e-checklists. In case of positive results of administrative controls, the RA prepares in MIGRA II an order for transfer of funds and sends it to DAF, which executes the actual reimbursement (see process 5.2). In case administrative controls reveal inconsistencies or irregularities, the RA carries out detailed checks on a targeted sample of supporting documents (copies, available in MIGRA II database) and reduces the total amount of the order for transfer of funds accordingly. In parallel, it prepares in MIGRA II an official notice on the requested corrections of the claim for reimbursement, and sends it to the authority, which issued the claim for reimbursement (see process 5.3 for irregularities).

The second type of controls by the RA are sample on-the-spot controls based on a risk register and on-the-spot control plan. On-the-spot control can be operational (during the implementation of the project) or financial (detailed sample checks of project documentation upon completion of the project). After every control the RA prepares a report where it may make recommendations to the final beneficiary on corrective actions (in case of operational controls) or request financial corrections (i.e. prepares recovery orders in MIGRA II in case of financial controls – see process 5.3).

On the basis of data from approved claims for reimbursement in MIGRA II, the RA each year prepares in cooperation with DAF and the AA a request for payment of the annual balance for

each fund. The requests are automatically transferred from MIGRA II to SFC2014 on the basis of a communication protocol. In SFC2014, a competent officer at the RA officially submits the requests.

Sub-process 5.2 – Reimbursement of EU contribution and payments by the Commission: DAF is responsible for the management of special purpose sub-accounts for AMIF and ISF to which payments by the European Commission are made (initial pre-financing, annual pre-financing, payments of the annual balance and the payment of the final balance). On the basis of orders for transfer of funds by the RA (see process 5.2), DAF reimburses the EU contribution from the special purpose sub-accounts to the general budget reserve. If required, DAC ensures also the recovery to the EU budget of all amounts unduly paid (recoveries by the European Commission). In MIGRA II, DAF keeps record of all transactions and related interest on special purpose sub-accounts, including recoveries by the final beneficiaries (see process 5.3). DAF further cooperates with the RA in the preparation of the request for payment of the annual balance by verifying the accuracy and correctness of the financial data.

Sub-process 5.3 – Detection of irregularities, reporting on irregularities, and financial corrections: this sub-process is divided in two different phases in which irregularities can be detected – before and after reimbursement from the EU budget.

In case irregularities are detected before reimbursement, this can be done by the competent authorities and PEFB during 100% verifications of claims for payment/reimbursement in MIGRA II or by the RA during 100% administrative controls of claims for reimbursement in MIGRA II. Financial corrections in the first case relate to the adjustment of the payment to final beneficiaries or, in the second case, automatic generation of an official notice on the requested corrections of the claim for reimbursement in MIGRA II by the RA (see also processes 3.3. and 5.1).

In case irregularities are detected after reimbursement, this can be done by the RA during financial on-the-spot controls, by the AA during audit missions or by the EC or other competent EU authorities during monitoring and audit missions. Regardless of which authority detected the irregularity, the RA has to make sure that the findings are entered in MIGRA II in order to enable an automatic generation of a recovery order, which is sent to the issuer of a particular claim for reimbursement. The issuer has to repay the ineligible amount of the EU contribution to the special purpose sub-accounts. DAF then records the actual recovery in the transactions list in MIGRA II.

All irregularities (before and after reimbursement) are automatically fed into the registry of irregularities in MIGRA II, which is the basis for the preparation of customized reports on irregularities (e.g. quarterly reports to the European Commission or ad-hoc reporting on major irregularities).

Sub-process 5.4 – Auditing: on the basis of an audit strategy, risk assessment and cost-benefit analysis the AA prepares annual audit plans. According to these plans, the AA performs two types of audits – audits of projects and system audits. Audits of projects are performed as sample-based on-the-spot financial audits of the records held by the final beneficiaries (PEFB, NGOs and competent authorities for technical assistance) to provide reasonable assurance that the annual accounts give a true and fair view of the expenditure declared by the RA. Through system audits the AA verifies the functioning of the MCS with all competent authorities, and the compliance of the RA with the designation criteria. After every audit mission the AA prepares a report where it records its recommendations and opinions, and further ensures a follow-up of these recommendations. The AA may also re-perform a part of administrative or on-the-spot controls by the RA (see process 5.1); in case it discovers material weaknesses in the functioning of the MCS it makes appropriate recommendations to the RA. Based on all audit work performed, the AA annually prepares its report for the European Commission comprising of the annual summary and opinions of the AA. All audit findings are manually entered into MIGRA II by the RA (the AA has a complete overview of the data in MIGRA II but works independently from the system).

#### 4.2.2.6 Process 6 – Overarching and other processes

Sub-process 6.1 – Physical and electronic archiving and audit trail assurance: archiving (physical and electronic) of all official documents and assurance of an adequate audit trail is the responsibility of all organizations/institutions at the national level, involved in the implementation of EU Home Affairs Funds. The process relates to five main clusters of documents: audit records, reports and documents submitted to the European Commission, system data and documents, accounting records, and project data. As the process involves a variety of different stakeholders and its features are highly intertwined with other IT systems and processes, it is impossible to provide a clear cut description of the process. In terms of MCS, the main tool for audit trail assurance is MIGRA II, whilst the key documents are held by the RA. All documents are kept at least five years following the closure of national programmes, except for documents, which under national legislation have to be kept permanently (audit reports and opinions).

Sub-process 6.2 – Development, setting-up, upgrading and management of MIGRA II IT system: the sub-process refers to the development, setting-up, upgrading and ongoing management of MIGRA II – an IT system for project and financial management of EU Home Affairs Funds in the 2014-2020 period. MIGRA II is a process application, which enables electronic recording and storing of accounting records for each project under the national programmes, as well as all the data on implementation needed for the financial management, monitoring, control and evaluation of programmes. The process further refers to the management of MIGRA II database by the RA.

Sub-process 6.3 – Inter-departmental coordination and cooperation with stakeholders: the sub-process remains generally the same as under MFF 07-13. Interdepartmental coordination is ensured through meetings of the Interdepartmental Working Group and the Monitoring Committee (the RA prepares the material, organizes the meetings, records the minutes and ensures the follow-up of the decisions of the Monitoring Committee). EU cooperation takes place within the AMIF-ISF Committee as well as direct contacts with other member states and EU institutions. Special attention is paid to the implementation of the partnership principle with all relevant stakeholders involved in the preparation, implementation, monitoring and evaluation of national programmes (day-to-day cooperation, nomination of an NGO representative to the Monitoring Committee, public information events, public discussions, etc.).

Sub-process 6.4 – Information and publicity measures: information and publicity measures are implemented by the RA and final beneficiaries. The RA has to ensure the widest possible media coverage using various forms and methods of communication. Its basic tools are dissemination of information on the RA's web portal (including information on and access to the national programmes, finding opportunities, results and impacts of the programmes, list of actions and the names of final beneficiaries, contacts, etc.) and organization of annual information events for the general public. Final beneficiaries of projects (PEFB and NGOs) are responsible for informing the general public about the financial assistance obtained from the funds during the implementation of their projects. The monitoring of the implementation of information and publicity measures by final beneficiaries and the RA takes place at the project level, as this information has to be submitted as a part of claims for payment/reimbursement in MIGRA II (see processes 3.3. and 5.1). All data from the claims is automatically entered into the list of information and publicity measures in MIGRA II.

Sub-process 6.5 – Measures for ensuring high ethical and integrity standards: this is a new, overarching sub-process, which relates to the work of the RA within the MoI. Outputs are being delivered as a part of internal rules and procedures within the MoI, therefore no additional administrative burden is put on the MCS. According to the national legislation, the MoI has to prepare a risk register and an integrity plan including anti-fraud measures. Both documents are prepared at the level of individual organizational units and encompass all business processes within the MoI. The documents are monitored and revised annually and the results are reported to the minister. The risk register includes a separate risk assessment of the process "Planning and management of EU funds in the area of internal security and migration, structural funds and Union actions". All other processes of the MoI (such as accounting, budget planning, budget implementation, tendering procedures, etc.) are also included in the risk register and are subject to a risk assessment. The integrity plan encompasses risk exposure assessment and correlated mitigation measures within the MoI.

### 4.3 Vision, mission and strategic goals for the improved business system

On the basis of structured personal interviews with executives and staff working in the field of EU Home Affairs Funds (see Appendix 8 for interviews and Appendix 9 for results), a comprehensive framework defining the vision, mission and strategic goals of the future business system can be drawn.

The overarching **vision** of the MCS of EU Home Affairs Funds in the 2014-2020 period is a 100% absorption rate of the available financial allocations while observing the actual needs of the target groups, programming objectives, legal framework as well as correctness and regularity of expenditure declared (0% error rate);

The **mission** of the MCS is a uniform, comprehensive system, that enables effective programming (matching of the funds with the legal basis and actual needs on the ground, realistic and feasible planning), establishes a clear hierarchy of tasks and responsibilities, and minimizes the administrative burden for all stakeholders involved<sup>41</sup>.

In order to achieve the established mission of the MCS, multiple **strategic goals** should be pursued:

1. simplification of the administration of the funds (single data entry, clearly defined roles and tasks, streamlined project selection procedure, simplified reporting, planning of adequate pre-financing resources, swift reimbursement procedure, alignment of procedures with legal requirements, manageable deadlines, etc.);
2. better programming (establishment of measurable project goals) and an effective monitoring and evaluation system to monitor the achievement of these goals;
3. adequate human resources for both project implementation as well as management and control of the funds (competent project managers and staff working with EU funds, specialization, training, system of reward and punishment) and
4. establishment of standardized, effective and efficient controls of expenditure and project implementation.

Keeping in mind our research questions and hypothesis set forth in chapter 1.4, the improvements of the business system suggested under chapter 4.2 directly relate to the strategic goals 1, 2 and 4. Goal number 3 is associated with the “culture and people” dimension of a BPR project, which is not the focus of this research. Nevertheless, upon formally establishing the MCS, improvement of the system of human resources should also be taken into account.

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<sup>41</sup> Competent authorities, final beneficiaries (PEFB, NGOs and legal entities operating under a non-profit principle), support services at competent authorities and final beneficiaries (procurement, budget planning, accounting), bodies represented in the Monitoring Committee, European Commission, external contractors.

## **4.4 General overview of key business process improvements**

Apart from the in-depth study of the legal basis and relevant literature in the field of EU funding, the suggested improvements of individual business processes are shaped largely on the basis of the suggestions and observations of key stakeholders obtained via a stakeholder survey and structured personal interviews with executives and staff (see Appendix 6 for stakeholder survey, Appendix 7 for stakeholder survey results, Appendix 8 for interviews and Appendix 9 for results). The respondents of the survey, i.e. all staff working with EU Home Affairs Funds, answered questions in section A on the importance of individual sub-processes and suggested potential improvements of these. The structured interviews enabled the interviewees to express in greater detail their views on the possible improvements of the business system.

The suggested BPR project involves a number of improvements, which are summarized below according to different dimensions of performance improvement explained under chapter 3.1.2.

### **4.4.1 Culture and people**

As already mentioned, this research focuses on systemic and technical solutions rather than organizational climate and culture. Nevertheless, it is designed as action research aimed at practical applicability, involving all stakeholders and as such has a two-fold effect. On the one hand, individual civil servants were able to participate in the definition of the vision, mission and objectives of the business system, as well as provide practical solutions for its improvement. Their active participation thus serves as a tool of employee empowerment and facilitates the recognition of the need for changes. On the other hand, they were acquainted with the potential scope of changes and are thus better prepared for the implementation of the BPR project.

### **4.4.2 Processes**

One of the most important improvements refers to the annual programming procedures. On the basis of approved national (multiannual) programmes a comprehensive action plan is prepared, which facilitates budget planning, project preparation and implementation, as well as programme evaluation. The action plan promotes bigger, cyclical projects, streamlining the spending rates whilst retaining the required flexibility to stay aligned with actual needs on the ground.

Significant changes are suggested in terms of project selection procedure, whereby the implementation of projects under ‘executing body mode’ has been abolished and replaced with a simplified ‘direct award’ procedure performed entirely in e-form within MIGRA II.

The procedures of public calls for proposals have also been enhanced due to better programming and planning.

As regards financial management, monitoring and evaluation of projects, key improvements relate to the adjustment of business processes to the procedures of gathering and processing of data in MIGRA II. Such an approach (a) shortens cycle times, (b) enhances the accuracy of data (e.g. through single data entry at the level of final beneficiaries, logical controls within the application, 100% manual checks using e-checklists, automatic aggregation of certain categories of data and arithmetic checks), (c) reduces the error rate of data submitted to the RA, and (d) reduces the overall administrative burden (through automatic processing and aggregation of data). Data entry forms are aligned with the reporting requirements to the European Commission (e.g. common programme indicators), thus avoiding unnecessary data collection and management in the process of the preparation of financial and implementation reports. The information exchange protocol between MIGRA II and SFC2014 enables automatic transfer of data; therefore, manual entry in the latter system is no longer required. Data in MIGRA II also enables real-time overview of project implementation, facilitates the controls performed by PEFB and DAC (all data and documents available in real time), and streamlines the evaluation procedure by an external evaluator.

The core of the MCS, i.e. the controls by the RA, has also been significantly improved. Abolition of two-stage 100% controls of administrative, financial, technical and physical aspects of projects, and introduction of systematic, sample based on-the-spot controls significantly reduces the overall workload of the RA. The same holds for the suggested automatization of tasks in MIGRA II, for example aggregation of data on irregularities, generation of orders for transfer of funds, and generation of financial reports for the European Commission (i.e. request for payment of the annual balance). The overall decision making procedure has been streamlined by better fitting the level of signatories to the level of responsibility. As the legal basis abolished the CA, the reimbursement of the EU contribution has been narrowed down to execution of transfers and record keeping of financial transactions by DAF. Due to strict separation of tasks of the RA and AA, process improvements stemming from data management in MIGRA II is less significant. Nevertheless, availability of data in MIGRA II facilitates the preparation for the audit missions by final beneficiaries, RA as well as AA. Also, audit reports are linked to corresponding projects in MIGRA II, thus enabling constant monitoring of the level of audit coverage.

The entire sub-process of detection of irregularities, reporting on irregularities, and financial corrections has been significantly simplified. There is no more need to produce quarterly reports on irregularities by PEFB, DAC or DAF, or manage the registry of irregularities as this is done automatically by MIGRA II (automatic entry of irregularities discovered during controls and audits). MIGRA II also enables aggregation of data on irregularities for reporting purposes, automatic generation of official notices on the requested corrections of the claim for



reimbursement, automatic generation of recovery orders, and effective follow-up of financial corrections by competent authorities.

The implementation of information and publicity measures by various stakeholders has been simplified particularly in terms of reporting. Semi-annual reporting has been abolished and incorporated into the process of monitoring of project implementation, whereby final beneficiaries submit the data through claims for payment/reimbursement and the data is gathered and aggregated within MIGRA II in the list of information and publicity measures.

#### **4.4.3 Structure and system**

The main improvement is a clearer, slimmer and more streamlined organizational structure of the MCS (clear positioning of the RA, clear delimitation of competent authorities and final beneficiaries, adjustment of the organizational structure to the selection procedures, streamlined role of the programme manager, and alignment of the level of signatories with the specific importance of a given decision/document). The structure is adjusted to the business processes identified and goes beyond the traditional hierarchical structures of the public sector (e.g. through introduction of DAC, which has been established as a cross-functional entity on the principles of a matrix organization).

The rules related to the implementation of the funds are further more comprehensive and overarching. A single manual of procedures and general national eligibility rules cover all processes related to the implementation of the funds, whilst internal manuals are more focused and operational, covering only the internal procedures specific to individual entities of the MCS. The system also stimulates the stakeholders to provide for adequate, professional human resources (clear division as well as description of roles and tasks, training provisions, etc.).

Revival of the role of the Interdepartmental Working Group and better use of correspondence sessions of the Monitoring Committee enhance the efficiency of the inter-departmental coordination and cooperation with stakeholders, whilst the nomination of an NGO representative in the Monitoring Committee promotes the full implementation of the partnership principle in the process.

#### **4.4.4 Technology**

Investment in technology is the backbone of the MCS. MIGRA II is envisioned as a comprehensive IT system with the following key features:

- a true process application, based on the mapping of business processes related to the implementation of EU Home Affairs Funds;

- an internet application, accessible via secure access within all major internet browsers;
- flexibility (adjustment to the organizational and structural environment), scalability (possibility of upgrading and improvement through a user-based approach) and connectivity with related IT systems (especially SFC2014);
- flexible access levels (e.g. different access rights of access for NGOs, PEFB and competent authorities);
- decentralization, single data entry at source level and expansion of the range of users to the project level (e.g. project managers);
- 100% e-business;
- a full electronic archive accessible to all relevant users (original documents are held only at the source and are available for the purpose of controls and audits);
- full traceability of all activities within the application, such as entry and deletion of data;
- automation of work (automatic generation of documents on the basis of data entered).

For detailed information of individual business process improvements see Appendix 4.

## **4.5 Results of performance improvement measurement and hypothesis testing**

Performance of individual business processes under MFF 07-13 and MFF 14-20 was measured on the basis of data gathered through a stakeholder survey (see Appendix 6 for survey and Appendix 7 for results), structured personal interviews with executives and staff (see Appendix 8 for interviews and Appendix 9 for results) as well as an expert opinion obtained via personal interview<sup>42</sup> (see Appendix 5). Section B of the stakeholder survey was designed to gather respondents' assessment of the work of the RA under the MFF 07-13, whilst structured personal interviews were aimed at gathering salary data of civil servants directly involved in management and control of EU Home Affairs Funds in order to calculate the average hourly rate in 2014<sup>43</sup>, as well as data on the annual number of working hours needed to perform mapped business processes under MFF 07-13. The expert opinion provided hypothetical propositions on the impact of changes on individual processes/sub-processes under MFF 14-20. The expert offered estimates of improvement factors by quantifying the increase or reduction of process complexity in percentage points.

The data gathered relates to the year 2014 (January through December)<sup>44</sup>. The data are mostly based on estimates of individual civil servants working in the area of EU Home Affairs Funds and are therefore derived from personal judgments and professional experience. Nevertheless,

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<sup>42</sup> The interview with Ms. Polona Čufer Klep, head of the European Funds Service at the Slovenian MoI, was conducted on 30 April 2015.

<sup>43</sup> According to salary data in Appendix 9, the average hourly rate for civil servants working with EU Home Affairs Funds is 20.51 EUR (i.e. average annual gross employment cost in 2014 divided by 1,720).

<sup>44</sup> The only exception is data related to error rate measurement, which encompasses all system data since the beginning of the programming period.

cumulative data provides a clear indication of the complexity and importance of individual processes within the business system.

Furthermore, the accuracy of estimates was tested by comparing the calculation of the total annual labor cost in 2014 based on two methods: (a) the method suggested in chapter 1.3.2 and (b) the calculation on the basis of data on average salaries, i.e. multiplication of the gross salary in 2014 with the share of working hours dedicated to the funds in 2014. According to the first method, the estimated total annual labor cost is 972,930.00 € (see the total annual labor cost performance indicator value in 2014 –  $C_{LT(annual)}$  – in Appendix 10), according to the second method, the cost is 957,944.58 € (see sum of the total annual labor cost in Appendix 9). The difference in the calculations amounts to 14,985,42 € or less than 2%, which is negligible given the fact that the two methods are derived from different assumptions (the first is based on the estimated number of hours needed to perform a given business process, whilst the second is based on the salaries paid and share of individual civil servants' work dedicated to the MCS).

Due to complexity and fragmentation of individual business processes, the performance was measured at the level of sub-processes or lower (for example, cycle time was measured at the level of a relevant feature of a sub-process – see table 3). Customer satisfaction refers to the overall performance of the RA within the business system and is thus not directly linked to any of the mapped processes/sub-processes.

Some sub-processes are not recurring, but are implemented only twice or three times during the programming period. To take into account the proportionate share of these sub-processes in the overall business system, the annual number of working hours (which is the basis for our calculations of performance indicators) has been corrected by an appropriate **weighting factor on the frequency of occurrence**. For example, if the sub-process occurs annually, the weighting equals 1. If the process occurs three times in the seven year programming period, the weighting equals 0,43. Weighting factors are available under descriptions of individual business processes in Appendixes 2 (MFF 07-13) and 4 (MFF 14-20).

Performance measurement of the MCS under MFF 07-13 is based on theoretical assumptions presented in chapter 3.1.3 and was calculated according to the performance indicators established and presented in chapter 1.3.2. Detailed calculations of performance measurement presented in the table below are available in Appendix 10.

Table 3. Results of performance measurement

Performance measure	Measure breakdown	Measurement unit	Results MFF 07-13	Results MFF 14-20	Absolute improvement (+)/deterioration (-)	Relative improvement (+)/deterioration (-)
<b>Process FTE in 2014</b>	Sub-process 1.1	FTE	0.00	0.00	0.00	0.00%
	Sub-process 1.2	FTE	1.02	0.97	0.05	4.90%
	Sub-process 2.1	FTE	0.38	0.42	-0.04	<b>-10.53%</b>
	Sub-process 2.2	FTE	0.55	0.41	0.14	25.45%
	Sub-process 2.3	FTE	0.44	0.46	-0.02	-4.55%
	Sub-process 3.1	FTE	0.60	0.54	0.06	10.00%
	Sub-process 3.2	FTE	2.81	2.53	0.28	9.96%
	Sub-process 3.3	FTE	12.56	10.05	<b>2.51</b>	19.98%
	Sub-process 4.1	FTE	0.25	0.21	0.04	16.00%
	Sub-process 4.2	FTE	0.28	0.24	0.04	14.29%
	Sub-process 4.3	FTE	0.08	0.05	0.03	<b>37.50%</b>
	Sub-process 5.1	FTE	4.98	4.48	<b>0.5</b>	10.04%
	Sub-process 5.2	FTE	0.35	0.09	0.26	<b>74.29%</b>
	Sub-process 5.3	FTE	0.35	0.3	0.05	14.29%
	Sub-process 5.4	FTE	2.32	2.55	<b>-0.23</b>	<b>-9.91%</b>
	Sub-process 6.1	FTE	0.00	0.00	0.00	0.00%
	Sub-process 6.2	FTE	0.03	0.03	0.00	0.00%
	Sub-process 6.3	FTE	0.25	0.25	0.00	0.00%
	Sub-process 6.4	FTE	0.34	0.29	0.05	14.71%
	Sub-process 6.5 <sup>45</sup>	FTE	N/A <sup>46</sup>	0.00	N/A	N/A

*(table continues)*<sup>45</sup> Non-existent under MFF 07-13.<sup>46</sup> Not applicable.

(continued)

Performance measure	Measure breakdown	Measurement unit	Results MFF 07-13	Results MFF 14-20	Absolute improvement (+)/deterioration (-)	Relative improvement (+)/deterioration (-)
<b>Total FTE in 2014</b>		FTE	27.59	23.87	3.72	13.48%
<b>Process annual labor cost in 2014</b>	Sub-process 1.1	€	95.17 €	95.17 €	0.00 €	0.00%
	Sub-process 1.2	€	36,056.58 €	34,253.75 €	1,802.83 €	5.00%
	Sub-process 2.1	€	13,347.09 €	14,681.80 €	-1,334.71 €	<b>-10.00%</b>
	Sub-process 2.2	€	19,279.40 €	14,459.55 €	4,819.85 €	25.00%
	Sub-process 2.3	€	15,382.50 €	16,151.63 €	-769.13 €	-5.00%
	Sub-process 3.1	€	21,166.32 €	19,049.69 €	2,116.63 €	10.00%
	Sub-process 3.2	€	99,022.28 €	89,120.05 €	9,902.23 €	10.00%
	Sub-process 3.3	€	443,077.53 €	354,462.02 €	<b>88,615.51 €</b>	20.00%
	Sub-process 4.1	€	8,860.32 €	7,531.27 €	1,329.05 €	15.00%
	Sub-process 4.2	€	9,844.80 €	8,368.08 €	1,476.72 €	15.00%
	Sub-process 4.3	€	2,822.18 €	1,903.33 €	918.85 €	<b>32.56%</b>
	Sub-process 5.1	€	175,565.60 €	158,009.04 €	<b>17,556.56 €</b>	10.00%
	Sub-process 5.2	€	12,470.08 €	3,117.52 €	9,352.56 €	<b>75.00%</b>
	Sub-process 5.3	€	12,511.10 €	10,634.44 €	1,876.66 €	15.00%
	Sub-process 5.4	€	81,875.92 €	90,063.51 €	<b>-8,187.59 €</b>	-10.00%
	Sub-process 6.1	€	0.00 €	0.00 €	0.00 €	0.00%
	Sub-process 6.2	€	984.48 €	1,230.60 €	-246.12 €	<b>-25.00%</b>
	Sub-process 6.3	€	8,942.36 €	8,942.36 €	0.00 €	0.00%
	Sub-process 6.4	€	12,100.90 €	10,285.77 €	1,815.13 €	15.00%
	Sub-process 6.5	€	N/A	0.00 €	N/A	N/A

(table continues)

(continued)

Performance measure	Measure breakdown	Measurement unit	Results MFF 07-13	Results MFF 14-20	Absolute improvement (+)/deterioration (-)	Relative improvement (+)/deterioration (-)
<b>Total annual labor cost in 2014</b>		€	973,404.61 €	842,359.58 €	<b>131,045.03 €</b>	<b>13.46%</b>
<b>Total labor productivity in 2014</b>		€/FTE	3,092,974.32 €/FTE	2,903,554.13 €/FTE	<b>-189,420.20 €/FTE</b>	<b>-6.12%</b>
<b>Size of administrative/support functions in 2014</b>		%	10.00%	11.00%	<b>-1.00%</b>	<b>-10.00%</b>
<b>Error rate 1: error rate before reimbursement</b> (i.e. the share of irregularities discovered by the RA within the total amount of all claims for reimbursements received)		%	0.77%	N/A	N/A	N/A
<b>Error rate 2: error rate after reimbursement</b> (i.e. the share of all recoveries of EU contribution within the total amount of EU contribution reimbursed by the CA)		%	0.21%	N/A	N/A	N/A
<b>Cycle time 1 (RA):</b> from completion of the claim for reimbursement by competent designated authorities, delegated authorities and associated bodies, to receipt of the claim for transfer of funds by the CA		days elapsed	79.73 days	71.61 days	<b>8.12 days</b>	<b>10.18%</b>
<b>Cycle time 2 (CA):</b> from receipt of the claim for transfer of funds by the CA, to transaction/transfer of funds by the CA		days elapsed	22.50 days	5.63 days	<b>16.87 days</b>	<b>74.98%</b>
<b>Customer satisfaction</b>	Timeliness of service	scale 1-5	4.18	N/A	N/A	N/A
	Expertise of service	scale 1-5	4.71	N/A	N/A	N/A
	Understandability of written instructions	scale 1-5	4.53	N/A	N/A	N/A
	Kindness of civil servants	scale 1-5	4.88	N/A	N/A	N/A
	Availability for additional information	scale 1-5	4.88	N/A	N/A	N/A

The results of the measurement of **individual sub-process FTEs (FTE<sub>P</sub>)** show that the BPR project has a diverse, but largely positive effect on these processes<sup>47</sup>. The performance of three sub-processes deteriorated despite BPR endeavors. The level of deterioration in absolute numbers is not significant (0.02 FTE for sub-process 2.3, 0.04 FTE for sub-process 2.1, and 0.23 FTE for sub-process 5.4). Nevertheless, in relative terms, sub-processes 2.1 and 5.4 deteriorated significantly (by 10.53% and 9.91% respectively), which is mostly due to inclusion of new policy areas into the programming framework, an extremely lengthy, cumbersome process of programming (it lasted for more than 2 years), as well as new legal requirements and deadlines related to the audit function. All other sub-processes showed improvement in terms of FTE streamlining. The biggest absolute improvement can be expected for sub-processes 3.3 (by 2.51 FTE or 19.98%) and 5.1 (by 0.5 FTE or 10.04%), which is expected as these two sub-processes are the most labor-intensive and therefore the effects of procedural simplifications are the biggest. In relative terms, the highest level of improvement is visible in sub-processes 4.3 (by 0.03 FTE or 37.50%) and 5.2 (by 0.26 FTE or 74.29%). This is due to abolition of some functions in the new legal basis.

The overall level of improvement in terms of FTE can be seen from the “**Total FTE (FTE<sub>T</sub>)**” indicator values. It is actually a sum of individual sub-process FTEs and its measured value is 27.59 FTE under MFF 07-13 and 23.87 FTE under MFF 14-20. Absolute improvement is thus 3.72 FTE, or by 13.48% in relative terms. **Hypothesis 1A can be confirmed:** BPR reduces the total number of FTEs.

As regards **process annual labor costs (C<sub>LP(annual)</sub>)**, the results for individual sub processes are very similar to those related to sub-process FTE, which is expected as the basis for calculation (i.e. number of actual working hours needed to perform a given sub-process on an annual basis) is the same and multiplied by the average hourly rate for civil servants working with EU Home Affairs Funds. Again, performance improvement in terms of savings at the level of the entire business system is best understood by looking at the **total annual labor cost (C<sub>LT(annual)</sub>)**, i.e. the sum of individual annual sub-process labor cost. The measured values are 973,404.61 € for MFF 07-13 and 842,359.58 € for MFF 14-20, which means that the expected annual labor cost savings as a result of the BPR project are 131,045.03 € (or 13.46 % in relative terms). **Hypothesis 1B can be confirmed:** BPR reduces the MCS total annual labor cost.

Our research further showed interesting findings as regards the effects of the BPR on **total labor productivity (LP<sub>T</sub>)**, which is basically a measure expressed as the amount of money managed per one FTE. The amount calculated for MFF 07-13 is 3,092,974.32 €/FTE and the amount for MFF 14-20 is 2,903,554.13 €/FTE, meaning that labor productivity at the level of MCS as a whole deteriorated by 189,420.20 €/FTE (or by 6.12%). The reason for this is the fact that the overall amount allocated to national programmes was reduced from 85,335,161.56 € under MFF 07-13 to 69,307,837.00 € under MFF 14-20 (reduction by

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<sup>47</sup> The level of performance improvement/deterioration is not applicable for process 6.5, as it is actually a new sub-process, developed under MFF 14-20.

16,027,324.56 € or 19 %). Although the MCS as a whole has significantly been streamlined and improved, a lower overall amount of funds available has a significant negative effect on labor productivity. In so far as the financial allocations remained unchanged, the  $LP_t$  value for MFF 14-20 would have been 3,574,996.29 €/FTE or, in other words, the labor productivity would have improved by 482,021,97 € (or 15.58%). Or the other way around: given the lower financial allocations in the 2014-2020 period, the deterioration of the labor productivity indicator would have been significantly higher without the influences of BPR (by 580,910.64 €/FTE or 18.78%), thus putting its positive effect on labor productivity at 12.66%<sup>48</sup>.

**Hypothesis 1C can be confirmed:** BPR improves the total labor productivity of the MCS.

As in the case of labor productivity, lower financial allocations under MFF 14-20 have a negative effect also on the **size of administrative/support functions ( $A/S_F$ )**, which is a performance indicator expressing the share of the available funds spent on administrative and support functions. Measurement shows that the indicator value deteriorated as it rose from 10.00% under MFF 07-13 to 11.00% under MFF 14-20. Given the same amount of funds in the current financing period as before (i.e. 85,335,161.56 €), the result would have been the opposite – the size of administrative/support functions would have fallen to 9.00%. On the other hand, in case of lower financial allocations but no BPR effect, the size of administrative/support functions would have increased to 12%. The absolute effect of BPR therefore reduces the size of administrative/support functions by 1% of the total financial allocations available. **Hypothesis 1D can be confirmed:** BPR reduces the size of administrative/support functions of the MCS.

The measurement of **cycle times** was subject to the availability of system data in MIGRA. There were two main cycle times identified, namely:

- **Cycle time 1**, which encompasses sub-processes 3.3 and 5.1, measures days elapsed from completion of the claim for reimbursement by competent designated authorities, delegated authorities and associated bodies, to receipt of the claim for transfer of funds by the CA<sup>49</sup>.
- **Cycle time 2**, which encompasses sub-process 5.2, measures days elapsed from receipt of the claim for transfer of funds by the CA, to transaction/transfer of funds by the CA, which is *de facto* reimbursement of the EU contribution.

On average, under MFF 07-13, cycle time 1 lasted 79.73 days and cycle time 2 lasted 22.5 days. The expected improvement as a result of BPR was calculated according to the improvement factors for related sub-processes. The results show that cycle time 1 is likely to decrease by 8.12 days (or 10.18%) as a result of simplified control procedures, whilst cycle time 2 should be shortened by as much as 16.87 days (or 74.98%), mostly due to abolition of

<sup>48</sup> The expected rate of deterioration without BPR (18.78%) reduced by the expected rate of deterioration with respect to the effects of BPR (6.12%).

<sup>49</sup> Claim for transfer of funds under MFF 07-13 is actually an order for transfer of funds under MFF 14-20.



the certification of expenditure. Overall, the entire process from completion of the claim for reimbursement to the actual transfer of funds by the CA (i.e. cycle time 1 plus cycle time 2) is expected to be shortened from 102.23 days to 77.24 days. In other words, the process should improve by 24.99 days or 24.44%. **Hypothesis 1F can be confirmed:** BPR reduces the cycle times of MCS processes.

Anticipation of future **error rates** and **customer satisfaction** is not possible, as its values cannot be measured against the improvement factors provided in the expert opinion (Appendix 5). We have suggested these two performance indicators in order to establish a comprehensive improvement measurement model. The level of performance improvement against these two indicators can only be measured in the future (for example a year after establishing the MCS), which is in the case of our research neither planned nor feasible. Regardless of the BPR project, already now the error rates are well below the minimum tolerable threshold of 2% materiality (0.77% before reimbursement and 0.21% after reimbursement), whilst customer satisfaction measurement showed extremely positive reviews (on a 1-5 scale, the timeliness of service was given 4.18, expertise of service 4.71, understandability of written instructions 4.53, kindness of civil servants 4.88, and availability for additional information 4.88).

Hypothesis 1, presented in chapter 1.4, was established as a **general hypothesis** broken down into a list of **measurable hypotheses 1A-1G** designed around performance indicators (see chapter 1.3.2). Hypotheses 1E and 1G were not testable, however, its current values and the results of improvement measurement against all other indicators suggest that **hypothesis 1 can be confirmed:** BPR improves the performance of the MCS of EU Home Affairs Funds in Slovenia for the period 2014-2020.

## CONCLUSION

The review of literature in the area of BPR clearly showed that, although the application of BPR in the public sector has not been used as commonly as in the private sector where its popularity has been growing ever since the early 1990s, its applicability in case of public entities is gaining importance and popularity in the recent years. The transfer of good practices from the private to the public sector in order to improve its efficiency, more commonly known as NPM, is an expected reaction of national administrations to an ever-more competitive global environment, which no longer concerns only businesses but societies as a whole. BPR is offered as one of the well tested and applicable tools, which can, through the use of measurable and verifiable performance indicators, achieve significant performance improvements in public organizations and systems.

As the end of the 2007-2013 financing period (MFF 07-13) and new legal basis of EU Home Affairs Funds in the 2014-2020 period (MFF 14-20) imposed a requirement on member states to revise their MCSs, this also offered an opportunity to put the current solutions under scrutiny and, using a BPR approach, suggest a new and improved system that delivers outputs more efficiently. The size of EU Home Affairs Funds in comparison to other EU financing mechanisms shows that, despite an increasing importance of these policy areas, particularly in terms of migration and the fight against organized crime, the funds remain one of the smallest financing instruments operating under the so-called shared management principle. For this reason it is even more important to establish a well-functioning, slim and streamlined MCS, which facilitates optimal implementation of funds both in terms of achieving the programming objectives as well as maximizing spending rates towards the desired 100%.

On the basis of a generic model for a BPR project presented in chapter 3.1.4, this research proposed a comprehensive and thorough MCS reengineering plan. Some crucial improvements were proposed, first of all a clearer, slimmer organizational structure with visibly identifiable processes (and sub-processes), and clear delineation of tasks and responsibilities. This refers to annual programming and related project cycles (project selection, financial management, monitoring, reporting, and evaluation), as well as to the responsibilities of competent authorities within the MCS. Some processes have been significantly streamlined by abolishing tasks (e.g. quarterly reporting on irregularities, semi-annual reporting on information and publicity, two-stage controls of claims for reimbursement, or certification of expenditure). Another crucial improvement is the proposal for the introduction of a comprehensive IT system for gathering and processing of project data (MIGRA II), which is actually a cross-cutting solution related to most of the identified processes/sub-processes. The technology dimension of BPR embodied in MIGRA II reduces the risk of errors, automatizes tasks, facilitates data management and transparency, and shortens the procedures. Technology is also a precondition for the introduction of 100% e-business, which has also been proposed under this research.

Apart from a reengineered business process mapping, a comprehensive performance measurement model has also been developed in order to be able to measure the impact of suggested changes on performance of the MCS as a whole. These two elements – the MCS reengineering plan and the performance measurement model – together form a roadmap for the implementation of a BPR project for Home Affairs Funds MCS, ready to be implemented in practice.

As a starting point of the research we have formulated a general research question concerning the possible ways for the implementation of a BPR project for the MCS of EU Home Affairs Funds. From there we derived the following eight hypotheses (chapter 1.4):

- Hypothesis 1: BPR improves the performance of the MCS of EU Home Affairs Funds in Slovenia for the period 2014-2020.
- Hypothesis 1A: BPR reduces the total number of FTEs needed to perform the tasks of management and control of EU Home Affairs Funds.
- Hypothesis 1B: BPR reduces the MCS total annual labor cost.
- Hypothesis 1C: BPR improves the total labor productivity of the MCS.
- Hypothesis 1D: BPR reduces the size of administrative/support functions of the MCS.
- Hypothesis 1E: BPR maintains the error rate below 2% materiality.
- Hypothesis 1F: BPR reduces the cycle times of MCS processes.
- Hypothesis 1G: BPR improves customer satisfaction with the MCS.

Hypotheses 1E and 1G were established as a part of a comprehensive improvement measurement model. However, as these two hypotheses are based on error rate and customer satisfaction performance indicators, which require a longitudinal approach providing test values for at least one year into the establishment of the MCS, we were not able to test the hypotheses due to time constraints. Nevertheless, the current MCS obviously provides sufficient safeguards in terms of accuracy and regularity of expenditure, as the current error rate levels are well below the critical value of 2% materiality established in the legal basis. Also, customer satisfaction is already now at a very high level (all four aspects of satisfaction observed – timeliness of service, expertise of service, understandability of written instructions and availability of additional information – received an average rating above 4 on a 1-5 scale), leaving little room for improvement as a result of BPR project implementation.

Although the two mentioned hypotheses were not directly testable, the current values of related indicators and in particular the results of improvement measurement against other indicators suggest that hypothesis 1 can be confirmed: the BPR project indeed improves the performance of the MCS of EU Home Affairs Funds in Slovenia for the period 2014-2020. More precisely, it reduces the total number of FTEs (hypothesis 1A) by 3.72 or 13.48%, and, consequently, cuts total annual labor cost (hypothesis 1B) by 131,045.03 € or 13.46%.

Although the results showed that total labor productivity (hypothesis 1C) is likely to decrease by 189,420.20 €/FTE or 6.12%, this deterioration can be fully explained by the reduction of the overall amount allocated to national programmes in the 2014-2020 period by 16,027,324.56 € or 19 %. The actual effect of BPR on labor productivity is positive at an estimated level of 12.66% improvement. The effect of lower financial allocations equally explains the deterioration of the size of administrative/support functions (hypothesis 1D), whereby the calculations show that the share of funds for administration is likely to rise from 10.00% to 11.00% under MFF 14-20. The analysis of the effects of BPR however illustrates that BPR actually contributes to one percentage point improvement in terms of the size of administrative/support functions; without taking into account the effects of BPR, the indicator value would have amounted to 12.00%. Finally, the observed cycle times decreased significantly (hypothesis 1F), summarily by 24.99 days or 24.44%.

Although the research proposed a comprehensive BPR roadmap for improving the MCS of EU Home Affairs Funds, it has dealt mostly with systemic and managerial aspects of the new system, whilst little attention was paid to the issues of organizational culture, employee empowerment, process ownership, training issues, leadership, management, etc. These are all matters to be addressed during the actual implementation of the BPR project, as the introduction of changes to the business system is inevitably related to the 'culture and people' dimension of BPR. Nevertheless, the conduction of this research alone had some spillover effects in terms of recognition of the need for changes and active participation of employees in the reengineering process.

Also, our work was focused on the first three phases of the BPR project (project inception, processes definition/analysis and processes change/redesign). As measurement of performance improvement presented under this research is based on hypothetical propositions of the improved business system, the actual implementation of changes as well as assessment of tangible BPR project benefits is a task left for future consideration.

Despite clear potential of a BPR project for boosting the performance of the MCS under MFF 14-20, there are also some inhibiting factors that limit the possible scope of improvement. First of all, the new EU Home Affairs Funds are much more complex and fragmented than the funds under the SOLID programme, as they involve a wider scope of policy areas included into the programming framework (i.e. police cooperation, preventing and combating crime under the jurisdiction of the Criminal Police Directorate and crisis management under the jurisdiction of the Ministry of Defense). The expansion of the areas of financing on the other hand was not accompanied by an increase in funding available, as the amount available was reduced by € 16,027,324.56 (or 19 %). Furthermore, the proposals for improvements in the public sector quite often clash with the established legal and administrative requirements, which go beyond the scope of the MCS but can significantly hinder the effects of BPR on performance improvement (such as in the case of cumbersome, lengthy multiannual

programming under MFF 14-20). Similarly, the process-based architecture of the new MCS is sometimes in conflict with the traditional perception of functional departments, which cannot always be circumvented, and tradeoffs between efficiency and legality have to be made.

Nevertheless, our research clearly showed that the BPR methodology can practically be applied to the public sector by establishing simple, measurable performance indicators. It has proved that, in order to be able to effectively implement all the crucial phases of a BPR project – from project inception, definition and analysis, change/redesign, implementation and adoption of suggested changes to final benefits assessment – strong BPR leadership (i.e. a dedicated project leader) and management support are required, as radical changes to the business processes always need to be communicated and accepted by final users. Also, as was the case of BPR of the MCS of EU Home Affairs Funds, external stimuli in terms of changed legal requirements can play a decisive role. The effects of the proposed changes can be expected also beyond 2020, as the eligibility period for EU Home Affairs Funds lasts until 2023. Although the new multiannual financial framework – presumably for the 2021-2027 period – will again offer an opportunity for the revision of the MCS as a whole, some good practices and experience could be used also in the future, thus ensuring a long term sustainability of the BPR project.

Finally, the model BPR roadmap proposed under this research is simple and applicable also to other public sector organizations and systems, as the methodology and performance indicators are generic and adjustable to the specific environments and circumstances. It is particularly useful in cases of comprehensive systems with a clear vision, mission, and goals. Its consistent implementation can improve the overall efficiency, whilst continuous monitoring based on the performance measurement model contributes to the transparency, responsibility and accountability of public entities.

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## **APPENDIXES**



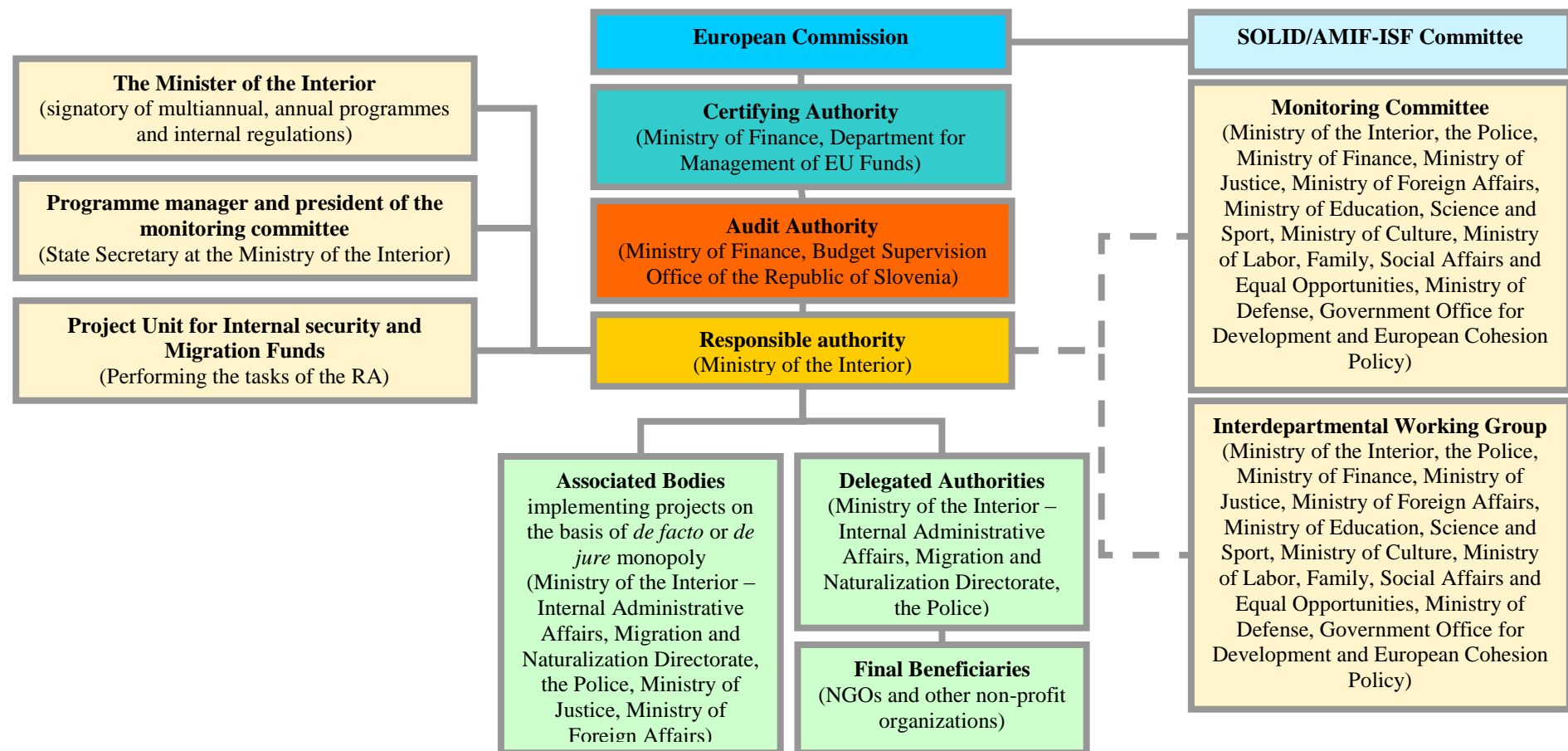
## TABLE OF APPENDIXES

<b>Appendix 1:</b> Organizational chart of the Management and Control System of EU Home Affairs Funds in the Republic of Slovenia for the Period 2007-2013 .....	1
<b>Appendix 2:</b> Mapping of business processes of the Management and Control System of EU Home Affairs Funds in the Republic of Slovenia for the Period 2007-2013 .....	2
<b>Appendix 3:</b> Organizational chart of the Management and Control System of EU Home Affairs Funds in the Republic of Slovenia for the Period 2014-2020 .....	58
<b>Appendix 4:</b> Mapping of business processes of the Management and Control System of EU Home Affairs Funds in the Republic of Slovenia for the Period 2014-2020 .....	59
<b>Appendix 5:</b> Expert opinion on the estimation of BPR project impact (quantification of process improvement) .....	135
<b>Appendix 6:</b> Questionnaire on the Management and Control System for SOLID funds (stakeholder survey) .....	138
<b>Appendix 7:</b> Results of the stakeholder survey .....	141
<b>Appendix 8:</b> Interviews with executives and staff on the management and control system (MCS) of SOLID funds (structured personal interviews with executives/staff) ..	148
<b>Appendix 9:</b> Results of structured personal interviews with executives/staff .....	150
<b>Appendix 10:</b> Results of the performance measurement .....	178
<b>Appendix 11:</b> Acronyms, abbreviations and short phrases .....	191



## Appendix 1: Organizational chart of the Management and Control System of EU Home Affairs Funds in the Republic of Slovenia for the Period 2007-2013

Figure 1. Organizational chart of the Management and Control System of EU Home Affairs Funds in the Republic of Slovenia for the Period 2007-2013













## Appendix 2: Mapping of business processes of the Management and Control System of EU Home Affairs Funds in the Republic of Slovenia for the Period 2007-2013

### List of abbreviations

- **AA** – Audit Authority
- **AFCOS** – anti-fraud coordination service (an operationally independent national authority responsible for protecting the EU's financial interests from fraud)
- **AMIF** – Asylum, Migration and Integration Fund
- **CA** – Certifying Authority
- **Designated authorities** – Responsible Authority, Certifying Authority and Audit Authority in the 2007-2013 financing period
- **EBF** – External Borders Fund
- **EBF Decision** – Decision of the European Parliament and of the Council No 574/2007/EC
- **EC** – European Commission
- **EIF** – European Fund for the Integration of third-country nationals
- **EIF Decision** – Council decision No 2007/435/EC
- **ERF** – European Refugee Fund
- **ERF Decision** – Decisions of the European Parliament and of the Council No 573/2007/EC and 458/2010/EU
- **Final beneficiaries** – public entities or private persons operating under a non-profit principle, responsible for the implementation of projects or programmes financed from the funds and at the same time the final recipients of the funds (designated authorities for technical assistance, delegated authorities/ associated bodies and other final beneficiaries such as NGOs and legal entities operating under a non-profit principle in the 2007-2013 period)
- **Funds** – External Borders Fund, European Refugee Fund, European Fund for the Integration of third-country nationals and European Return Fund
- **ISF** – Internal Security Fund
- **MCS** – Management and Control System
- **MFF 07-13** – Multiannual Financial Framework for the period 2007-2013
- **MoI** – Ministry of the Interior of the Republic of Slovenia
- **MS** – Member state(s)
- **RA** – Responsible Authority

- **RF** – European Return Fund
- **RF Decision** – Decision of the European parliament and of the Council No 575/2007/EC
- **SFC2007** – System for Fund Management in the European Union in the period 2007-2013 (i.e. electronic data exchange system between the Commission and Member States)
- **SOLID** – General Programme “Solidarity and Management of Migration Flows”

Table 1. Legend

	Yellow star	Start of a process
	Red arrows/lines	Flows of administrative decisions and official documents
	Green arrows/lines	Cash flows
	Frames with peach background	Process output/task performed within MIGRA II IT system
	Frames with orange background	SFC 2014
	Frames with blue background	European commission and other EU-related stakeholders
	Frames with light-blue background	National budget items/fund sub-accounts
	Frames with green background	All stakeholders but final beneficiaries and EC
	Frames with red background	Irregularity related tasks
	Frames with white background	Process outputs and tasks

- **Multiple color** frames & lines are used in some cases to make a clearer distinction between stakeholders and their role in the process (e.g. blue for AA, red for RA).
- **Shaded** frames/arrows/lines are used for tasks, not directly related to a given process, but important for its understanding.

## **List of processes**

- (1) Designation of authorities and establishment of the Management and Control System (MCS)
  - (1.1) Designation of (designated) authorities at the governmental level
  - (1.2) Establishment of the MCS
- (2) Programming and budget planning
  - (2.1) Multiannual programming
  - (2.2) Annual programming
  - (2.3) Budget planning
- (3) Project selection and programme implementation
  - (3.1) Selection and implementation of projects when the RA acts as an executing body (executing body mode)
  - (3.2) Selection and implementation of projects when the RA acts as an awarding body (awarding body mode)
  - (3.3) Financial management of programmes and payments to final beneficiaries
- (4) Monitoring, reporting, and evaluation of programme implementation
  - (4.1) Regular monitoring and reporting on project implementation by the delegated authorities/ associated bodies
  - (4.2) Regular monitoring of programme implementation by the RA and reporting to the EC
  - (4.3) Preparation of evaluation reports of programme implementation
- (5) Controls by designated authorities, detection of irregularities and financial corrections
  - (5.1) Controls by the RA
  - (5.2) Reimbursement of EU contribution, payments by the Commission and certification of expenditure
  - (5.3) Detection of irregularities, reporting on irregularities, and financial corrections
  - (5.4) Auditing
- (6) Overarching and other processes
  - (6.1) Physical and electronic archiving and audit trail assurance
  - (6.2) Development, setting-up, upgrading and management of MIGRA IT system
  - (6.3) Inter-departmental coordination and cooperation with stakeholders
  - (6.4) Information and publicity measures



Table 2. Sub-processes 1.1

<b>Process:</b>	<b>(1) Designation of authorities and establishment of the Management and Control System (MCS)</b>
<b>Sub-process and its main features:</b>	<b>(1.1) Designation of (designated) authorities at the governmental level:</b> <ul style="list-style-type: none"> <li>- <b>Designation of:</b> the RA (responsible for the management and implementation of SOLID funds annual programmes in accordance with the principles of sound financial management), AA (responsible for verifying the effective functioning of the management and control system) and CA (responsible for the certification of declared expenditure and transfer of funds between the EU and national budget).</li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 25 ERF Decision; Art. 23 EIF Decision; Art. 25 RF Decision; Art. 27 EBF Decision (Designation of authorities)</li> <li>- Art. 26 ERF Decision; Art. 24 EIF Decision; Art. 26 RF Decision; Art. 28 EBF Decision (Responsible authority)</li> </ul>
<b>Other relevant documents:</b>	<ul style="list-style-type: none"> <li>- Decision of the Government of the Republic of Slovenia No. 20000-1/2007/7 of 26 April 2007</li> <li>- Decision of the Government of the Republic of Slovenia No. 20000-1/2007/12 of 6 March 2008</li> <li>- Description of the Management and Control System</li> <li>- Agreement on Management and Control</li> <li>- Operational Management Agreements with delegated authorities/ associated bodies</li> <li>- Manual of Procedures for the Implementation of the Four Funds</li> <li>- Internal Manual of Procedures of the RA</li> <li>- Internal Manuals of procedures of designated authorities, delegated authorities/ associated bodies</li> </ul>
<b>Detailed description:</b>	<p>Under MFF 07-13 the designated authorities were nominated by the Government decision approving the competent authorities and the MCS. The proposal for government decision was prepared by the MoI, which also was responsible for the interdepartmental coordination of the proposal. The Government designated:</p> <ul style="list-style-type: none"> <li>- the Ministry of the Interior as the RA, whose tasks are performed by the Project Unit for Internal Security and Migration Funds (responsible for the management and implementation of AMIF and ISF national programmes in accordance with the principles of sound financial management);</li> <li>- the Ministry of Finance, Department for Management of EU Funds as the CA (responsible for verifying the effective functioning of the management and control system) and</li> <li>- the Ministry of Finance, Budget Supervision Office of the Republic of Slovenia as the AA (responsible for the certification of declared expenditure and transfer of funds between the EU and national budget).</li> </ul>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- MoI</li> <li>- Government</li> <li>- RA, AA, CA</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Decision of the Government</li> </ul>
<b>Weighting on the frequency of occurrence (<math>W_p</math>):</b>	<p>Not recurring process, predicted incidence is twice per programming period (establishment and possible amendments).  <math>W_p=2/7=0,29</math>.</p>

Table 3. Sub-processes 1.2

<b>Process:</b>	<b>(1) Designation of authorities and establishment of the Management and Control System (MCS)</b>
<b>Sub-process and its main features:</b>	<p><b>(1.2) Establishment of the MCS:</b></p> <ul style="list-style-type: none"> <li>- <b>Preparation and revision of the description of MCS</b> by the RA, taking into account inter-institutional relations and the separation of functions, and notification of the EC (with submission of national annual programmes and notifications of substantial changes in terms of changes in designated authorities, accounting system, payment, and certification process)</li> <li>- <b>Delegation of tasks to the delegated authorities</b> (level and tasks established in the Operational Management Agreements)</li> <li>- <b>Setting-up and revision of the organizational structure, systemization of jobs and inter-institutional relations</b> (description of job positions and requirements, inter-institutional agreements, adjusted to the organizational environment of designated authorities, delegated authorities/associated bodies)</li> <li>- <b>Preparation and revision of key implementing documents</b> at the level of designated authorities (RA, CA, AA) and delegated authorities/associated bodies (Manual of Procedures for the Implementation of the Four Funds, Internal Manuals of Procedures of the RA, CA and AA, Internal Manuals of Procedures of delegated authorities/associated bodies, Agreement on Management and Control)</li> <li>- <b>Nomination of a Programme Manager</b> by the Minister of the interior</li> <li>- <b>Nomination of programme custodians</b> (each delegated authority/associated body has an appointed custodian of the programme, which has the following tasks: establishment of appropriate organization with efficient internal procedures, providing adequately qualified personnel and resources, signing and submitting of the declaration containing assurances of fulfilling the specified conditions)</li> <li>- <b>Nomination of contact points</b> (for day-to-day cooperation between the RA and delegated authorities/associated bodies)</li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 20 of SOLID implementing rules (Description of management and control systems)</li> <li>- Art. 21 of SOLID implementing rules (Revision of the description of management and control systems)</li> <li>- Art. 39 SOLID implementing rules (Eligibility rules)</li> <li>- Art. 24 ERF Decision; Art. 22 EIF Decision; Art. 24 RF Decision; Art. 26 EBF Decision (General principles of management and control systems)</li> <li>- Art. 28 ERF Decision; Art. 26 EIF Decision; Art. 28 RF Decision; Art. 30 EBF Decision (Delegation of tasks by the responsible authority)</li> <li>- Art. 31 ERF Decision; Art. 29 EIF Decision; Art. 31 RF Decision; Art. 33 EBF Decision (Responsibilities of the Member States)</li> <li>- Art. 32 ERF Decision; Art. 30 EIF Decision; Art. 32 RF Decision; Art. 34 EBF Decision (Management and control systems)</li> </ul>
<b>Other relevant documents:</b>	<ul style="list-style-type: none"> <li>- Description of the Management and Control System</li> <li>- The Agreement on Management and Control establishing the relationship between the responsible, certifying and audit authority (16.5.2008)</li> <li>- Operational Management Agreements with delegated authorities/ associated bodies</li> <li>- Manual of Procedures for the Implementation of the Four Funds</li> </ul>

	- Internal Manual of Procedures of the RA
<b>Detailed description:</b>	<p>Preparation and updating of the MCS description is the responsibility of the RA, and indirectly of all bodies of the MCS, which have to adjust their internal rules to the MCS. Key systemic documents are the Description of the MCS (it has to be aligned with the designated authorities), Manual of Procedures for the Implementation of the Four Funds (it has to be aligned with all the bodies/authorities within the MCS), the Agreement on Management and Control and Operational Management Agreements with delegated authorities/associated bodies. On the basis of these documents, each designated authority or delegated authority/associated body prepares an Internal Manual of Procedures and notifies the RA. The organizational chart of the MCS for MFF 07-13 is attached.</p> <p>The Programme Manager – normally the State Secretary at the MoI – is the central authority on the side of the RA and is nominated by the Minister of the interior on the basis of the description of the MCS. The Programme Manager, who is also chairing the Monitoring Committee, is responsible for the management and monitoring of the implementation of Funds, maintenance of the appropriate system of technical and financial reporting, review of the public procurement procedures and contracts related to the funds, approval of payments and claims for reimbursement, assurance to the CA on the eligibility of expenditure, maintenance of a separate accounting system, as well as quarterly submission of data on the financial status and work completed to the CA.</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA, CA, AA</li> <li>- delegated authorities/associated bodies</li> <li>- Interdepartmental working group</li> <li>- Monitoring committee</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Description of the MCS</li> <li>- Manual of Procedures for the Implementation of the Four Funds</li> <li>- Internal Manuals of Procedures of the RA, CA and AA</li> <li>- Internal Manuals of Procedures of delegated authorities/associated bodies</li> <li>- Agreement on Management and Control</li> <li>- Operational Management Agreements with delegated authorities/ associated bodies</li> <li>- Organizational structures, systemization of jobs and inter-institutional relations</li> <li>- Programme custodians and contact points at the level of delegated authorities/associated bodies</li> </ul>
<b>Weighting on the frequency of occurrence (<math>W_f</math>):</b>	<p>Annually recurring process.</p> <p><math>W_f=1</math>.</p>

Figure 1. 1.1&1.2 – Designation of authorities and establishment of the Management and Control System (MCS)

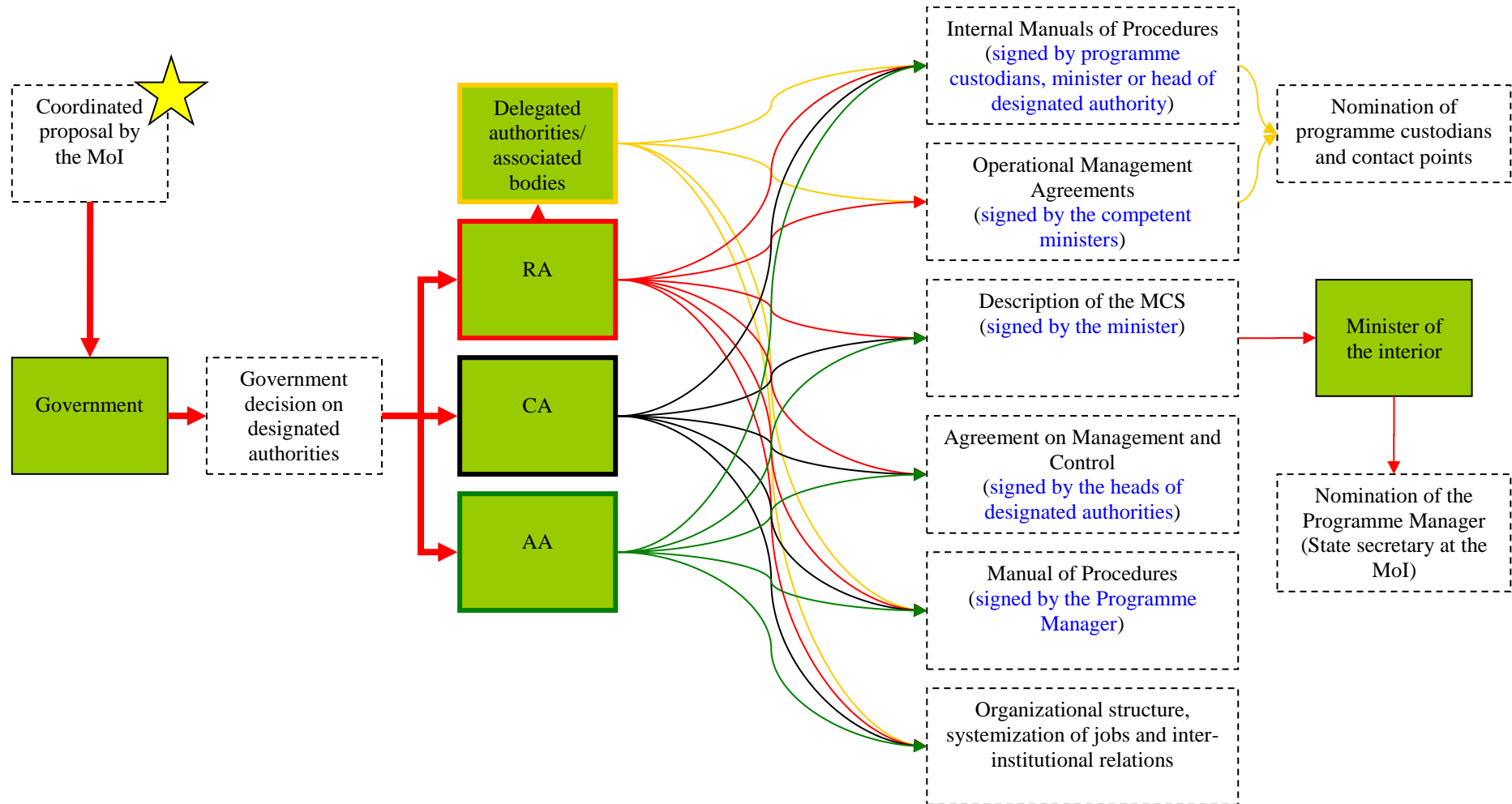


Table 4. Sub-processes 2.1

<b>Process:</b>	<b>(2) Programming and budget planning</b>
<b>Sub-process and its main features:</b>	<b>(2.1) Multiannual programming:</b> <ul style="list-style-type: none"> <li>- <b>Preparation of multiannual national programmes</b> in line with strategic guidelines of the EC <b>and its approval by the EC</b> (within 3 months after submission)</li> <li>- <b>Revision of multiannual programmes</b> for the rest of the programming period at the initiative of a MS or EC and approval by the EC</li> <li>- <b>Mid-term review</b> of multiannual programmes in line with the rules applicable for preparation of multiannual programmes</li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 22 of SOLID implementing rules (Programming documents)</li> <li>- Art. 8 ERF Decision; Art. 7 EIF Decision; Art. 9 RF Decision; Art. 9 EBF Decision (Programming)</li> <li>- Art. 18 ERF Decision; Art. 17 EIF Decision; Art. 19 RF Decision; Art. 21 EBF Decision (Preparation and approval of national multiannual programmes)</li> <li>- Art. 19 ERF Decision; Art. 18 EIF Decision; Art. 20 RF Decision; Art. 22 EBF Decision (Revision of multiannual programmes)</li> <li>- Art. 22 ERF Decision; Art. 20 EIF Decision; Art. 22 RF Decision; Art. 24 EBF Decision (Mid-term review of multiannual programme)</li> </ul>
<b>Other relevant documents:</b>	<ul style="list-style-type: none"> <li>- Description of the Management and Control System</li> <li>- Operational Management Agreements with delegated authorities/ associated bodies</li> <li>- Manual of Procedures for the Implementation of the Four Funds</li> <li>- Internal Manual of Procedures of the RA</li> </ul>
<b>Detailed description:</b>	<p>The basic documentation for multiannual programming is prepared by the RA and sent to delegated authorities/ associated bodies. These bodies propose priorities and projects; on this basis the RA prepares draft multiannual programmes (or revisions of these programmes). Draft programmes are sent to the Interdepartmental Working Group and the Monitoring Committee for approval. Final programmes are approved by the government and signed by the minister of the interior. The RA then submits the programmes to the EC via SFC2007 electronic data exchange system. The final approval is done by the EC. The information on approved multiannual programmes and/or revised multiannual programmes is disseminated to the designated authorities and delegated authorities/ associated bodies as well as published online by the RA.</p> <p>Review procedures take place on the basis of the decision of the Monitoring Committee and/or the EC (both ad hoc and mid-term review). The rules for revision of national programmes are the same as those pertaining to the preparation of national programmes (the same process scheme applies).</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA</li> <li>- delegated authorities/ associated bodies</li> <li>- Interdepartmental Working Group</li> <li>- Monitoring Committee</li> <li>- civil society and interested public</li> </ul>

	- government
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Multiannual national programmes</li> <li>- Revised multiannual national programmes</li> <li>- Mid-term review of multiannual national programmes</li> </ul>
<b>Weighting on the frequency of occurrence (<math>W_i</math>):</b>	Not recurring process, predicted incidence is twice per programming period. $W_i = 2/7 = 0,29$ .

Figure 2. 2.1 – Multiannual programming

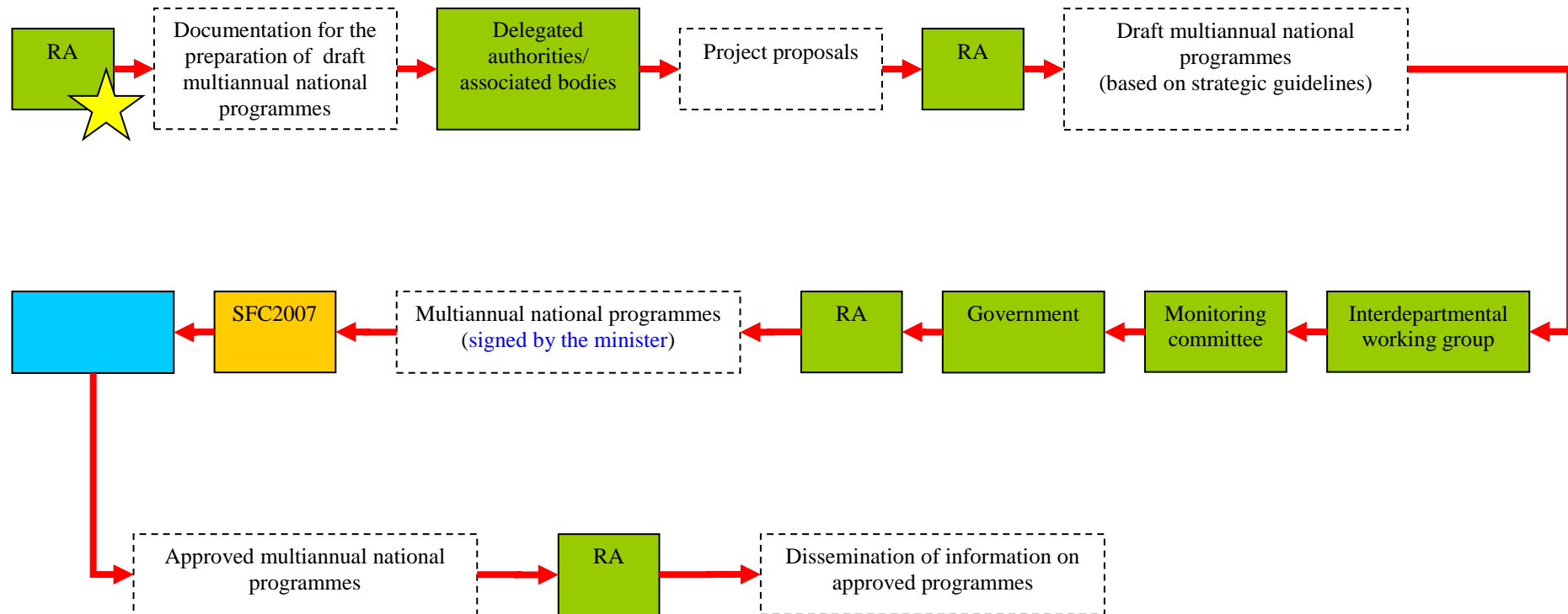


Table 5. Sub-processes 2.2

<b>Process:</b>	<b>(2) Programming and budget planning</b>
<b>Sub-process and its main features:</b>	<b>(2.2) Annual programming:</b> <ul style="list-style-type: none"> <li>- <b>Preparation of annual programmes</b> based on multiannual programme and annual allocations by the EC</li> <li>- <b>Dissemination of information</b> on approved programmes</li> <li>- <b>Entry of programming items into MIGRA IT system</b></li> <li>- <b>Revision of the financial breakdown of annual programmes</b></li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 22 of SOLID implementing rules (Programming documents)</li> <li>- Art. 23 of SOLID implementing rules (Revision of financial breakdown in annual programmes)</li> <li>- Art. 8 ERF Decision; Art. 7 EIF Decision; Art. 9 RF Decision; Art. 9 EBF Decision (Programming)</li> <li>- Art. 20 ERF Decision; Art. 19 EIF Decision; Art. 21 RF Decision; Art. 23 EBF Decision (Annual programmes)</li> </ul>
<b>Other relevant documents:</b>	<ul style="list-style-type: none"> <li>- Description of the Management and Control System</li> <li>- Operational Management Agreements with delegated authorities/ associated bodies</li> <li>- Manual of Procedures for the Implementation of the Four Funds</li> <li>- Internal Manual of Procedures of the RA</li> </ul>
<b>Detailed description:</b>	<p>Commission each year provides the annual allocations (by 1 July) and the member states prepare draft annual programmes by 1 November. The procedure of coordination of priorities and projects for annual programmes/revisions of annual programmes is the same as in the case of multiannual programmes (see process 2.1). The financing decision by the EC is due 1 March of the year in question. Revision is due 1 May of the year following the reference year. Revision under SOLID is not needed if changes to the financial breakdown do not exceed 10 % of the total contribution from the fund (explanation in the final report on the implementation of the annual programme is sufficient).</p> <p>Annual programmes are signed by the Minister of the interior and approved by the EC. The information on approved annual programmes and/or revised annual programmes is disseminated to the designated authorities and delegated authorities/ associated bodies as well as published online by the RA. The approved annual programmes are the basis for budget planning (see process 2.3). The RA then enters all programming items (programmes, priorities, actions, projects) into MIGRA IT system.</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA</li> <li>- delegated authorities/ associated bodies</li> <li>- Interdepartmental Working Group</li> <li>- Monitoring Committee</li> <li>- civil society and interested public</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Annual programme</li> <li>- Revised annual programme</li> </ul>



<b>Weighting on the frequency of occurrence (<math>W_f</math>):</b>	Annually recurring process. $W_f = 1.$
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Table 6. Sub-processes 2.3

<b>Process:</b>	<b>(2) Programming and budget planning</b>
<b>Sub-process and its main features:</b>	<b>(2.3) Budget planning</b> of commitments by the designated authorities, delegated authorities/ associated bodies for advanced financing of the projects and technical assistance from the national budget, i.e. two budget items for each fund, based on annual programmes' allocations
<b>Legal basis:</b>	- Public finance and accounting acts
<b>Other relevant documents:</b>	- Description of the Management and Control System - Manual of Procedures for the Implementation of the Four Funds
<b>Detailed description:</b>	Under MFF 07-13, each delegated authority /associated body plans budget commitments on two separate dedicated budget items for each of the funds (one budget item for Union funding – normally 75%, and the other for Slovenian contribution – normally 25%, in case of technical assistance for designated authorities 100% Union contribution). The budget items are used exclusively for the financing of projects in line with the annual programmes, and financing of technical assistance (i.e. preparatory measures, management, monitoring, evaluation, information and control measures, as well as measures for the reinforcement of the administrative capacity for the implementation of the funds). Both budget items are financed from the national budget (system of advancing of funds and subsequent reimbursement of the amount of eligible Union contribution).
<b>Key stakeholders:</b>	- RA, CA, AA - delegated authorities/ associated bodies
<b>Process outputs:</b>	- Confirmed budget items
<b>Weighting on the frequency of occurrence (<math>W_f</math>):</b>	Annually recurring process. $W_f=1$ .

Figure 3. 2.2&2.3 – Annual programming and budget planning

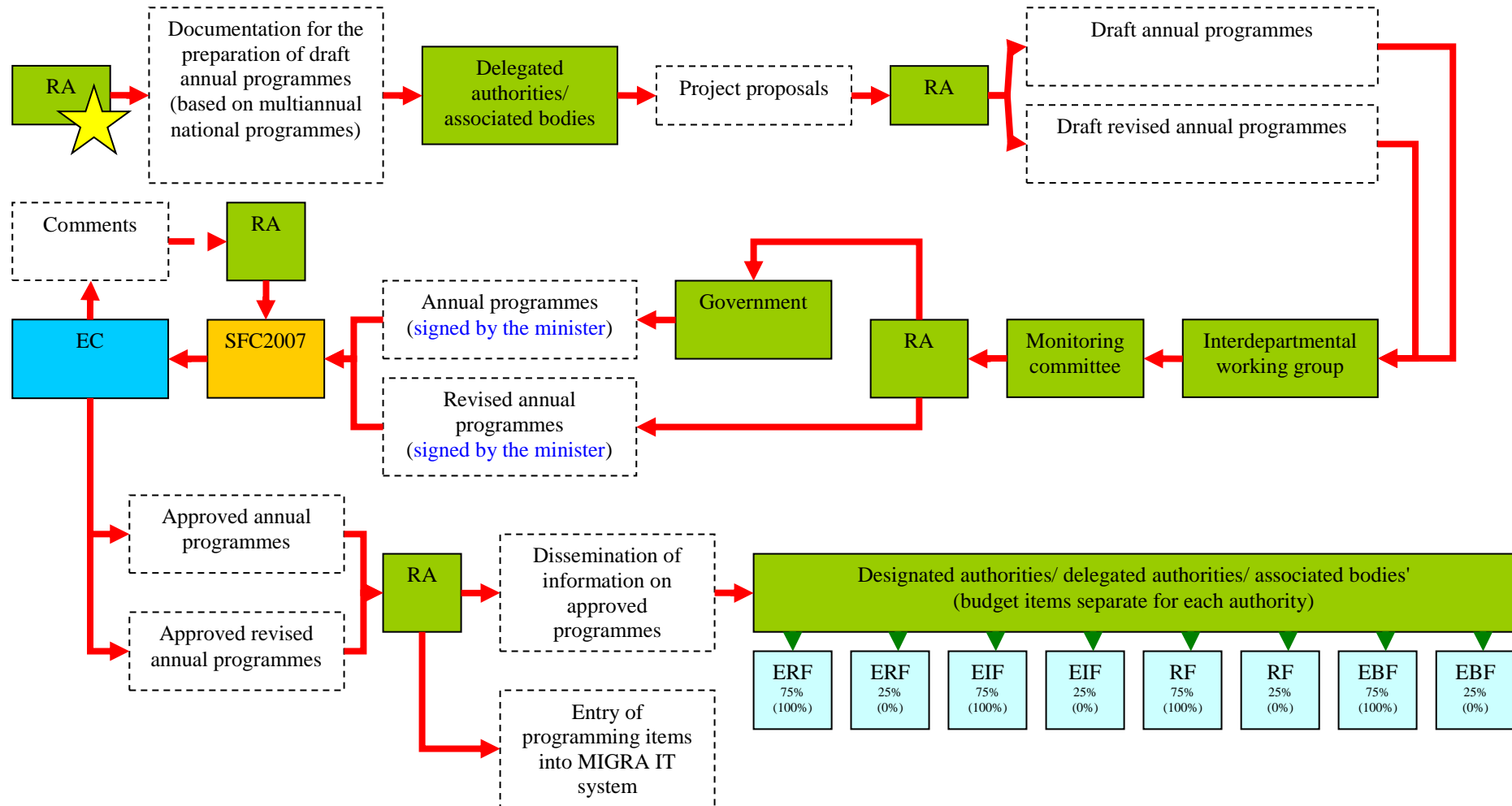


Table 7. Sub-processes 3.1

<b>Process:</b>	<b>(3) Project selection and programme implementation</b>
<b>Sub-process and its main features:</b>	<p><b>(3.1) Selection and implementation of projects when the RA acts as an executing body (executing body mode)</b> relates to the transfer of the implementation to associated bodies due to de jure, de facto monopoly or security reasons:</p> <ul style="list-style-type: none"> <li>- <b>Appraisal and selection by the RA of project proposals</b> submitted by the associated bodies</li> <li>- <b>Contract for the implementation of the project</b> preparation and signing</li> <li>- <b>Implementation</b> through tendering procedure (procurement contracts for purchasing of goods and services on the market) and/or in-house implementation</li> <li>- <b>Follow-up and amendments</b> to the Contract for the implementation of the project</li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 7 of SOLID implementing rules (Implementation of the Fund by the responsible authority)</li> <li>- Art. 8 of SOLID implementing rules (Conditions under which the responsible authority acts as executing body)</li> <li>- Art. 11 of SOLID implementing rules (Implementation contracts)</li> <li>- Art. 27(1)(c) ERF Decision; Art. 25(1)(c) EIF Decision; Art. 27(1)(c) RF Decision; Art. 29(1)(c) EBF (Tasks of the RA)</li> </ul>
<b>Other relevant documents:</b>	<ul style="list-style-type: none"> <li>- Description of the Management and Control System</li> <li>- Manual of Procedures for the Implementation of the Four Funds</li> <li>- Internal Manual of Procedures of the RA</li> <li>- Internal Manuals of procedures of designated authorities, delegated authorities/ associated bodies</li> <li>- Decision of the Government of the Republic of Slovenia No. 41001-2/2007/21 (Ministry of justice being responsible for construction of border crossing points)</li> <li>- Foreign Affairs Act (giving administrative jurisdiction in the area of consular activity to the MFA)</li> <li>- The Aliens Act (giving jurisdiction in the area of Return to the Police, namely the Aliens Centre)</li> <li>- Other bodies with the jure administrative jurisdiction are the Internal Administrative Affairs, Migration and Naturalization Directorate (asylum and integration) and the Ministry of Justice (training and education in the judicial system in terms of judicial review of detention in the Aliens Centre)</li> </ul>
<b>Detailed description:</b>	<p>Executing body mode under MFF 07-13 encompassed projects implemented by associated bodies on the ground of administrative powers and technical expertise (Ministry of Justice, Ministry of Foreign Affairs, Police, Internal Administrative Affairs, Migration and Naturalization Directorate). Possibility of direct award (under awarding body mode), where grants are awarded by the RA directly without a call for proposals has not been applied. The contract for the implementation of a project is signed by the Programme Manager on the side of the RA and programme custodian on the side of the associated body. The definition of an executing body mode under MFF 07-13 is somewhat unclear (the difference between direct award and executing body mode).</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA</li> <li>- associated bodies</li> <li>- Public procurement and purchasing service</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Contract for the implementation of the project (including follow-up and amendments)</li> </ul>

	- Procurement contracts for purchasing of goods and services on the market (tendering procedures)
<b>Weighting on the frequency of occurrence (<math>W_f</math>):</b>	Annually recurring process. $W_f=1$ .

Figure 4. 3.1 – Selection and implementation of projects when the RA acts as an executing body – executing body mode

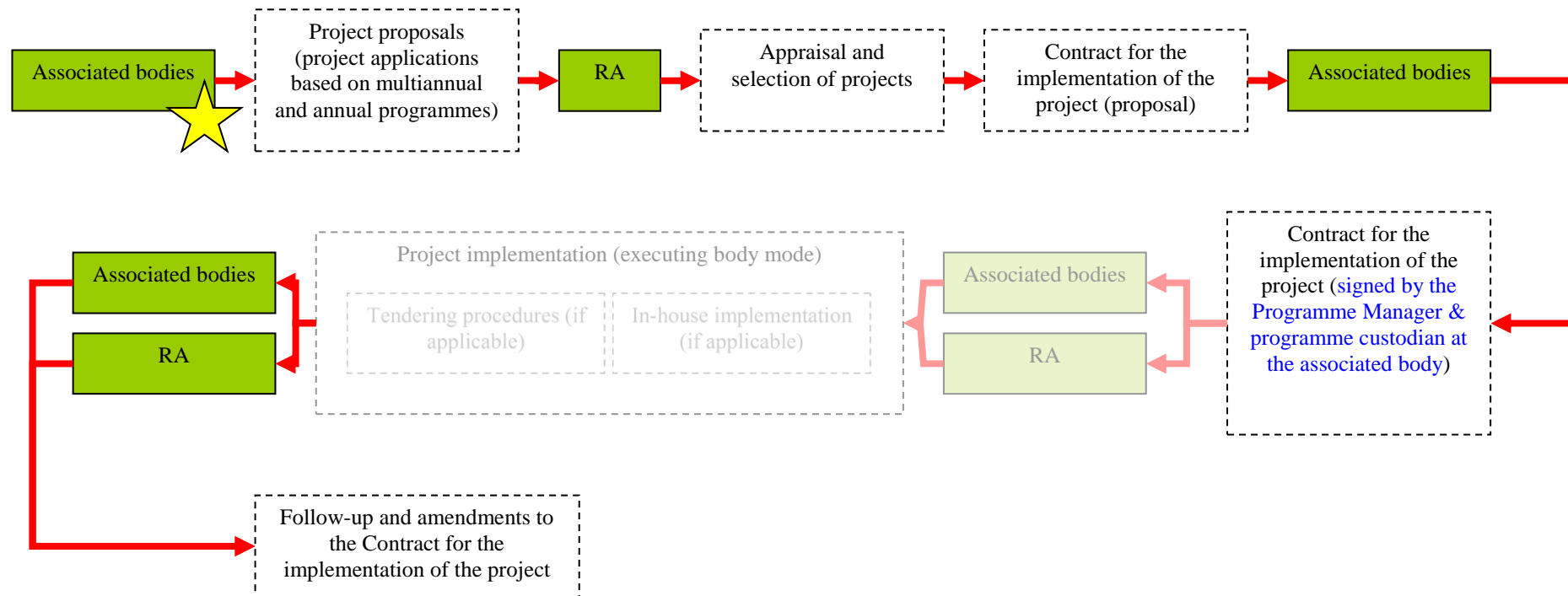


Table 8. Sub-processes 3.2

<b>Process:</b>	<b>(3) Project selection and programme implementation</b>
<b>Sub-process and its main features:</b>	<p><b>(3.2) Selection and implementation of projects when the RA acts as an awarding body (awarding body mode)</b>, i.e. when the RA implements projects on the basis of open calls for proposals:</p> <ul style="list-style-type: none"> <li>- <b>Preparation and organization of calls for proposals</b> on the basis of multiannual and annual programmes at the initiative of the delegated authority and in cooperation with the Public procurement and purchasing service (objectives, selection criteria, financing, date of submission, eligibility rules, time-limit for implementation etc.)</li> <li>- <b>Appraisal and approval of projects</b> submitted by potential final beneficiaries based on formal, technical and budgetary analysis, and qualitative assessment according to pre-set criteria</li> <li>- <b>Grant agreement</b> preparation and signing indicating amount of the grant, share of Community contribution, timetable, tasks and costs, forward budget, operational objectives and indicators, eligible costs, payment and book-keeping provisions, audit trail, data protection and publicity</li> <li>- <b>Implementation of projects by selected bidders</b></li> <li>- <b>Follow-up and amendments to the grant agreement</b></li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 7 of SOLID implementing rules (Implementation of the Fund by the responsible authority)</li> <li>- Art. 9 of SOLID implementing rules (Selection and award procedure when the responsible authority acts as awarding body)</li> <li>- Art. 11 of SOLID implementing rules (Implementation contracts)</li> <li>- Art. 27(1)(c) ERF Decision; Art. 25(1)(c) EIF Decision; Art. 27(1)(c) RF Decision; Art. 29(1)(c) EBF (Tasks of the RA)</li> </ul>
<b>Other relevant documents:</b>	<ul style="list-style-type: none"> <li>- Description of the Management and Control System</li> <li>- Public Finance Act</li> <li>- Rules on procedures for the implementing the budget of the Republic of Slovenia</li> <li>- Art. 9 of Commission Decision on implementation rules No. 2008/457/EC</li> <li>- Manual of Procedures for the Implementation of the Four Funds</li> <li>- Internal Manual of Procedures of the RA</li> <li>- Internal Manuals of procedures of designated authorities, delegated authorities/ associated bodies</li> </ul>
<b>Detailed description:</b>	<p>Awarding body mode under MFF 07-13 encompassed projects implemented by non-governmental and non-profit organization selected on the basis of calls for proposals (direct award has not been used). The RA acting as an awarding body delegated tasks to the Police and Internal Administrative Affairs, Migration and Naturalization Directorate (these authorities prepare tender specifications). Calls for proposals are prepared by the Public procurement and purchasing service (MoI) and conducted by the commission and grant agreements are signed with selected bidders. Under MFF 07-13 grant agreements are signed by the representative of the final beneficiary and duly authorized person at the side of the delegated authority (minister or other authorized person).</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA</li> <li>- Delegated authorities</li> <li>- Public procurement and purchasing service</li> </ul>

	- Final beneficiaries (NGOs and legal entities operating under a non-profit principle)
<b>Process outputs:</b>	Grant agreement (including follow-up and amendments)
<b>Weighting on the frequency of occurrence (<math>W_f</math>):</b>	Annually recurring process. $W_f=1$ .



Figure 5. 3.2 – Selection and implementation of projects when the RA acts as an awarding body – awarding body mode

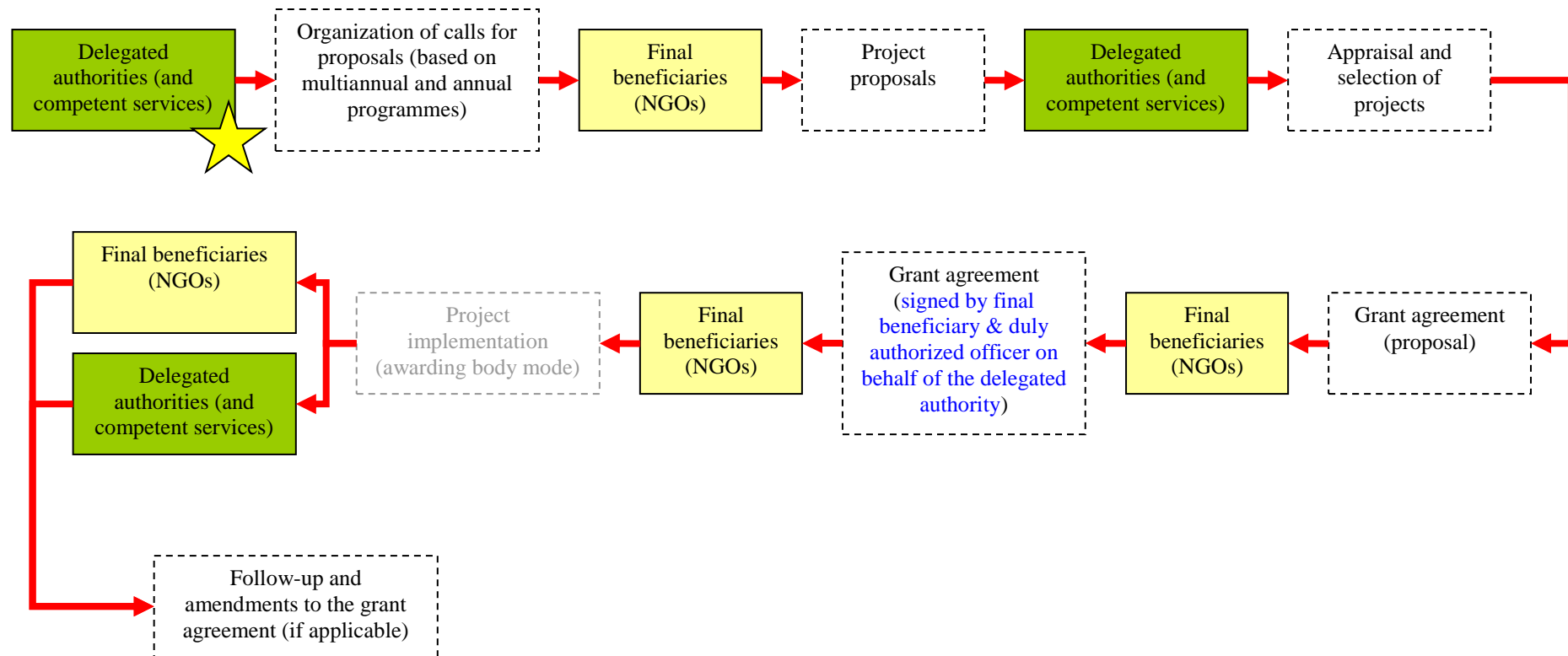


Table 9. Sub-processes 3.3

<b>Process:</b>	<b>(3) Project selection and programme implementation</b>
<b>Sub-process and its main features:</b>	<p><b>(3.3) Financial management of programmes and payments to final beneficiaries</b> (internal payment orders, payments to the final beneficiaries, controls and preparation of claims for reimbursement by designated authorities/ delegated authorities/ associated bodies):</p> <ul style="list-style-type: none"> <li>- <b>100% administrative, financial, technical and eligibility controls</b> of accounting and other project documentation, including controls of physical aspects of projects (control of all eligible expenditure in terms of suitability, correctness and eligibility of expenditure, revenues and costs) by the designated authorities (technical assistance), delegated authorities/ associated bodies</li> <li>- <b>On-the-spot controls</b> by the delegated authorities/ associated bodies</li> <li>- <b>Preparation by designated authorities, delegated authorities/ associated bodies of payment orders</b> (for EU and Slovenian contribution) <b>and accompanying documentation</b></li> <li>- <b>In-house documentation circuit within designated authorities, delegated authorities/associated bodies</b> (subject to internal rules of each designated authority (technical assistance), delegated authority/ associated body)</li> <li>- <b>Payments to final beneficiaries</b> (on the basis of a signed payment order and complete documentation, the accounting service prepares a request for payment from the designated budget items to the final beneficiary and sends it to the Payments Administration of the Republic of Slovenia, which executes the payment within 5 working days after filing a request)</li> <li>- Preparation of a <b>claim for reimbursement</b> by the designated authorities (technical assistance), delegated authorities/ associated bodies and submission to the RA</li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 36 ERF Decision; Art. 34 EIF Decision; Art. 36 RF Decision; Art. 38 EBF (Completeness of payment to final beneficiaries)</li> <li>- Art. of SOLID implementing rules (Determination of the final Community contribution)</li> <li>- Public Finance Act (requirements on establishment of a system of internal controls by direct budget users)</li> </ul>
<b>Other relevant documents:</b>	<ul style="list-style-type: none"> <li>- Description of the Management and Control System</li> <li>- Accounting Act</li> <li>- Public Finance Act</li> <li>- Budget Implementation Act</li> <li>- Operational Management Agreements</li> <li>- Manual of Procedures for the Implementation of the Four Funds</li> <li>- Internal standard manuals of the relevant authorities for the execution of payments</li> <li>- Internal Manuals of procedures of designated authorities, delegated authorities/ associated bodies</li> </ul>
<b>Detailed description:</b>	<p>According to the Public Finance Act, all direct budget users have to perform internal controls on all public expenditure. As the implementation of EU funds is based on a system of advancing of funds from the national budget and subsequent reimbursement of the amount of eligible Union contribution, these controls have to be performed by public bodies involved in the implementation (designated authorities for technical assistance, and delegated authorities/ associated bodies for projects). Payments to final beneficiaries are thus subject to 100% administrative, financial, technical, and eligibility verifications of accounting and other project documentation (reports, invoices, delivery notes, etc.). Incoming project documentation (invoices by the contractors or claims for payment by the NGOs and</p>

accompanying documentation) is scanned and entered into records by the main offices (see also process 6.1), and then sent to competent services implementing controls. These controls can be accompanied by on-the-spot checks. Controls are certified by the competent officers using standardized checklists (for controls of public procurement and tendering procedures, as well as invoice controls). As a general rule, the controls should be performed prior to payment to final beneficiaries, however, that has not always been the case.

The controls are completed with the preparation of payment orders for EU and Slovenian contribution (normally two separate payment orders for 75% EU and 25% national contribution, for technical assistance one single payment order for 100% EU contribution), and accompanying documentation (invoice, statement of account, records on acceptance of goods or confirmation of performed services, delivery notes, acceptance notes, original contract upon first payment, procurement proposals, other accounting documentation, control documents). The documentation is sent to the in-house documentation circuit, which is normally as follows: (a) general ledgers (control of correctness of accounts and sub-accounts), (b) liquidations (control of correctness of accounting documents, confirming that the transaction denoted in the documents was performed in accordance with the contract and that the accounting documents provide a valid base for posting), (c) material accounting (control of articles and quantities of materials and equipments on the invoice and delivery note), (d) accountants (control of previous controls of accounting documents and confirmation by appropriate signatories, check of compliance with the law), (e) authorization of the payment order (signing by the authorizing officer). The in-house circuit is subject to internal rules of each designated authority (for technical assistance) or delegated authority/associated body and is not directly related to the MCS.

Based on authorized payment orders (signed by the authorizing officer), requests for payment are prepared by the accounting services (internal, such as in the case of MoI, or external at the Ministry of Finance for other public authorities) and payments (to final beneficiaries) are made directly from the State budget (designated budget items by the designated authorities, delegated authorities and associated bodies).

There are 3 possible arrangements for payments to final beneficiaries:

- direct payments for technical assistance to designated authorities by the RA, AA and CA themselves;
- direct payments to final beneficiaries for project implemented under awarding body mode (calls for proposals) by the delegated authorities;
- direct payments for projects implemented under executing body mode (direct award of projects due to de facto or de jure monopoly) by the associated bodies themselves.

After payments to final beneficiaries have been executed by the Payments Administration of the Republic of Slovenia, claims for reimbursement are prepared by designated authorities, delegated authorities/ associated bodies (signed by programme custodians), and submitted to the RA along with the cover letter. The applications have to be submitted within 30 days after payment to the final beneficiary or 90 days in case of a cumulative request covering multiple payments if payments are below 10.000 EUR (final deadline is 2 months after the end of eligibility period). Requests for reimbursement are accompanied by copies of receipts/situation/payrolls, contracts, orders, receipts on received goods, provided service or completed construction works or the issued decision and certification on the

	<p>implemented controls, complete documentation on the implemented public contract and proof of payment, and other relevant documents. Attached to the requests are also signed checklists that certify the implemented controls. Normally, there are multiple requests for a single project.</p> <p>Payment orders and accompanying documentation, as well as claims for reimbursement are held and processed in hard copy.</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA, CA, AA</li> <li>- delegated authorities/ associated bodies</li> <li>- Final beneficiaries (NGOs and legal entities operating under a non-profit principle)</li> <li>- Payments Administration of the Republic of Slovenia</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Payments to final beneficiaries</li> <li>- Claims for reimbursement</li> </ul>
<b>Weighting on the frequency of occurrence (<math>W_f</math>):</b>	<p>Annually recurring process.</p> <p><math>W_f=1</math>.</p>

Figure 6. 3.3 – Financial management of programmes and payments to final beneficiaries

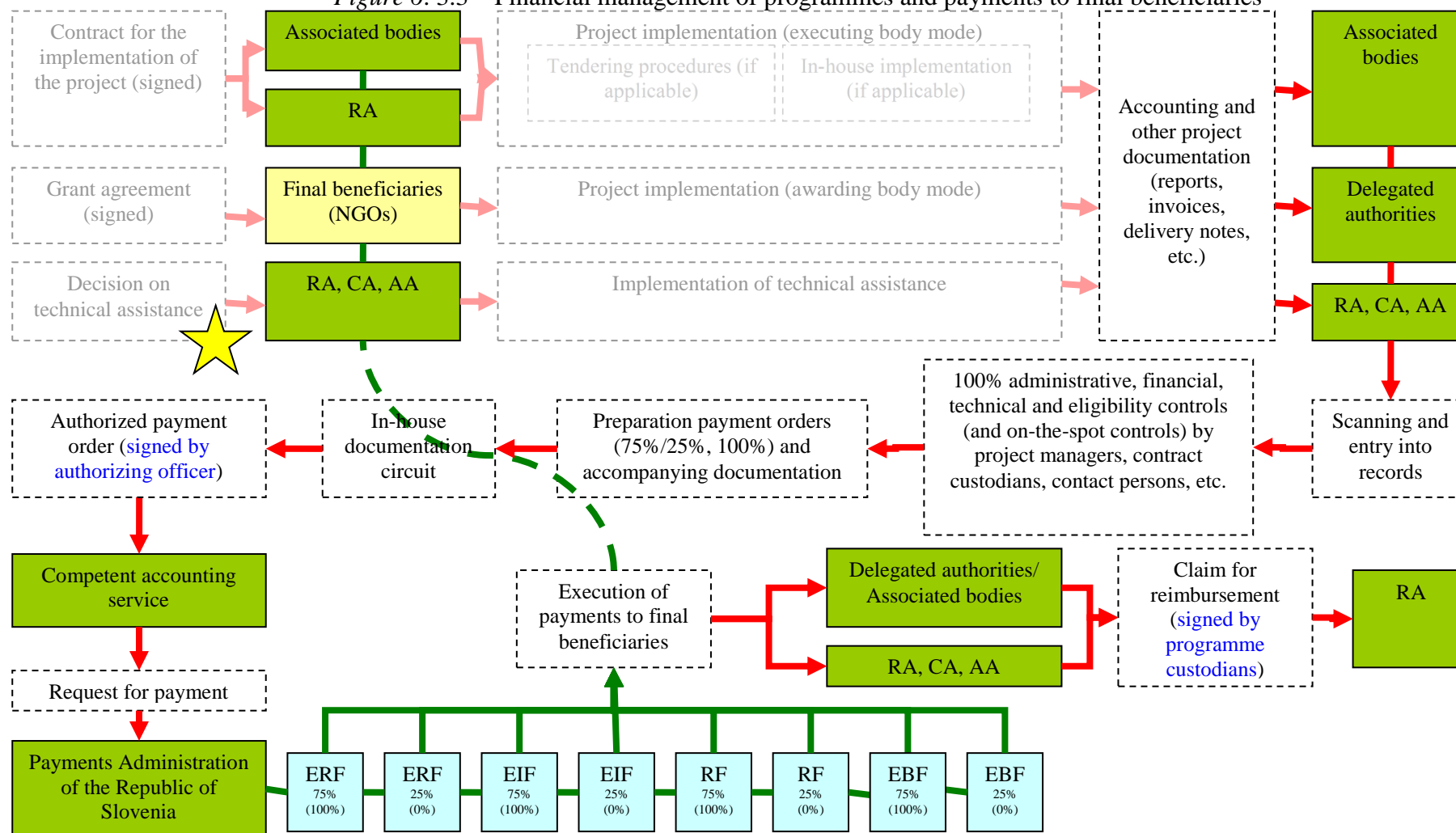


Table 10. Sub-processes 4.1

<b>Process:</b>	<b>(4) Monitoring, reporting, and evaluation of programme implementation</b>
<b>Sub-process and its main features:</b>	<b>(4.1) Regular monitoring and reporting on project implementation by the delegated authorities/ associated bodies:</b> <ul style="list-style-type: none"> <li>- Regular <b>monitoring of project implementation by contract custodians and project managers</b> (monitoring according to key operational and financial indicators) and <b>gathering of monitoring data</b> (monitoring of quality and quantity aspects of project implementation)</li> <li>- Preparation of <b>progress and final reports on the implementation of projects</b> by delegated authorities/ associated bodies, based on monitoring of project implementation, and submission to the RA</li> </ul>
<b>Legal basis:</b>	- Art. 50(1) ERF Decision; Art. 48(1) EIF Decision; Art. 50(1) RF Decision; Art. 52(1) EBF (Reporting obligations)
<b>Other relevant documents:</b>	<ul style="list-style-type: none"> <li>- Description of the Management and Control System</li> <li>- Grant agreements</li> <li>- Contract for the implementation of the project</li> </ul>
<b>Detailed description:</b>	<p>Regular monitoring of implementation of contractual obligations takes place at the level of delegated authorities/ associated bodies, which, according to grant agreements and project implementation contracts, have to submit regular and detailed reports on the progress of implementation and completion of the assigned objectives. Delegated authorities/ associated bodies use the monitoring data to prepare and submit to the RA progress (optional) and final reports on the implementation of projects (after the end of eligibility period of each annual programme). The reports on the implementation of projects are signed by the programme custodians. This is the basis for progress and final reports on the implementation of the annual programmes as well as evaluation reports submitted by the RA to the EC (see processes 4.2 and 4.3).</p> <p>Under MFF 07-13, key operational and financial indicators were set separately for each project (there were no programme-level indicators set during the preparation of multiannual programmes).</p>
<b>Key stakeholders:</b>	- Delegated authorities/ associated bodies
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Monitoring data</li> <li>- Progress and final reports on the implementation of projects</li> </ul>
<b>Weighting on the frequency of occurrence (<math>W_f</math>):</b>	Annually recurring process. $W_f=1$ .

Table 11. Sub-processes 4.2

<b>Process:</b>	<b>(4) Monitoring, reporting, and evaluation of programme implementation</b>
<b>Sub-process and its main features:</b>	<b>(4.2) Regular monitoring of programme implementation by the RA and reporting to the EC:</b> <ul style="list-style-type: none"> <li>- Preparation of <b>progress reports on the implementation of annual programmes</b> by the RA, and submission to the EC</li> <li>- Preparation of <b>final reports on the implementation of annual programmes</b> by the RA, and submission to the EC</li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 24 of SOLID implementing rules (Progress and final reports on the implementation of annual programmes)</li> <li>- Art. 27(1)(g) ERF Decision; Art. 25(1)(g) EIF Decision; Art. 27(1)(g) RF Decision; Art. 29(1)(g) EBF (Tasks of the RA)</li> <li>- Art. 51 ERF Decision; Art. 49 EIF Decision; Art. 51 RF Decision; Art. 53 EBF (Final report on the implementation of the annual programme)</li> </ul>
<b>Other relevant documents:</b>	<ul style="list-style-type: none"> <li>- Description of the Management and Control System</li> <li>- Operational Management Agreements with delegated authorities/ associated bodies</li> <li>- Agreement on Management and Control</li> <li>- Manual of Procedures for the Implementation of the Four Funds</li> <li>- Internal Manual of Procedures of the RA</li> <li>- Certifying authority's guide for the implementation of the funds</li> <li>- Internal Manuals of procedures of designated authorities, delegated authorities/ associated bodies</li> </ul>
<b>Detailed description:</b>	<p>The RA reviews progress and final reports on the implementation of projects submitted by the delegated authorities/ associated bodies with the help of a standardized checklist. In case of inconsistencies or irregularities it may ask for additional clarifications. The RA gathers the data and prepares progress and final reports on the implementation of each annual programme (the signatory is the minister of the interior) and submits them to the EC via SFC2007 (online data exchange platform). Part of the report is also the request for the second pre-financing payment (for progress reports) or request for payment of balance/ statement of reimbursement (for final reports). These reports are accompanied by a certified declaration of expenditure by the CA and an annual audit report by the AA and are a precondition for the second pre-financing and payment of balance.</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- Delegated authorities/ associated bodies</li> <li>- RA</li> <li>- EC</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Progress and final reports on the implementation of annual programmes</li> </ul>
<b>Weighting on the frequency of occurrence:</b>	<p>Annually recurring process.  <math>W_i=1</math>.</p>

Table 12. Sub-processes 4.3

<b>Process:</b>	<b>(4) Monitoring, reporting, and evaluation of programme implementation</b>
<b>Sub-process and its main features:</b>	<b>(4.3) Preparation of evaluation reports of programme implementation:</b> <ul style="list-style-type: none"> <li>- Preparation of the <b>first interim evaluation report</b> by the RA, and submission to the EC (due in 2010)</li> <li>- Preparation of the <b>second interim evaluation report</b> by the RA, and submission to the EC (due in 2012)</li> <li>- Preparation of the <b>ex-post evaluation report</b> by the RA, and submission to the EC (due in 2015)</li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 49 ERF Decision; Art. 47 EIF Decision; Art. 49 RF Decision; Art. 51 EBF (Monitoring and evaluation)</li> <li>- Art. 50(2) ERF Decision; Art. 48(2) EIF Decision; Art. 50(2) RF Decision; Art. 52(2) EBF (Reporting obligations)</li> </ul>
<b>Other relevant documents:</b>	<ul style="list-style-type: none"> <li>- Description of the Management and Control System</li> <li>- Internal Manual of Procedures of the RA</li> <li>- Manual of Procedures for the Implementation of the Four Funds</li> </ul>
<b>Detailed description:</b>	<p>Under MFF 07-13, the evaluation reports have to be prepared in relation to the funds' objectives and indicators to assess the relevance, effectiveness and impact of actions. The evaluation report has to be prepared in accordance with the forms set by the EC. It can be prepared by the RA alone, or by the external evaluator. In general, the evaluation report contains of the description of the situation, identified research questions, analysis and results of the assessment, and recommendations and guidelines for the future.</p> <p>During the 2007-2013 period, the first interim evaluation report was prepared by the RA alone. The second interim evaluation report was prepared by the external contractor. External evaluation is also planned for the preparation of the ex-post evaluation report.</p> <p>The evaluator has to submit an opinion on the quality and suitability of the procedure of implementation of measures, as well as the quality of implemented measures. The evaluator observes the feasibility of projects, suitability of partnerships, suitability of target groups, and assesses the effects and results and verifies whether activities were carried out in accordance with planned results and effects. Evaluator follows the principles of relevance (i.e. suitability of the entire programme), permanence (sustainability or concurrence, i.e. how measures contribute to attaining programme objectives), success (at various programme levels measured against objectives of the programme), and effectiveness (comparison of procedures and measures to available resources, cost comparison in relation to success).</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- Delegated authorities/ associated bodies</li> <li>- RA</li> <li>- External evaluator</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Interim evaluation reports</li> <li>- Ex-post evaluation reports</li> </ul>
<b>Weighting on the frequency of occurrence (<math>W_p</math>):</b>	<p>Not recurring process, predicted incidence is three times per programming period.</p> <p><math>W_p=3/7=0,43</math>.</p>



Figure 7. 4 – Monitoring, reporting, and evaluation of programme implementation

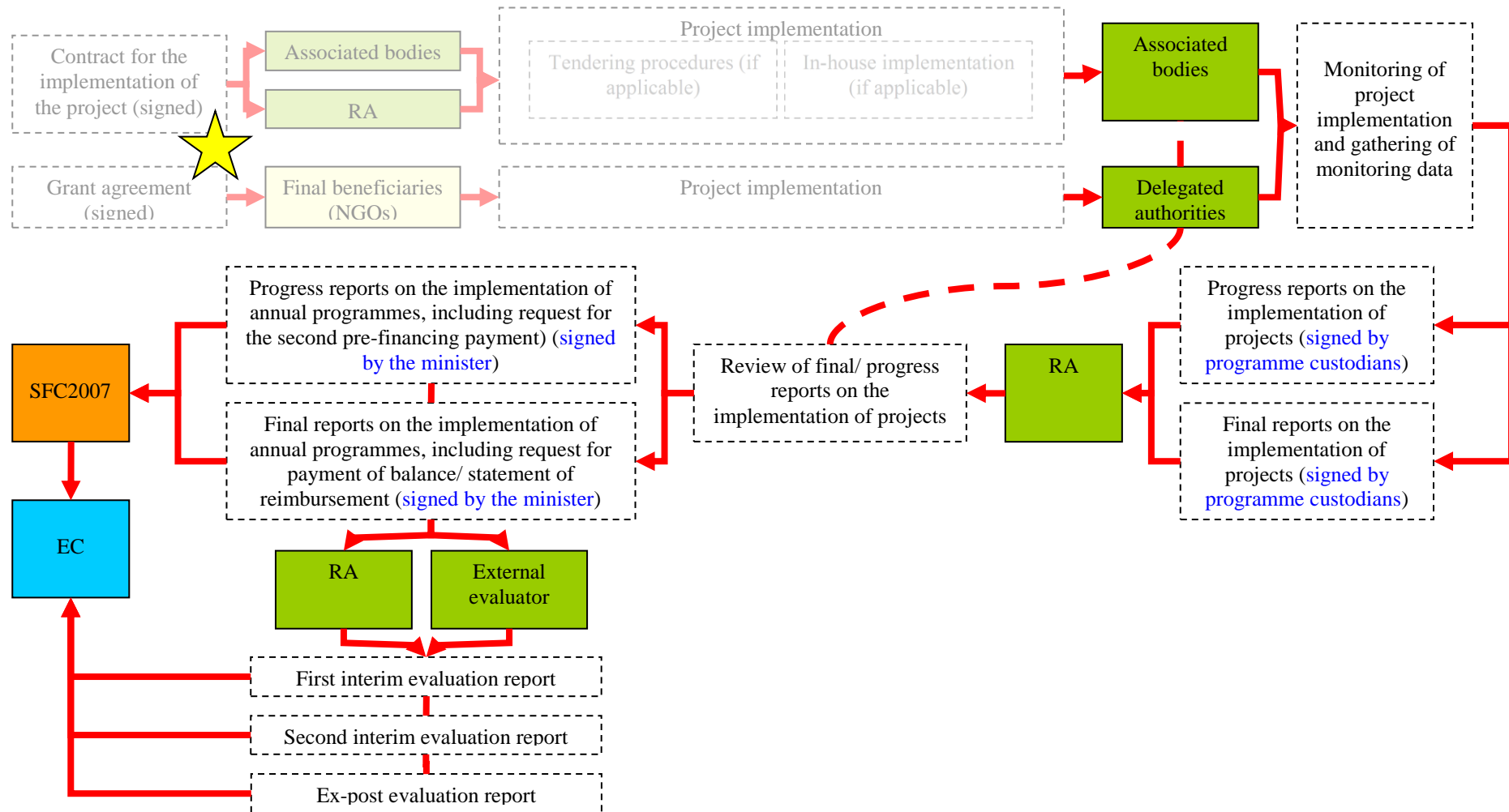


Table 13. Sub-processes 5.1

<b>Process:</b>	<b>(5) Controls by designated authorities, detection of irregularities and financial corrections</b>
<b>Sub-process and its main features:</b>	<p><b>(5.1) Controls by the RA:</b></p> <ul style="list-style-type: none"> <li>- Preparation of a <b>risk register and on-the-spot control plan</b> by analyzing final beneficiaries</li> <li>- Implementation of <b>on-the-spot controls</b></li> <li>- <b>Entry of claims for reimbursement into MIGRA IT system</b> (including legal basis, information on contractors etc.)</li> <li>- <b>Scanning and archiving of claims and accompanying documentation in MIGRA IT system</b></li> <li>- <b>Verifications by the RA of administrative, financial, technical and physical aspects of projects</b> to ensure that expenditure declared is real and justified for the purpose of the project and in accordance with the project contracts and grant agreements. Verifications encompass (a) 100% administrative and financial control of each claim for reimbursement, (b) 100% control of supporting documents (public tendering procedures, accuracy and eligibility of expenses), and (c) sample-based on-the-spot verifications of individual projects based on risk assessment (risk register)</li> <li>- In case of <b>positive</b> results of the verification process the RA prepares a <b>claim for transfer of funds</b> from the budget (in MIGRA IT system), and sends it to the CA (see process 5.2)</li> <li>- In case of <b>negative</b> results of the verification process and <b>irregularities detected</b>, the RA <b>reduces the total amount</b> of the claim for transfer of funds accordingly, prepares an <b>official notice on the requested corrections of the claim for reimbursement</b>, and sends it to the designated body, delegated authority/ associated body, which issued the claim for reimbursement (see process 5.3)</li> </ul>
<b>Legal basis:</b>	- Art. 15 of SOLID implementing rules (Verifications of the responsible authority)
<b>Other relevant documents:</b>	<ul style="list-style-type: none"> <li>- Description of the Management and Control System</li> <li>- Manual of Procedures for the Implementation of the Four Funds</li> <li>- Agreement on Management and Control</li> <li>- Internal Manual of Procedures of the RA</li> </ul>
<b>Detailed description:</b>	<p>Under MFF 07-13, there is a two-stage 100% control of administrative, financial, technical and physical aspects of projects (including all accounting and other accompanying documentation). First control is performed by the delegated authorities/associated bodies (as well as designated authorities for technical assistance) – see process 3.3. The controls verify compliance and completeness, procurement procedures and transparency, monitoring of supply of products and services. Controls are repeated at the level of RA. Two-stage controls are built into the system through standardized checklists (double-signing of checklists). The controls can further be backed by on-the-spot controls. Second-stage on-the-spot controls are obligatory and are implemented on the basis of a control plan prepared by the RA. The control plan is based on a sample, representing an appropriate mix of types and sizes of projects, and takes into account the risk factors established in the risk analysis by the RA (so-called risk register).</p> <p>The RA has to perform a verification of each claim for reimbursement within 90 days after receipt. The claims for reimbursement are accepted in hard copy in the main office of the MoI Finance and Purchasing Office by the RA staff. RA staff enters the applications into MIGRA IT system. Furthermore, appropriate legal bases for the financing of individual expenses (contracts, regulations, purchase and</p>

	<p>travel orders, etc.) as well as information on contractors are entered into MIGRA IT system. RA staff also scans all documents (application as well as accompanying documentation) and archives it in MIGRA IT system. It then performs the second-stage 100% control, which results in positive or negative verification results.</p> <p>In case of positive results, it prepares the claim for transfer of funds in MIGRA IT system, which is signed by the Programme Manager (State Secretary at the MoI) and sent to the CA for reimbursement of EU contribution to the general budget reserve item (hence, process 5.2 is applied).</p> <p>In case of negative results of verifications, the RA reduces the total amount of the claim for transfer of funds accordingly and prepares an official notice on the requested corrections of the claim for reimbursement, which is signed by the Programme Manager and sent to the designated body, delegated authority/ associated body, which issued the claim for reimbursement (hence, process 5.3 is applied).</p> <p>With the entry into force of the new Manual of Procedures for the Implementation of the Four Funds, the number of controls by the RA will be reduced and aligned with the future arrangement for the 2014-2020 period. The first control will remain unchanged, but second control by the RA will be reduced to 100% administrative and financial control of each claim for reimbursement and a sample-based control of supporting documents (30% of all eligible expenditure based on an annual plan by the RA).</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA, CA, AA</li> <li>- delegated authorities/ associated bodies</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Claim for transfer of funds</li> <li>- Official notice on the requested corrections of the claim for reimbursement</li> </ul>
<b>Weighting on the frequency of occurrence (<math>W_f</math>):</b>	<p>Annually recurring process.</p> <p><math>W_f=1</math>.</p>

Figure 8. 5.1 – Controls by the RA

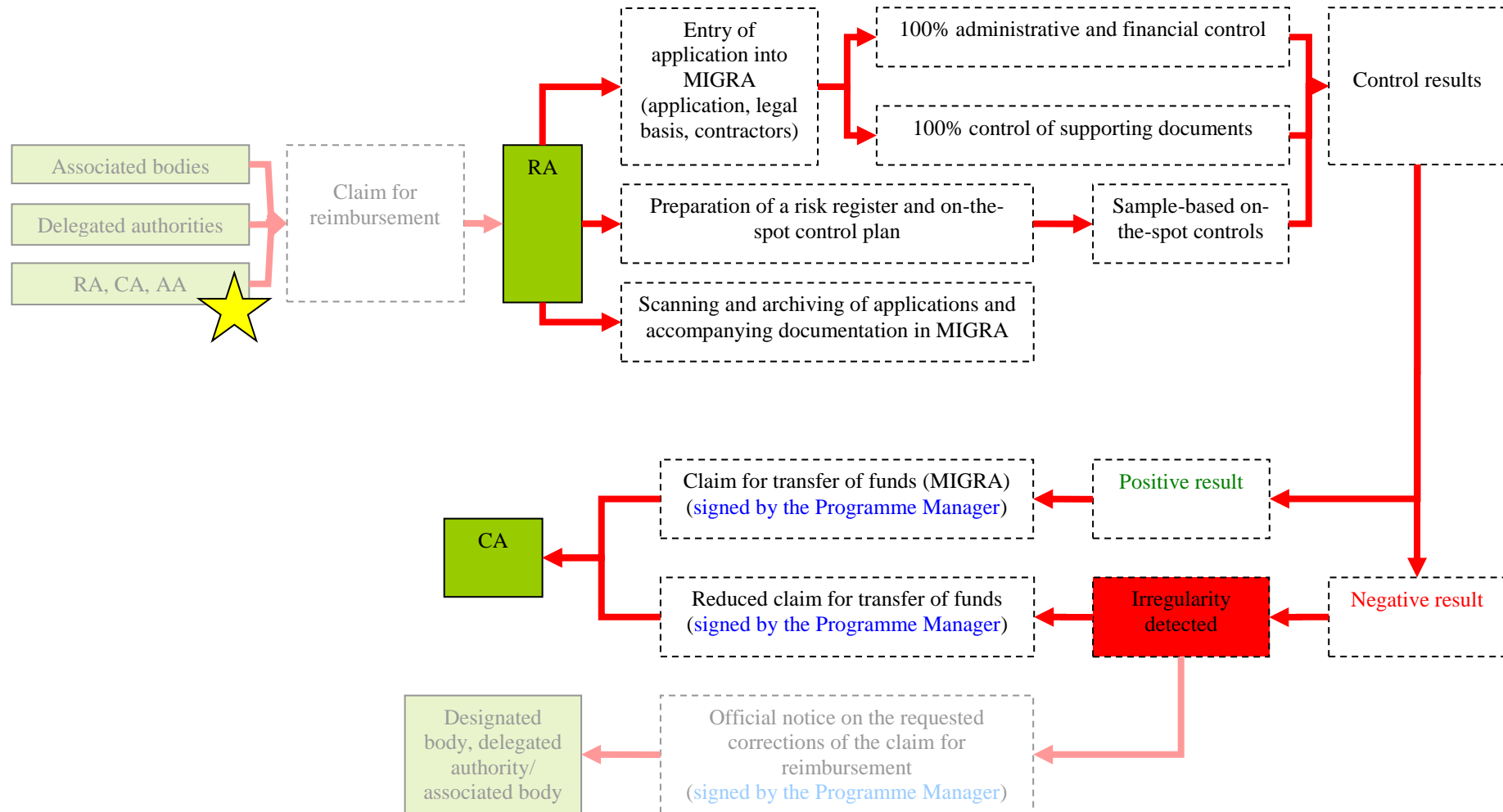


Table 14. Sub-processes 5.2

<b>Process:</b>	<b>(5) Controls by designated authorities, detection of irregularities and financial corrections</b>
<b>Sub-process and its main features:</b>	<p><b>(5.2) Reimbursement of EU contribution, payments by the Commission and certification of expenditure:</b></p> <ul style="list-style-type: none"> <li>- Assignment of an entry number for <b>claims for transfer of funds</b> by the CA and entering into the records</li> <li>- <b>Verification</b> of the correctness of expenditure of individual claims (also through on-the-spot checks, if required), <b>reimbursement of EU contribution</b> from the four funds' sub-accounts to the general budget reserve line, and change of status to "<b>Executed</b>" in MIGRA IT system</li> <li>- Based on monitoring of expenses, preparation of a <b>certified declaration of expenditure relating to the request for a second pre-financing payment</b> and <b>certified declaration of expenditure relating to the request for a final payment</b> accompanying progress and final reports by the RA (i.e. <b>certification</b>)</li> <li>- <b>Management of payments and recoveries by the EC</b> (pre-payment, second pre-payment and payment of balance/recovery)</li> <li>- <b>Storage of accounting records</b> of expenditure submitted to the European Commission in a computerized form</li> <li>- Ensuring <b>recovery</b> to the Community of all amounts unduly paid</li> <li>- <b>Management of four funds' sub-accounts</b></li> <li>- <b>Record keeping of all on-the-spot controls</b> (MIGRA IT system)</li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 26 of SOLID implementing rules (Documents established by the certifying authority)</li> <li>- Art. 29 ERF Decision; Art. 27 EIF Decision; Art. 29 RF Decision; Art. 31 EBF (Certifying Authority)</li> <li>- Art. 39 ERF Decision; Art. 37 EIF Decision; Art. 39 RF Decision; Art. 41 EBF (Payments – Pre-financing)</li> <li>- Art. 40 ERF Decision; Art. 38 EIF Decision; Art. 40 RF Decision; Art. 42 EBF (Payment of balance)</li> </ul>
<b>Other relevant documents:</b>	<ul style="list-style-type: none"> <li>- Decision of the Government of the Republic of Slovenia No. 20000-1/2007/7 of 26 April 2007</li> <li>- Decision of the Government of the Republic of Slovenia No. 20000-1/2007/12 of 6 March 2008</li> <li>- Description of the Management and Control System</li> <li>- Certifying authority's guide for the implementation of the funds</li> <li>- Agreement on Management and Control</li> <li>- Manual of Procedures for the Implementation of the Four Funds</li> <li>- Internal Manual of Procedures of RA</li> </ul>
<b>Detailed description:</b>	<p>Under MFF 07-13, the CA opened four special purpose sub-accounts within the Single Treasury Account on which payments from the EC are collected and/or recoveries of to the EC are made.</p> <p>Payments to final beneficiaries are executed by the designated authorities (for technical assistance), delegated authorities/ associated bodies, which have their own designated budget items within the State budget (see process 3.3). Based on executed payments to final beneficiaries and claims for reimbursements received, the RA prepares claims for transfer of funds from the Communities to the State budget and submits these to the CA (see process 5.1).</p>

	<p>The CA verifies that all conditions for the certification of expenditures are fulfilled (assurance that expenditure comes from a reliable accounting system, that it is based on verifiable supporting documents, that reporting data is in accordance with Community and national regulations and that they result from the approved programming documents). It takes into account audits carried out. The CA can perform on-the-spot checks, if required (it did not resort to this tool during MFF 07-13). The CA then executes the reimbursement of resources from the special purpose sub-accounts (for four funds) into the State budget (i.e. actual transfer of EU contribution to the general budget reserve line). Status of the claim in MIGRA IT system is changed to "executed". The CA verifies: (a) compliance of claim for transfer of funds with annual programmes, (b) appropriateness, accuracy and completeness of the claim on the basis of supporting documents (using CA checklists), (c) additional controls for certification purposes at RA/delegated authorities on ad-hoc selected projects. If claim for transfer of funds is incomplete, the RA is invited to provide supporting documentation. In case of irregularities, the CA informs the RA (see process 5.3).</p> <p>The CA further monitors the spending of funds. When a set threshold is reached, the CA requests from RA the preparation of a progress report on the implementation of annual programmes, which also includes a payment request (this option was rarely used). Based on the progress report, the CA issues the declaration of expenditure specifying the precise amount of eligible expenditure as well as interest generated by pre-financing received from the Commission. Declaration of eligible expenditure is prepared on the basis of data in MIGRA IT system. The declaration of expenditure is submitted to the EC via SFC on a prescribed form for reimbursement in form of second and final payment. After the closure of the annual programme, the RA prepares the final report on the implementation of the annual programme, which includes a request for payment of balance and is accompanied by CA's declaration of expenditure. Attached is also the AA's annual audit report (see process 5.4).</p> <p>Payments/recoveries by the EC encompass the following transfers between the EU budget and the 4 special purpose sub-accounts:</p> <ul style="list-style-type: none"> <li>- first pre-financing payment (50 % of the amount allocated in the financing decision approving the annual programme),</li> <li>- second pre-financing based on progress reports,</li> <li>- payment of balance or recovery to EC in case the sums already paid exceed the total amount of eligible expenditure (debit note).</li> </ul> <p>The CA also keeps records of all on-the-spot controls by designated authorities and other institutions (such as the European Court of Auditors, European Commission, OLAF, etc.).</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA, CA, AA</li> <li>- EC</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Reimbursement of EU contribution from the funds' sub-accounts to the general budget reserve line</li> <li>- Declaration of expenditure (for second pre-financing and final payment)</li> </ul>
<b>Weighting on the frequency of occurrence (<math>W_f</math>):</b>	<p>Annually recurring process.  <math>W_f=1</math>.</p>

*Figure 9.5.2 – Reimbursement of EU contribution, payments by the Commission and certification of expenditure*

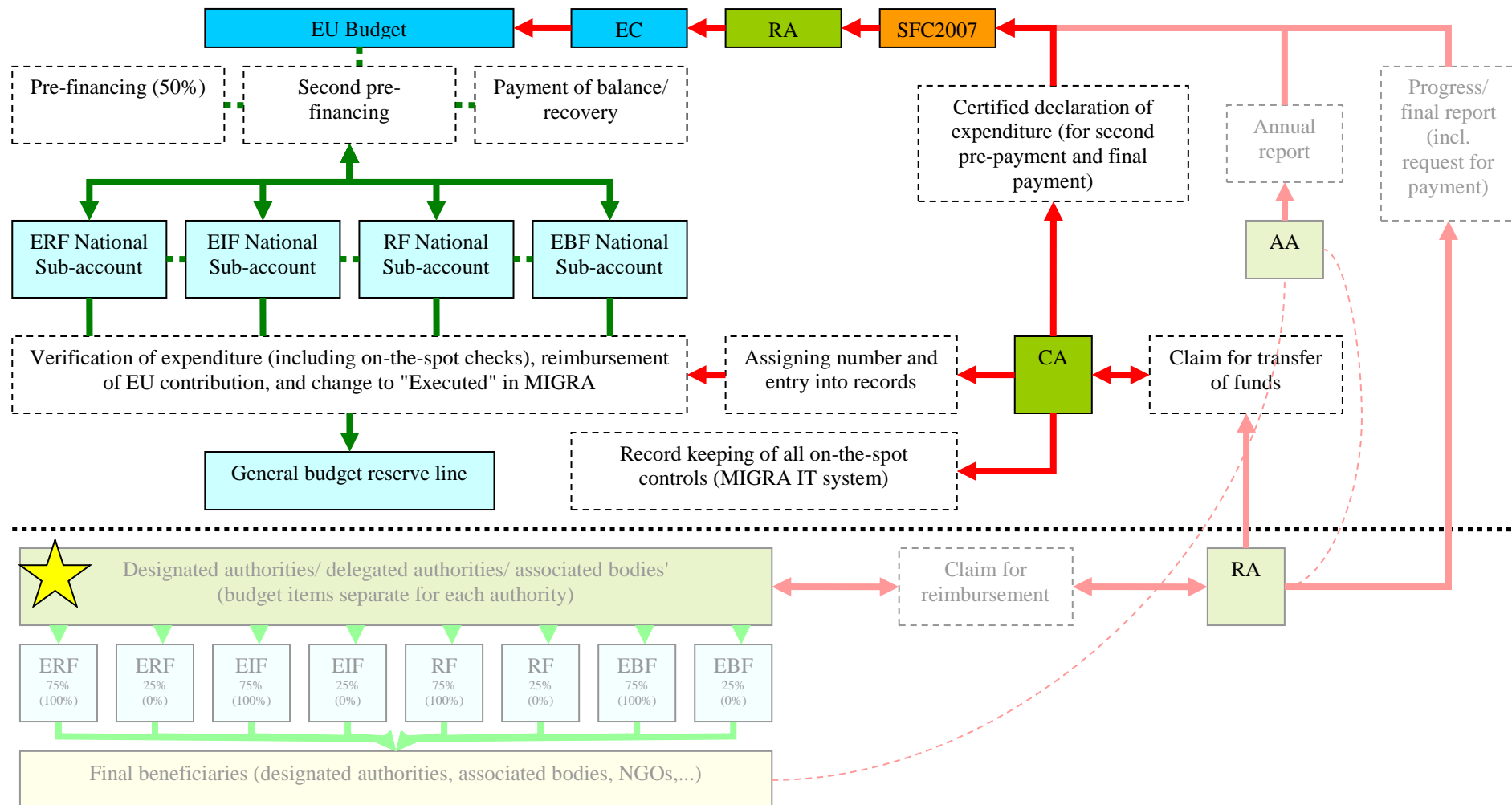


Table 15. Sub-processes 5.3

<b>Process:</b>	<b>(5) Controls by designated authorities, detection of irregularities and financial corrections</b>
<b>Sub-process and its main features:</b>	<p><b>(5.3) Detection of irregularities, reporting on irregularities, and financial corrections:</b></p> <ul style="list-style-type: none"> <li>- <b>Detection of irregularities:</b> (a) by the delegated authorities/ associated bodies during project implementation and preparation of the claims for reimbursement, (b) by the RA during implementation of controls, (c) by the AA during audits or (d) by the CA during the verification of the correctness of expenditure of claims for transfer of funds</li> <li>- <b>Reporting on irregularities:</b> (a) quarterly reporting by the delegated authorities/associated bodies, AA and CA to the RA, (b) ad hoc reporting on major irregularities by the delegated authorities/ associated bodies, AA and CA to the RA and reporting on these by the RA to the AA, (c) summary quarterly reporting on all irregularities detected by the RA, AA, CA, delegated authorities/ associated bodies, (d) annual reporting to EC via progress and final reports, (e) follow-up reporting to the EC of any previous report made on non-recovered amounts</li> <li>- <b>Entry of all irregularities into the registry of irregularities</b> by the RA</li> <li>- <b>Financial corrections in case irregularities have been detected before reimbursement from the Union budget</b></li> <li>- <b>Financial corrections in case irregularities have been detected after reimbursement from the Union budget</b></li> <li>- <b>Financial corrections by the EC</b>, pending irregularities detected, implemented by the CA by repaying ineligible expenditure directly from the four funds' sub-accounts to the Union budget and the designated authorities, delegated authorities/ associated bodies have to refund ineligibly reimbursed funds to the CA's four funds' sub-accounts</li> <li>- <b>Follow-up of recovery orders</b> by the CA (MIGRA IT system)</li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 27 of SOLID implementing rules (Initial reporting – derogations)</li> <li>- Art. 28 of SOLID implementing rules (Reporting of follow-up – non recovery)</li> <li>- Art. 44 ERF Decision; Art. 42 EIF Decision; Art. 44 RF Decision; Art. 46 EBF (Financial corrections by Member States)</li> </ul>
<b>Other relevant documents:</b>	<ul style="list-style-type: none"> <li>- Description of the Management and Control System</li> <li>- Certifying authority's guide for the implementation of the funds</li> <li>- Agreement on Management and Control</li> <li>- Manual of Procedures for the Implementation of the Four Funds</li> </ul>
<b>Detailed description:</b>	<p>The detection of irregularities is based on pre-set definitions of irregularities (on the basis of EU <i>acquis</i>). Irregularities are detected during:</p> <ul style="list-style-type: none"> <li>- 100% administrative and financial controls by the delegated authorities/ associated bodies (in this case, the claim for reimbursement is adjusted accordingly, however no financial corrections from the side of designated authorities apply; the irregularities are set-off as a part of internal procedures on consolidation of payables and receivables and are not related to Union funding;</li> <li>- 100% administrative and financial controls as well as on-the-spot checks by the RA;</li> <li>- verifications and on-the-spot controls by the CA;</li> <li>- audit checks by the AA.</li> </ul> <p>Delegated authorities/ associated bodies, AA and CA report quarterly to the RA on detected irregularities. The RA produces a summary</p>

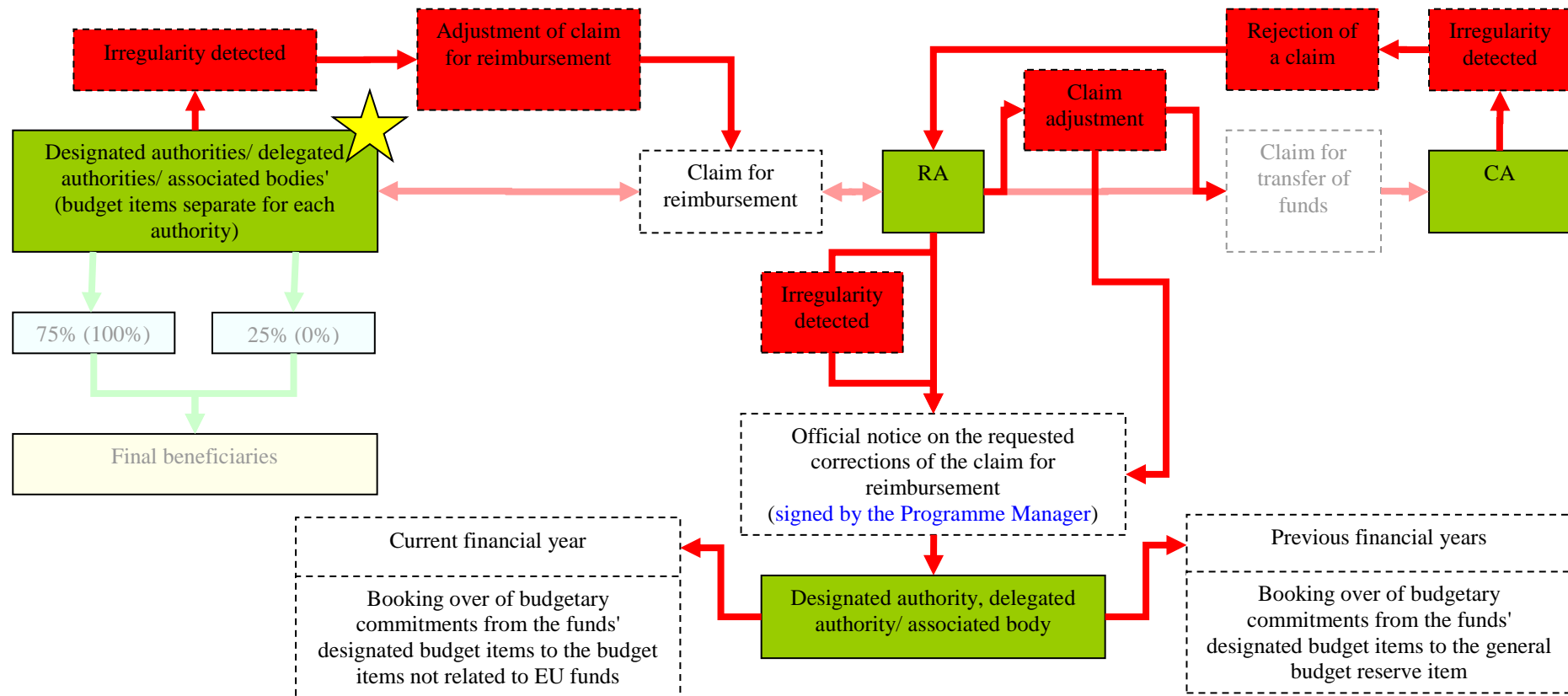


	<p>quarterly report on all irregularities detected by designated authorities, delegated authorities and associated bodies, and sends it to the AA and CA. RA reports to the EC via progress and final reports on any irregularity, which has been the subject of a primary administrative or judicial finding in the progress of final reports on implementation of the annual programmes, and also on follow-up actions pertaining to unrecovered amounts from previous reports. In case severe irregularities have been detected (such as fraud, corruption and any other illegal activities and/or exceeding 10.000 EUR), the RA has to be informed immediately; the RA then sends the information to the AA, which reports to OLAF via AFCOS. For reporting, see point C of the "Detection of irregularities, reporting on irregularities and financial corrections" scheme.</p> <p>Financial corrections differ according to the phase in which irregularity is detected and the budgetary year in which expenses incurred:</p> <ul style="list-style-type: none"> <li>a) In case irregularities have been detected before reimbursement from the Union budget, there are two options for financial corrections: (1) if the RA controls reveal irregularities, the RA issues an official notice on the requested corrections of the claim for reimbursement to the designated authority, delegated authority/ associated body, which, within 30 days after receipt of notice, has to submit to the RA a proposal for booking over of budgetary commitments related to ineligible expenses; (2) in case the CA establishes irregularities in the control process, it rejects the claim for transfer of funds by the RA, which has to be adjusted for the amount of irregularities discovered; the RA again issues an official notice on the requested corrections of the claim for reimbursement. The designated authorities, delegated authorities/ associated bodies have to book over budgetary commitments in the amount of irregularities detected from the funds' designated budget items to the budget items not related to EU funds (if the notice relates to expenditure in the current financial year) or to the general budget reserve item (if the notice relates to expenditure in past financial years). In case of non-implementation of these procedures, the RA can withhold the implementation of projects. See point A of "Detection of irregularities, reporting on irregularities and financial corrections" scheme for details.</li> <li>b) In case irregularities are detected after the reimbursement from the Union budget has been made, the RA informs the CA on detected irregularities. The CA issues a recovery order for the refund of ineligibly reimbursed funds to the CA's four funds' sub-accounts (by the designated authorities, delegated authorities/ associated bodies). In case the EC controls reveal irregularities, the CA has to repay ineligible expenditure from the four funds' sub-accounts to the Union budget, whilst the designated authorities, delegated/ associated bodies have to reimburse the unduly paid amounts to the CA's four funds' sub-accounts. In either case, reimbursement relates to the transfer of funds from integrated budget items to EU funds sub-accounts (only the EU contribution). Furthermore, the designated authorities, delegated authorities/ associated bodies have to book over budgetary commitments in the amount of irregularities detected from the funds' designated budget items to the budget items not related to EU funds (if the notice relates to expenditure in the current financial year) or to the general budget reserve item (if the notice relates to expenditure in past financial years). See point B of "Detection of irregularities, reporting on irregularities and financial corrections" scheme for details.</li> </ul> <p>The CA monitors the execution of recovery orders for cases when irregularities have been detected after reimbursement from the Union budget (recovery monitoring is supported by MIGRA IT system). However, there is no tracking of expenditure transfer pending the notice by the RA when irregularities are detected before reimbursement from the Union budget.</p>
<b>Key stakeholders:</b>	- RA, AA, CA

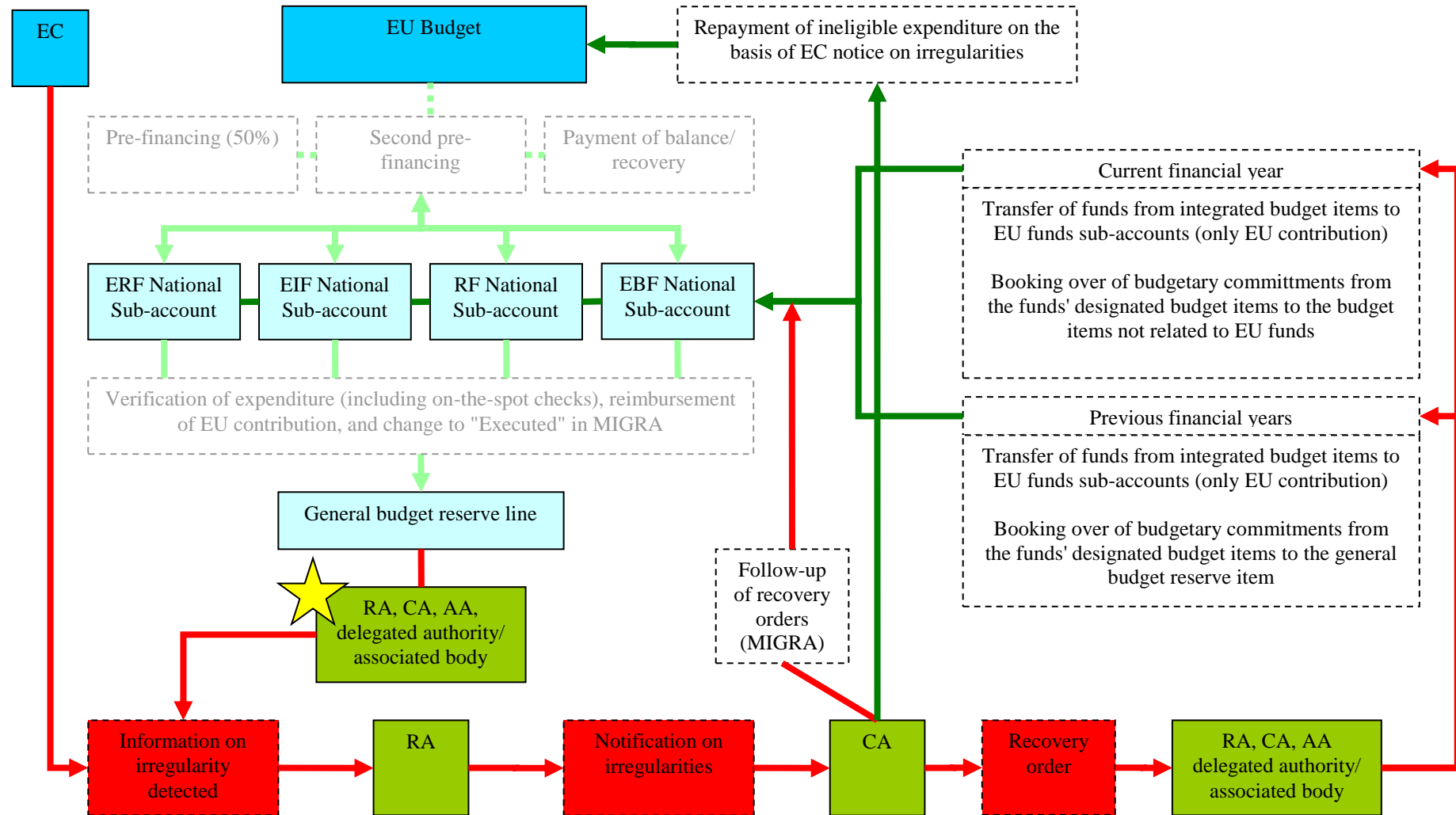
	<ul style="list-style-type: none"> <li>- delegated authorities/ associated bodies</li> <li>- EC</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Official notice on the requested corrections of the claim for reimbursement</li> <li>- Recovery order</li> <li>- Report on irregularities (part of progress/ final reports)</li> </ul>
<b>Weighting on the frequency of occurrence (<math>W_f</math>):</b>	<p>Annually recurring process.</p> <p><math>W_f=1</math>.</p>

Figure 10. 5.3 – Detection of irregularities, reporting on irregularities and financial corrections

A) In case irregularities have been detected **before reimbursement from EU funds**:



B) In case irregularities have been detected **after reimbursement from EU funds (by MS or EC)**:



C) Reporting on irregularities:

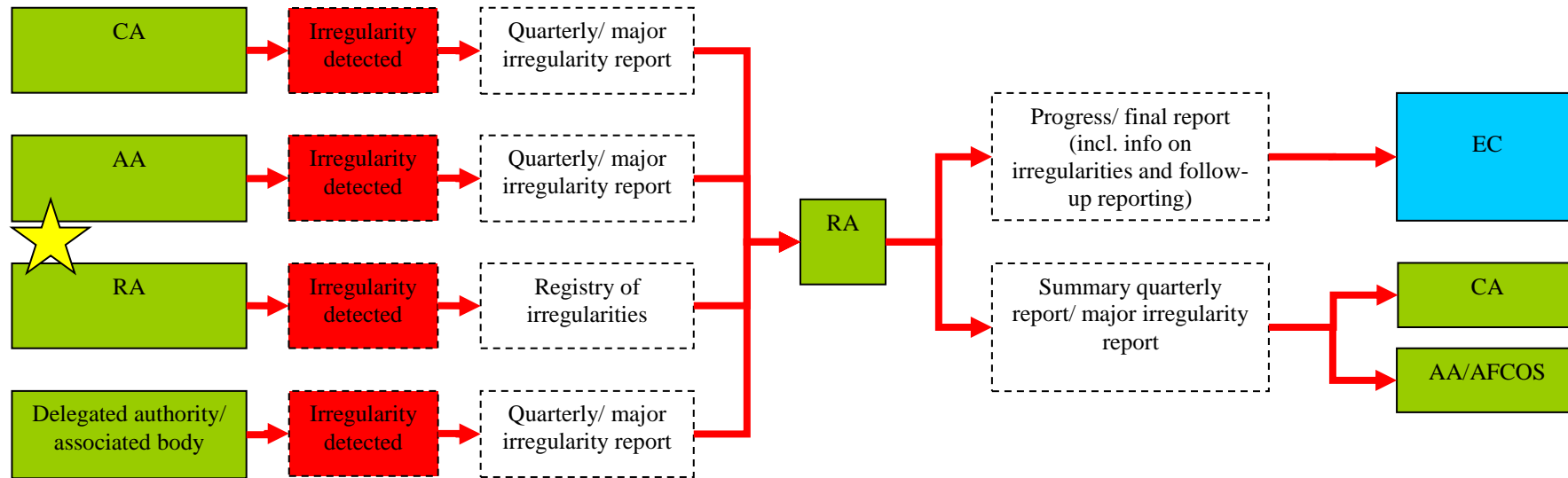


Table 16. Sub-processes 5.4

<b>Process:</b>	<b>(5) Controls by designated authorities, detection of irregularities and financial corrections</b>
<b>Sub-process and its main features:</b>	<b>(5.4) Auditing:</b> <ul style="list-style-type: none"> <li>- <b>Preparation of an audit strategy and annual audit plans</b> by the AA, based on risk assessment and cost-benefit analysis</li> <li>- Sample-based (15%) on-the-spot <b>audits of projects</b> on the basis of documentation and records held by final beneficiaries and/or project partners</li> <li>- <b>Audit recommendations</b> and <b>follow-up</b> of these recommendations</li> <li>- <b>Thorough examination of systematic problems</b> discovered in audits of projects, and additional audits to suggest corrective measures</li> <li>- <b>Audit of the MCS</b> (i.e. system audits) and <b>opinions by AA</b> and external auditors resulting in qualified or adverse opinion on the functioning of the MCS (the CA verifies that this opinion has been sent to the Commission)</li> <li>- <b>Preparation of an annual report</b> comprising of: (a) an <b>annual audit report</b> (including the notion of recommendations in case the error rate exceeds 2%), (b) an <b>audit opinion</b> on the functioning of MCS, and (c) a <b>validity declaration</b></li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 17 of SOLID implementing rules (Audit of systems and audits of projects)</li> <li>- Art. 18 of SOLID implementing rules (Controls by the certifying authority)</li> <li>- Art. 25 of SOLID implementing rules (Documents established by the audit authority)</li> <li>- Art. 30 ERF Decision; Art.28 EIF Decision; Art. 30 RF Decision; Art. 32 EBF (Audit Authority)</li> </ul>
<b>Other relevant documents:</b>	<ul style="list-style-type: none"> <li>- Decision of the Government of the Republic of Slovenia No. 20000-1/2007/7 of 26 April 2007</li> <li>- Decision of the Government of the Republic of Slovenia No. 20000-1/2007/12 of 6 March 2008</li> <li>- Description of the Management and Control System</li> <li>- The Agreement on Management and Control</li> <li>- IFAC international auditing standards</li> <li>- AA Audit Manual from 2008</li> </ul>
<b>Detailed description:</b>	<p>Under MFF 07-13, the AA prepares an audit strategy within 6 months after approval of the multiannual programme by the Commission. It is followed risk analysis and annual audit plans for the four funds. Audits are performed uniformly on the basis of the AA's audit manual and enclosed checklists.</p> <p>The AA performs audits of projects based on a sample of at least 10% of eligible expenditure (the Slovenian AA performs audits on the basis of a risk analysis, which usually requires a 15% sample). Controls of eligible expenses verify at least compliance, effectiveness and efficiency of the following elements: selection procedure, objectives of the project, reality of the achievements, eligibility of expenses, valid supporting documents for the expenses, national co-financing, and assurance of an audit trail. Audits of projects are carried out on-the-spot on the basis of documentation and records held by the final beneficiary and/or the partners in the project. In case of systematic problems, the AA may re-perform a thorough examination and additional audits to suggest corrective measures. Upon completion of its audit missions, the AA produces a report, which includes its findings and recommendations.</p>

	<p>As regards audits of the MCS (i.e. system audits), the AA provides opinions as to whether the functioning of the MCS provides reasonable assurance that declarations of expenditure presented to the Commission are correct and that the underlying transactions are legal and regular (qualified or adverse opinion). Before 2013, the following processes of MCS have to be audited at least once: programming, delegation of tasks, selection and award, monitoring of projects, payment, certification of expenditure, reporting to the Commission, detection and treatment of potential irregularities, evaluation of the programmes. Before submitting the final opinion, the audited bodies can provide comments to the draft opinion. System audits are sometimes re-performed to verify compliance with audit recommendations and opinions.</p> <p>Each year, upon closure of annual programmes, the AA has to produce annual reports (composed of an audit opinion, annual audit report and validity declaration). Validity declaration needs to accompany the annual report as it assesses the validity of the request for payment or statement of reimbursement of the final balance and the legality and regularity of the expenditure concerned.</p> <p>Furthermore, the AA has to each year submit to the EC an annual summary of audits carried out in the past financial year.</p> <p>The CA keeps record of all completed audits in MIGRA IT system.</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- AA, RA</li> <li>- delegated authorities/ associated bodies</li> <li>- other final beneficiaries and/or project partners</li> <li>- EC</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Audit report (recommendations)</li> <li>- Annual report (annual audit report, audit opinion and validity declaration)</li> </ul>
<b>Weighting on the frequency of occurrence (<math>W_f</math>):</b>	<p>Annually recurring process.</p> <p><math>W_f=1</math>.</p>

Figure 11.5.4 – Auditing

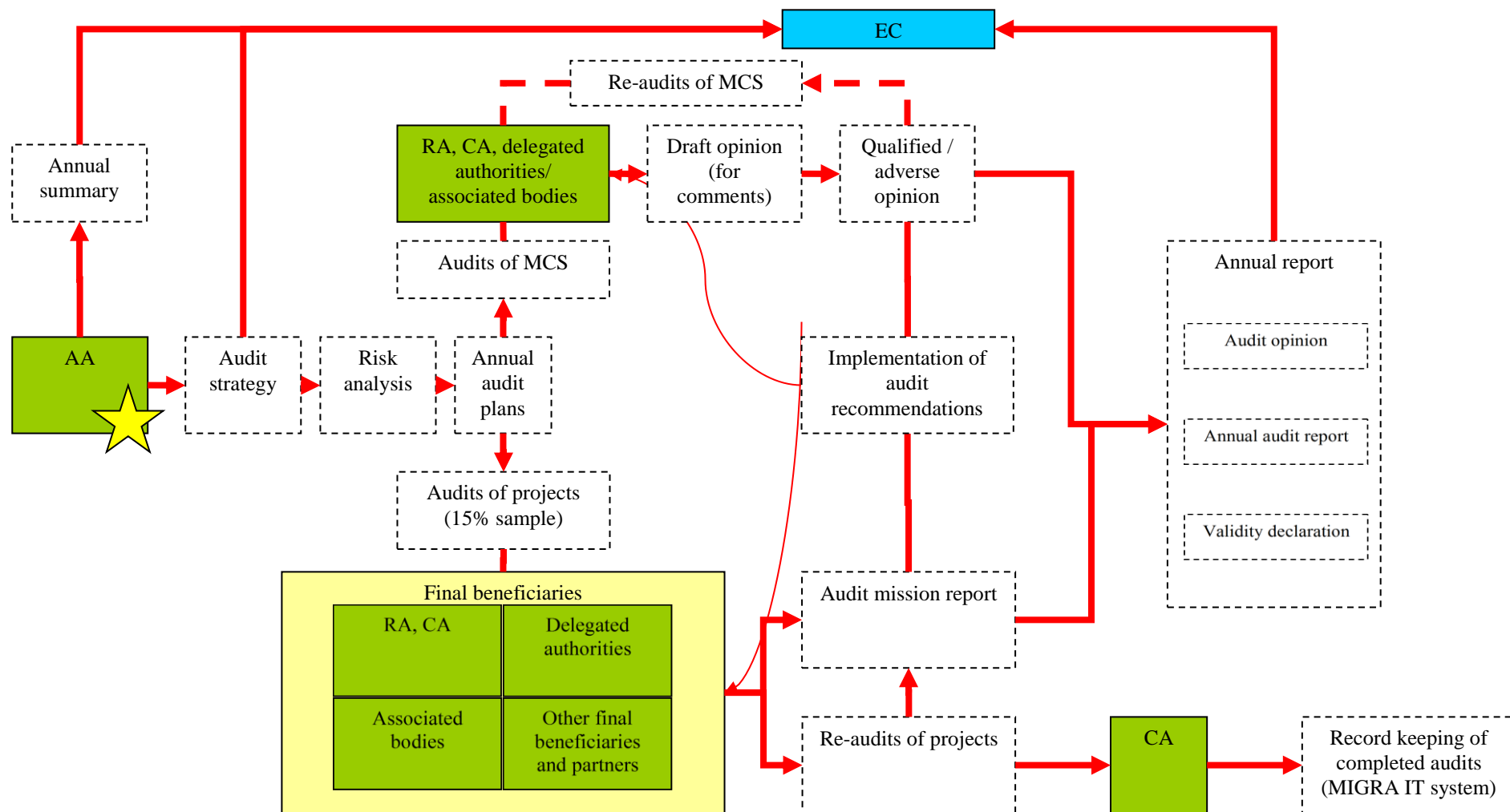




Table 17. Sub-processes 6.1

<b>Process:</b>	<b>(6) Overarching and other processes</b>
<b>Sub-process and its main features:</b>	<p><b>(6.1) Physical and electronic archiving and audit trail assurance:</b></p> <ul style="list-style-type: none"> <li>- <b>Physical and electronic archiving of all official documents by the designated authorities, delegated authorities/ associated bodies in SPIS4</b> or other official archiving applications (input and output recording)</li> <li>- <b>Archiving of original accounting records and original project data</b> (project implementation, monitoring, control) by the final beneficiaries, designated authorities, delegated authorities/ associated bodies</li> <li>- <b>Electronic recording and storing of accounting records</b> by designated authorities, delegated authorities/ associated bodies, and other beneficiaries through a designated accounting system (MFERAC for state authorities), or through an adequate accounting code</li> <li>- <b>Electronic and physical storage of copies of project data</b> (project implementation, monitoring, control) by the RA in official files and in MIGRA IT system (claims for reimbursement, claims for transfer of funds)</li> <li>- <b>Storage of system data</b> (Description of the MCS, Operational Management Agreements, internal manuals of procedures, Agreement on Management and Control, etc.) by the RA as well as competent designated authorities/ delegated authorities/ associated bodies</li> <li>- <b>Electronic exchange of system data and reports submitted to the EC by the RA in SFC2007</b> (description of MCS, revision of MCS, programming documents, financial breakdown of annual programmes, progress and final reports, documents established by the audit authority – audit reports – and certifying authority – declarations of expenditure, evaluation reports)</li> <li>- <b>Electronic storage of documents by the AA and CA in MIGRA IT system</b> by the CA</li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 16 of SOLID implementing rules (Audit trail)</li> <li>- Art. 37 of SOLID implementing rules (Electronic exchange of documents)</li> <li>- Art. 38 of SOLID implementing rules (Computer system for the exchange of documents)</li> <li>- Art. 27(1)(h), (i), (k) ERF Decision; Art. 27(1)(h), (i), (k) EIF Decision; Art. 27(1)(h), (i), (k) RF Decision; Art. 27(1)(h), (i), (k) EBF (Tasks of the RA)</li> <li>- Art. 43 ERF Decision; Art.41 EIF Decision; Art. 43 RF Decision; Art. 45 EBF (Conservation of documents)</li> </ul>
<b>Other relevant documents:</b>	<ul style="list-style-type: none"> <li>- Description of the Management and Control System</li> <li>- Agreement on Management and Control</li> <li>- Manual of Procedures for the Implementation of the Four Funds</li> <li>- Operational Management Agreements with delegated authorities/ associated bodies</li> <li>- Internal Manuals of procedures of designated authorities, delegated authorities/ associated bodies</li> <li>- Grant agreements</li> </ul>
<b>Detailed description:</b>	<p>In SPIS4, all designated authorities, delegated authorities/ associated bodies have to ensure physical and electronic input and output recording of all official documents (electronic form + original). SPIS 4 functions independently from all other electronic systems.</p> <p>Each final beneficiary (including designated bodies for technical assistance or associated bodies in case of implementation of projects under executing body mode) have to ensure proper archiving and audit trail for all accounting records.</p>

All state authorities (designated authorities, delegated authorities/ associated bodies) further use the MFERAC IT system for recording and storing of all accounting records on funds' expenditure. The accounting tasks are performed by the centralized Directorate for Public Accountancy within the Ministry of Finance. The Ministry of the Interior and the Ministry of Defense are the only two ministries exempt from the central services for security reasons and they run on separate servers. Nevertheless, all three systems use the same IT platform – MFERAC accountancy programme. In MFERAC, budget items are kept separately for each fund contribution, for each direct budget spending authority (designated authorities, delegated authorities/associated bodies), and also separately for EU (normally 75%) and national contribution (normally 25%). Projects on individual budget items are additionally separated by bills and spending authority analytics. The RA has an overview of all items of all state authorities, which are involved in the implementation of projects financed from the funds, within the MFERAC accountancy programme. The RA provides the accounting information from MFERAC (printouts and documents) to the CA, which keeps the records on reimbursements and recoveries of the EC contribution (in MIGRA IT system). MFERAC functions independently from all other electronic systems.

As MFERAC enables only basic review, MIGRA IT system was developed to automate review and analytical procedures and facilitate the financial management of funds (see also process 6.2 for development and management of MIGRA IT system).

Documentation on projects is held by the competent certified national archiving system services of designated authorities (for technical assistance), delegated authorities/ associated bodies. In case projects are implemented on the basis of calls for proposals, grant agreements oblige also final beneficiaries to store and record accounting records and ensure an adequate audit trail. These documents ensure subsequent reconciliation of amounts certified and enable the control of payment and selection criteria. Documents encompass detailed accounting records, supporting documents, technical specifications and financing plan, grant approval documentation, documents related to public procurement procedures, reports on audits, claims for reimbursements, claims for transfer of funds, etc. Hard copies of all certified national archiving system relevant project documents are also held by the RA (accompanying documentation submitted with the claims for reimbursement, RA findings, original claims for transfer of funds). Crucial copies of these documents are stored also in electronic form in MIGRA IT system (see also process 5.1 and 6.2), whilst the RA keeps physical archives of all claims for reimbursement and claims for transfer of funds related to the funds.

Original system documents (manual of procedures, description of the MCS, agreement on management and control, operational management agreements, etc.) are held by those public bodies concerned (designated authorities, delegated authorities/ associated bodies). The RA holds also originals of all documents – reports as well as system data – submitted to the EC via secure electronic exchange system – SFC2007. These exchanges encompass official documents prepared by the RA and other designated authorities, such as description of MCS, revision of MCS, programming documents, financial breakdown of annual programmes, progress and final reports, documents established by the audit authority – audit reports – and certifying authority – declarations of expenditure). SFC2007 functions independently from all other electronic systems.

	<p>The AA prepares all documents and keeps copies serving as evidence in audit files on the findings, methodology, time and individual procedures and decisions. All reports and materials are kept in audit files, labeled, signed and certified by responsible persons. The records on audits are stored in MIGRA IT system by the CA. The CA also keeps all records on reimbursements and recoveries of EU contribution in paper form as well as in MIGRA IT system.</p> <p>Documentation is kept for five years following the closure of individual projects (i.e. until 2020 the latest), except for documents, which under national legislation have to be kept permanently (audit reports on annual programmes, audit opinions on MCS and audit declarations on the validity of the request for payment).</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA, CA, AA</li> <li>- delegated authorities/ associated bodies</li> <li>- other final beneficiaries</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Audit records (physical and electronic)</li> <li>- Records on reimbursements and recoveries of the EC contribution (physical and electronic)</li> <li>- Reports submitted to the EC (physical and electronic)</li> <li>- System data (physical and electronic, only EC docs. in SFC2007)</li> <li>- Accounting records (physical and electronic)</li> <li>- Project data (physical and electronic)</li> </ul>
<b>Weighting on the frequency of occurrence (<math>W_f</math>):</b>	<p>Annually recurring process but not possible to evaluate and quantify as it intertwined with many non-related IT systems and processes.</p> <p><math>W_f=0</math>.</p>

Figure 12. 6.1 – Physical and electronic archiving and audit trail assurance

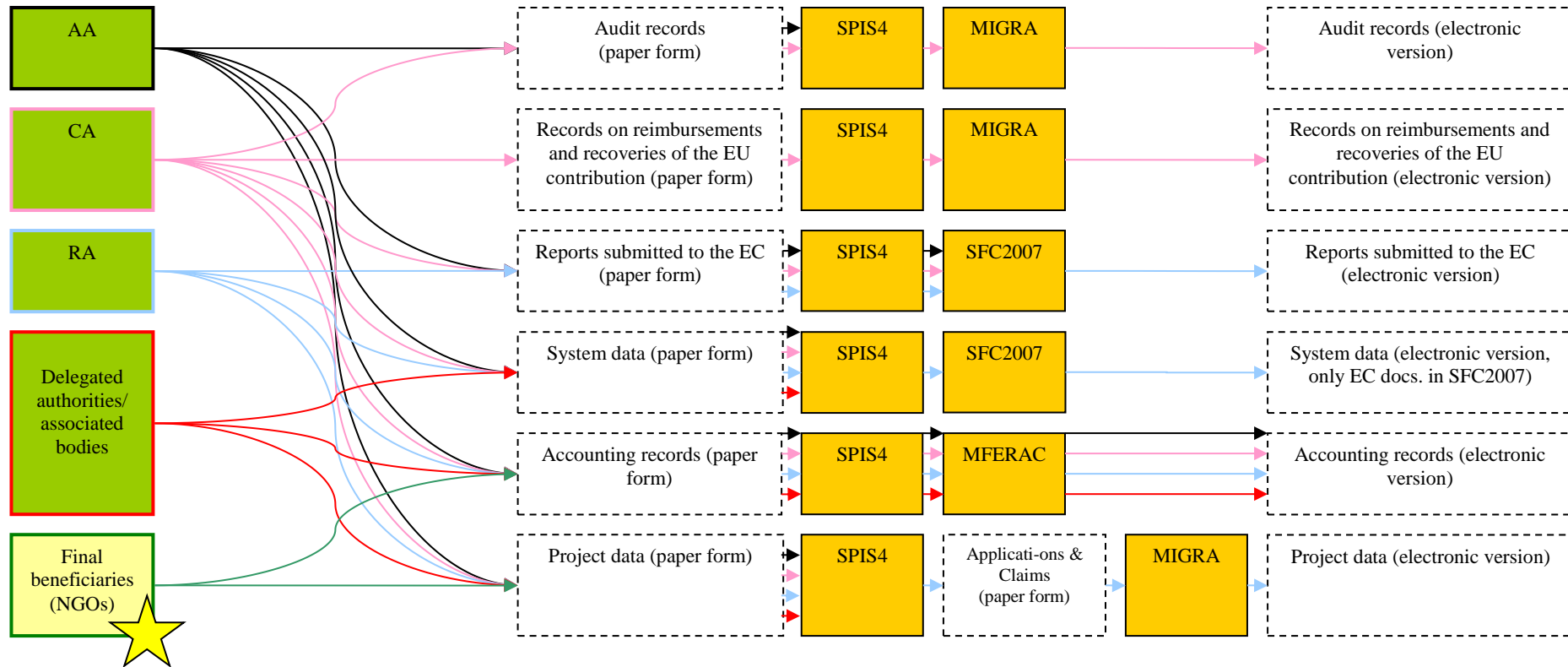


Table 18. Sub-processes 6.2

<b>Process:</b>	<b>(6) Overarching and other processes</b>
<b>Sub-process and its main features:</b>	<b>(6.2) Development, setting-up, upgrading and management of MIGRA IT system:</b> <ul style="list-style-type: none"> <li>- <b>Development, setting-up, upgrading and management of MIGRA IT system</b> for monitoring and financial management of funds</li> <li>- <b>Management of MIGRA database</b> for the financial management of funds by the RA (data entered by the designated authorities)</li> </ul>
<b>Legal basis:</b>	- Art. 38 of SOLID implementing rules (Computer system for the exchange of documents)
<b>Other relevant documents :</b>	<ul style="list-style-type: none"> <li>- Description of the Management and Control System</li> <li>- Certifying authority's guide for the implementation of the funds</li> <li>- Manual of Procedures for the Implementation of the Four Funds</li> <li>- Internal Manuals of procedures of designated authorities</li> </ul>
<b>Detailed description :</b>	<p>MIGRA IT system was developed and set-up by an external (private) contractor in cooperation with the RA on the basis of a public tender. Its development is based on constant improvements on the basis of identified needs. These needs are discussed at regular meetings between the users (i.e. the designated authorities – RA, CA and AA) and the contractor.</p> <p>MIGRA IT system is a platform serving as a financial management tool to the RA and CA (AA has only "read" access). Its tree-structure enables the monitoring and financial management of annual programmes at the level projects, and then aggregates data up to actions and priorities. The monitoring of absorption rates of annual programmes is based on data on invoices paid or equivalent documents, which are imported into MIGRA IT system via claims for reimbursement. MIGRA IT system enables real time exchange of information. It includes financial data of all annual programmes and their implementation, claims for reimbursement, information on all contracts, awards, suppliers, invoices, claims for transfer of funds, certified expenditure, on-the-spot checks, recoveries, financial transactions between the EU budget and four funds' sub-accounts, audits, etc. It stores electronic copies of invoices, contracts, claims for reimbursement, and claims for transfer of funds and thus enables quick basic overview of audit trail. It holds data on financial transactions of the four funds' sub-accounts, recovery orders, audits and other controls. It is used to generate automatic claims for transfer of funds and financial reports (interim and final reports for the preparation of declaration of expenditure by the CA, reports for the Monitoring Committee on the implementation of the funds, etc.). MIGRA IT system is not integrated with the EC system for exchange of documents, SFC2007 and thus doesn't support automatic exchange of documents between the two systems (no communication interface). MIGRA IT system is limited to financial monitoring and management and does not include the overall monitoring and reporting on project implementation.</p> <p>An important aspect of MIGRA IT system is its database. The management of the database is ensured by the RA. The database is a precondition for real time access of designated authorities to all information stored in MIGRA IT system.</p> <p>Ses also related processes:</p> <ul style="list-style-type: none"> <li>- 2.2 on annual programming,</li> <li>- 5.1 on controls by the RA,</li> </ul>

	<ul style="list-style-type: none"> <li>- 5.2 on certification of expenditure,</li> <li>- 5.3 on detection of irregularities, reporting on irregularities and financial corrections,</li> <li>- 5.4 on auditing,</li> <li>- 6.1 on archiving.</li> </ul>
<b>Key stakeholders:</b>	- RA, CA, AA
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- MIGRA IT system</li> <li>- Real time exchange of information in MIGRA IT system amongst the designated authorities (functioning database)</li> </ul>
<b>Weighting on the frequency of occurrence (<math>W_f</math>):</b>	<p>Annually recurring process.</p> <p><math>W_f=1</math>.</p>

*Figure 13. 6.2 – IT management of funds via MIGRA IT system*

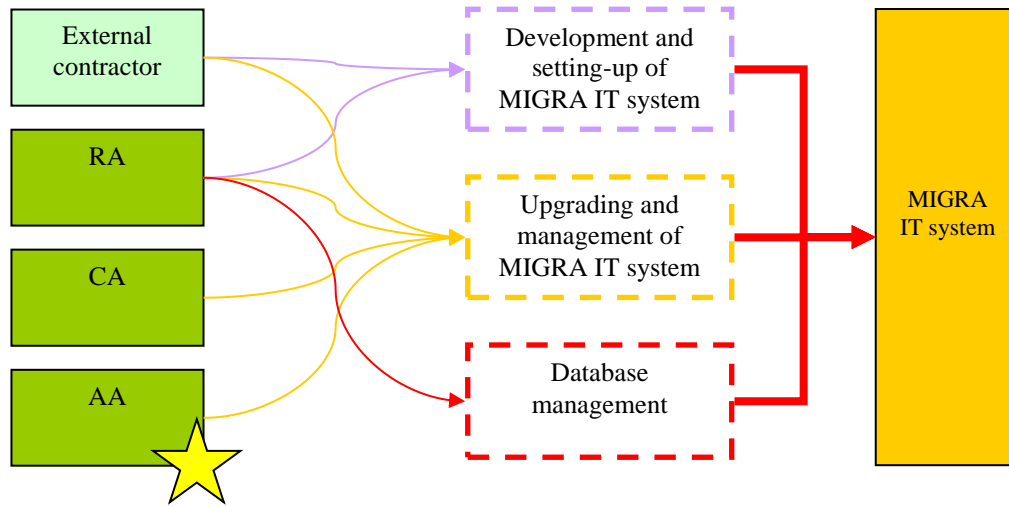


Table 19. Sub-processes 6.3

<b>Process:</b>	<b>(6) Overarching and other processes</b>
<b>Sub-process and its main features:</b>	<b>(6.3) Inter-departmental coordination and cooperation with stakeholders:</b> <ul style="list-style-type: none"> <li>- <b>Preparation of materials, meetings and minutes of the meetings of the Interdepartmental Working Group</b></li> <li>- <b>Preparation of materials, meetings (at least annual), minutes of the meetings and implementation of decisions of the Monitoring Committee</b></li> <li>- <b>EU cooperation</b> within the framework of SOLID/AMIF-ISF committee and <b>cooperation with other Member States and EU institutions</b></li> <li>- <b>Organization of partnership</b> with authorities and bodies involved in implementation of the programmes</li> </ul>
<b>Legal basis:</b>	- Art. 11 ERF Decision; Art. 10 EIF Decision; Art. 12 RF Decision; Art. 12 EBF Decision (Partnership)
<b>Other relevant documents:</b>	<ul style="list-style-type: none"> <li>- Description of the Management and Control System</li> <li>- Government decision on the establishment of the Monitoring Committee no. 06001-3/2013/7 of 8 May 2014</li> <li>- Decision of the Minister on the appointment of the Interdepartmental Working Group no. 024-38/2014/2 of 23 April 2014</li> <li>- Rules of Procedure of the Monitoring Committee</li> <li>- Rules of procedure for the 'Asylum, Migration and Integration and Internal Security Funds Committee'</li> </ul>
<b>Detailed description:</b>	<p>The Monitoring Committee for internal security and migration funds (i.e. the Monitoring Committee) and the Interdepartmental Working Group for operational coordination of the implementation of projects, financed from the funds (i.e. the Interdepartmental Working Group) have been established to discuss cross-departmental issues pertaining to the implementation of Home Affairs funds. These issues are:</p> <ul style="list-style-type: none"> <li>- prioritization, selection and approval of project proposals,</li> <li>- distribution of funds,</li> <li>- compliance and synergies with other instruments of EU financing,</li> <li>- implementation monitoring,</li> <li>- evaluation,</li> <li>- final reporting.</li> </ul> <p>The Interdepartmental Working Group is actually a preparatory body of the Monitoring Committee.</p> <p>The members (and their deputies) in both bodies are civil servants from public bodies involved in the implementation of the funds as designated authorities (RO and CA), delegated authorities/ associated bodies and other government bodies whose areas of competence (partially) relate to projects co-funded from the funds. Representatives of the AA participate as observers.</p> <p>The Monitoring Committee is chaired by the Programme Manager; the Interdepartmental Working Group is chaired by the representative of the RA. Both chairs are assisted by the secretary, who is responsible for the preparation of all materials (invitation, draft agenda, financial, implementation and evaluation reports, and minutes from the meetings).</p>



	<p>Final decisions on these issues are made by the Monitoring Committee on the basis of a simple majority. The decisions and those responsible for their implementation are listed in the minutes of the meetings signed by the Programme Manager.</p> <p>The Monitoring Committee has to convene at least once a year; the Interdepartmental Working Group is convened on an as-needed basis. To discuss ad hoc matters both bodies can use correspondence meetings.</p> <p>EU cooperation takes place within the framework of SOLID Committee (AMIF-ISF Committee as of 2014, covering both 2007-2013 and 2014-2020 periods). EU cooperation is further supported by cooperation with other Member States on as needed basis (especially exchange of know-how, best practices, coordination of positions etc. via meetings and other forms of communication) and cooperation with EU institutions (particularly the European Commission via desk officer contact).</p> <p>In accordance with current national rules and practices, a partnership with the authorities and bodies involved in the implementation and development of the multiannual programmes has to be organized. Such authorities and bodies may include competent regional, local, urban and other public authorities, international organizations, and bodies representing civil society, such as non-governmental organizations or social partners. Partnership principle is reflected in all processes and all phases of the implementation of programmes (programming, implementation, evaluation).</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA, CA, AA</li> <li>- Delegated authorities/ associated bodies</li> <li>- Other competent government bodies</li> <li>- Other final beneficiaries</li> <li>- Interdepartmental working group</li> <li>- Monitoring Committee</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Decisions of the Monitoring Committee/ Interdepartmental Working Group</li> </ul>
<b>Weighting on the frequency of occurrence (<math>W_f</math>):</b>	<p>Annually recurring process.</p> <p><math>W_f=1</math>.</p>

Figure 14. 6.3 – Inter-departmental coordination and cooperation with stakeholders

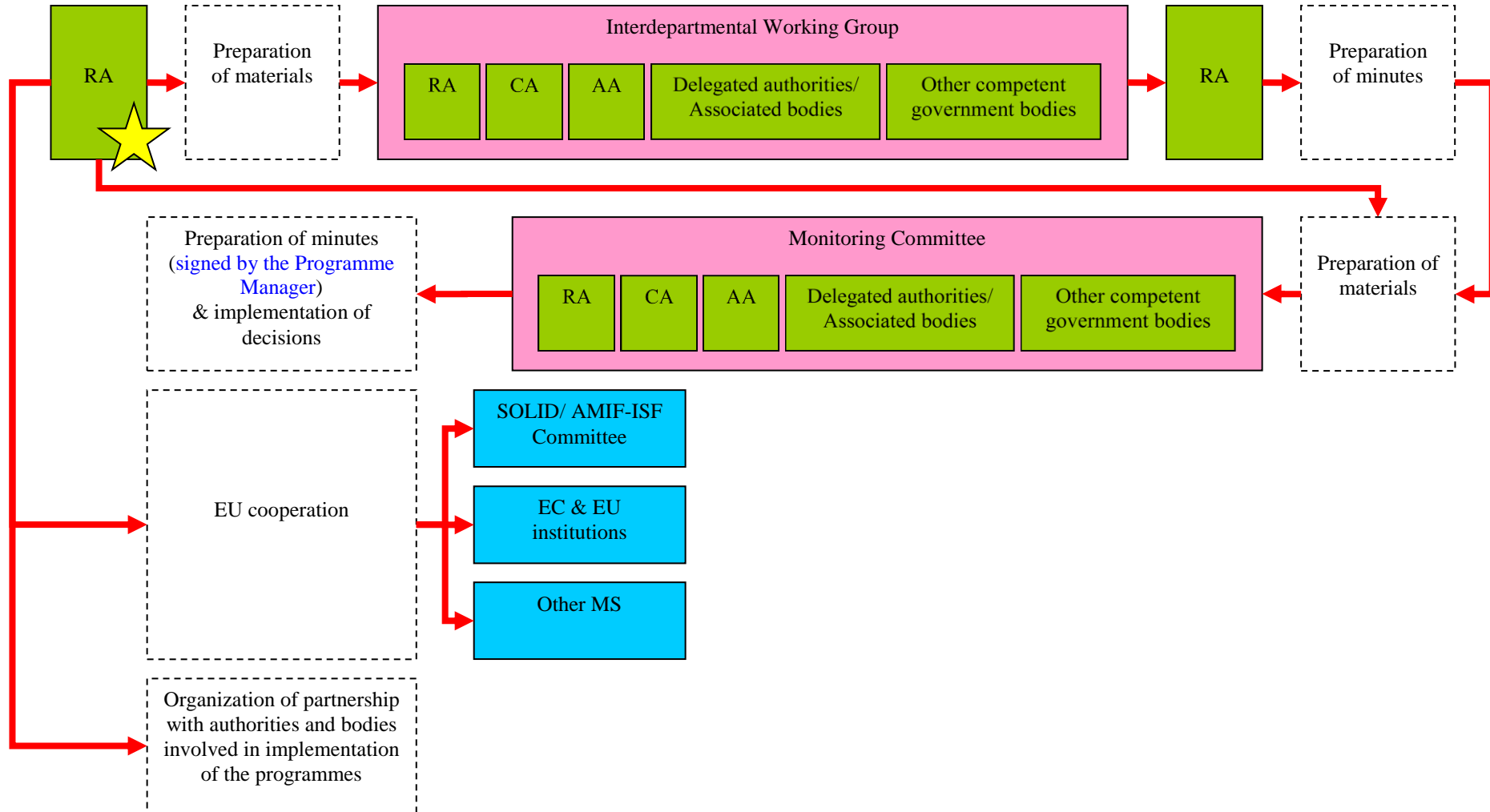
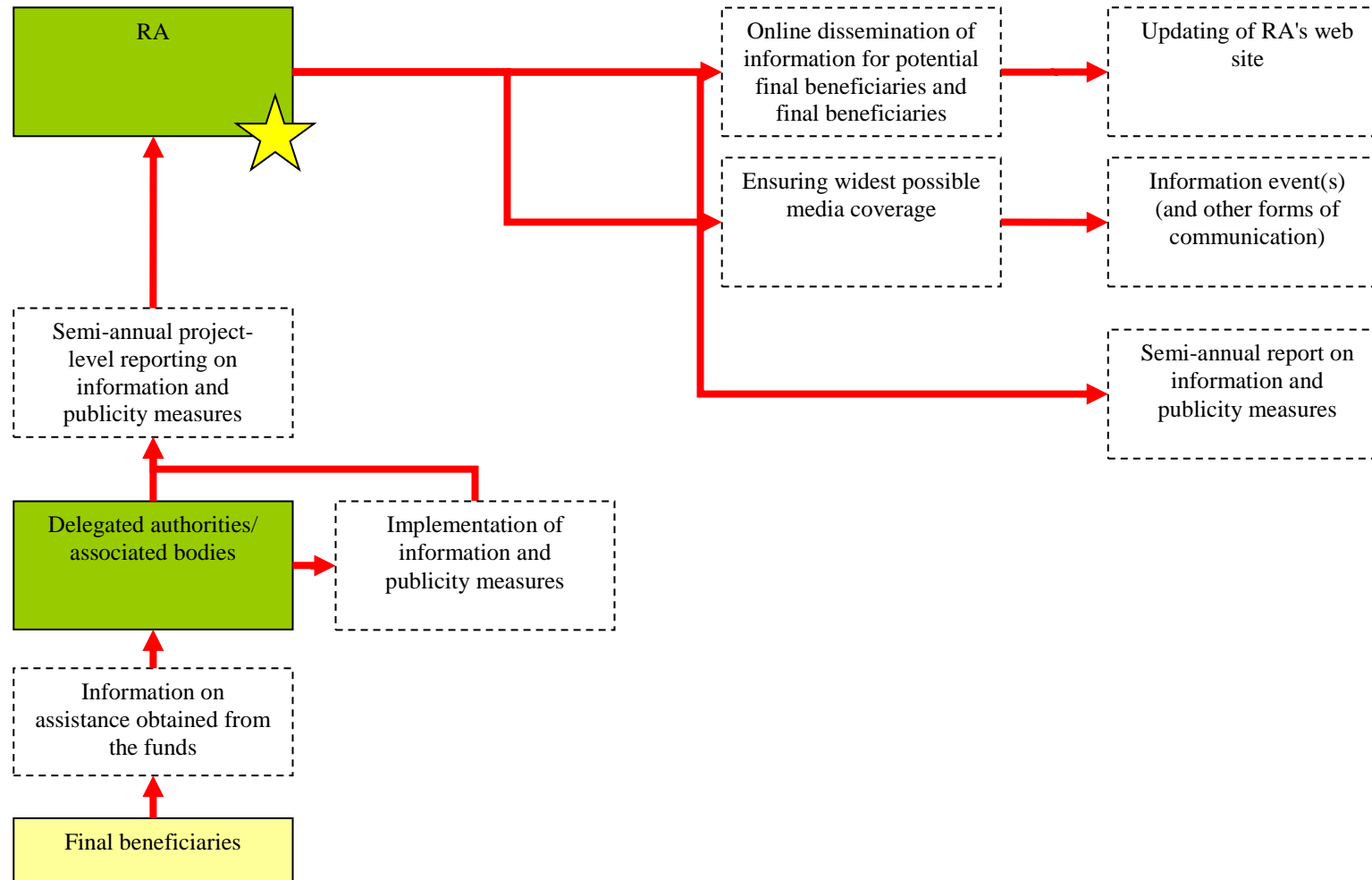


Table 20. Sub-processes 6.4

<b>Process:</b>	<b>(6) Overarching and other processes</b>
<b>Sub-process and its main features:</b>	<b>(6.4) Information and publicity measures:</b> <ul style="list-style-type: none"> <li>- <b>Online dissemination of information via RA's website</b> for potential final beneficiaries and for final beneficiaries</li> <li>- <b>Responsibilities of the RA ensuring widest possible media coverage</b> using various forms and methods of communication (information events, website updating, etc.)</li> <li>- <b>Responsibilities of final beneficiaries for informing the general public</b> about the assistance obtained from the funds</li> <li>- <b>Semi-annual project-level reporting on information and publicity measures</b> from delegated authorities/ associated bodies to the RA and <b>preparation of a semi-annual report on information and publicity measures</b> by RA</li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 31 of SOLID implementing rules (Information and publicity)</li> <li>- Art. 32 of SOLID implementing rules (Information for final beneficiaries)</li> <li>- Art. 33 of SOLID implementing rules (Responsibilities of the responsible authority relating to information and publicity for the general public)</li> <li>- Art. 34 of SOLID implementing rules (Responsibilities of final beneficiaries relating to information and publicity for the general public)</li> <li>- Art. 35 of SOLID implementing rules (Technical characteristics of information and publicity for the operation)</li> </ul>
<b>Other relevant documents:</b>	<ul style="list-style-type: none"> <li>- Description of the Management and Control System</li> <li>- Manual for the implementation of information and publicity measures</li> <li>- Manual of Procedures for the Implementation of the Four Funds</li> </ul>
<b>Detailed description:</b>	<p>Under MFF 07-13, the RA has to ensure online dissemination of information for potential final beneficiaries (dissemination of key indications regarding multiannual and annual programmes) and for final beneficiaries (on acceptance of funding and inclusion on the list published online) via regular updating of its web site. The RA also has to ensure the widest possible media coverage, which includes at least one information activity a year and annual publication of a list of final beneficiaries, projects and amounts allocated online.</p> <p>Final beneficiaries (including associated bodies when implementing project under executing body mode) have the obligation to adhere to the rules of informing the general public about the assistance obtained from the funds (putting up permanent prominent plaques for physical objects, informing project participants of the funding source, use of a statement indicating EU co-financing on relevant project documentation).</p> <p>Delegated authorities/ associated bodies have to submit to the RA semi-annual project-level reports on the activities in the area of information and publicity (by 30 May and by 30 November). Based on project-level reports, the RA prepares overall semi-annual reports on information and publicity measures.</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA, CA, AA</li> <li>- Delegated authorities/ associated bodies</li> </ul>

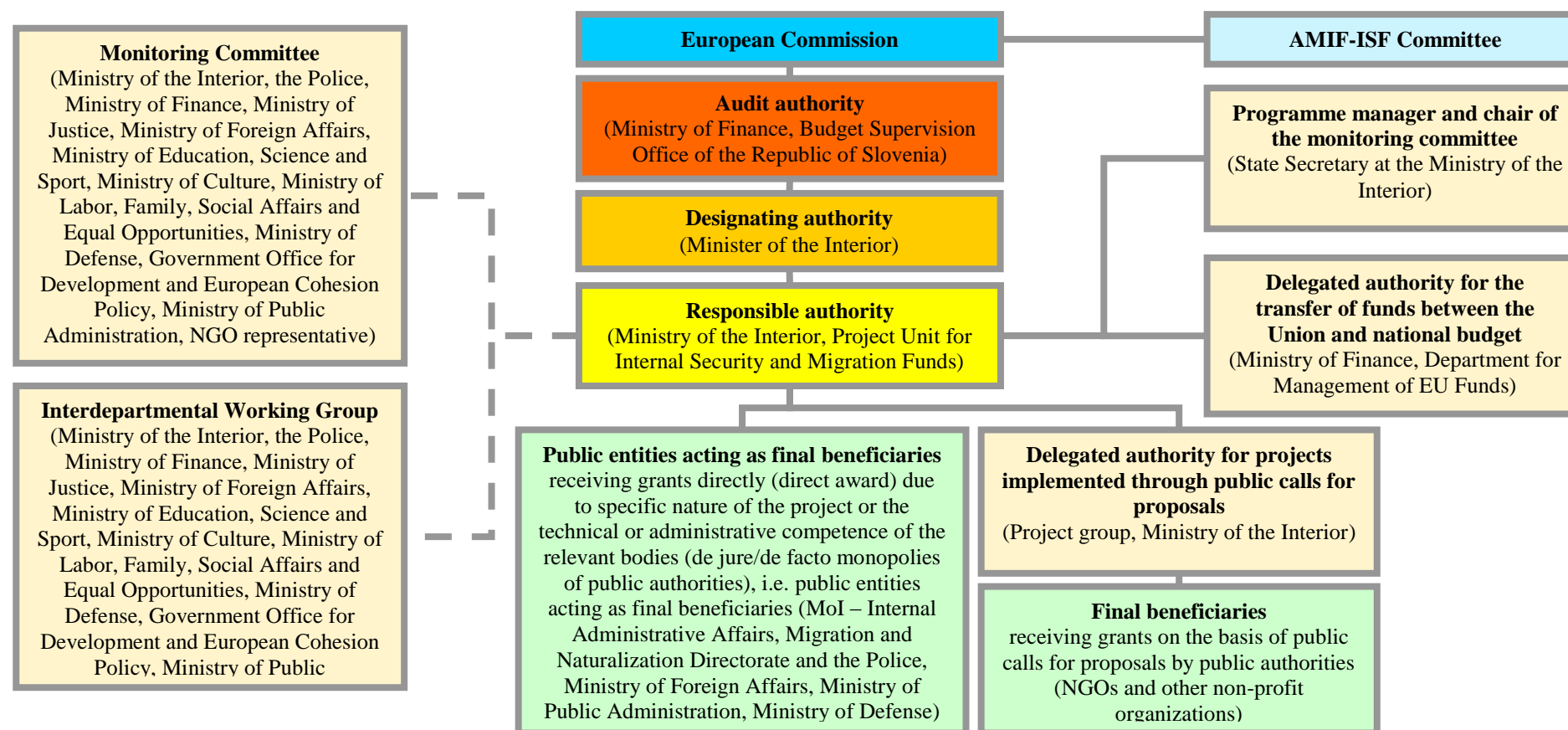
	<ul style="list-style-type: none"> <li>- Other final beneficiaries</li> <li>- General public</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Updated RA's web site</li> <li>- Information event(s) (and other forms of communication) about funding opportunities</li> <li>- Semi-annual report on information and publicity measures</li> <li>- Information on assistance obtained from the funds by final beneficiaries</li> </ul>
<b>Weighting on the frequency of occurrence (<math>W_f</math>):</b>	<p>Annually recurring process.</p> <p><math>W_f=1</math>.</p>

Figure 15. 6.4 – Information and publicity measures



### Appendix 3: Organizational chart of the Management and Control System of EU Home Affairs Funds in the Republic of Slovenia for the Period 2014-2020

Figure 1. Organizational chart of the Management and Control System of EU Home Affairs Funds in the Republic of Slovenia for the Period 2014-2020



## **Appendix 4: Mapping of business processes of the Management and Control System of EU Home Affairs Funds in the Republic of Slovenia for the Period 2014-2020**

### **List of abbreviations**

**AA** – Audit Authority

**AFCOS** – anti-fraud coordination service (an operationally independent national authority responsible for protecting the EU's financial interests from fraud)

**AMIF** – Asylum, Migration and Integration Fund

**BSO** - Budget Supervision Office of the Republic of Slovenia (Ministry of Finance)

**Competent authorities** – Responsible Authority, Audit Authority and any delegated authorities in the 2014-2020 financing period

**DAC** – Delegated authority for projects implemented through public calls for proposals (Delegated Authority – Calls)

**DAF** – Delegated authority for the transfer of funds between the Union and national budget Delegated Authority – Funds)

**EC** – European Commission

**ESIF** – European Structural and Investment Funds

**PEFB** – Public entity acting as a final beneficiary

**Final beneficiaries** – public entities or private persons operating under a non-profit principle, responsible for the implementation of projects or programmes financed from the funds and at the same time the final recipients of the funds

**Funds** – EU Home Affairs Funds (Asylum, Migration and Integration Fund and Internal Security Fund)

**ISF** – Internal Security Fund

**MA** – Managing Authority for European Structural and Investment Funds

**MCS** – Management and Control System

**MFF 07-13** – Multiannual Financial Framework for the period 2007-2013

**MFF 14-20** – Multiannual Financial Framework for the period 2014-2020











**MoI** – Ministry of the Interior of the Republic of Slovenia

**MS** – Member State(s)

**RA** – Responsible Authority

**SFC2014** – System for Fund Management in the European Union in the period 2014-2020 (i.e. electronic data exchange system between the Commission and Member States)

Table 1. Legend

	Yellow star	Start of a process
	Red arrows/lines	Flows of administrative decisions and official documents
	Green arrows/lines	Cash flows
	Frames with peach background	Process output/task performed within MIGRA II IT system
	Frames with orange background	SFC2014
	Frames with blue background	European commission and other EU-related stakeholders
	Frames with light-blue background	National budget items/fund sub-accounts
	Frames with green background	All stakeholders but final beneficiaries and EC
	Frames with red background	Irregularity related tasks
	Frames with white background	Process outputs and tasks

- **Multiple color** frames & lines are used in some cases to make a clearer distinction between stakeholders and their role in the process (e.g. blue for AA, red for RA).
- **Shaded** frames/arrows/lines are used for tasks, not directly related to a given process, but important for its understanding.



## **List of processes**

- (1) Designation of authorities and establishment of the Management and Control System (MCS)
  - (1.1) Designation of (competent) authorities at the governmental level
  - (1.2) Establishment of the MCS
- (2) Programming and budget planning
  - (2.1) Multiannual programming
  - (2.2) Preparation of an action plan
  - (2.3) Budget planning
- (3) Project selection and programme implementation
  - (3.1) Selection and implementation of projects when the RA acts as an executing body (executing body mode)
  - (3.2) Selection and implementation of projects when the RA acts as an awarding body (awarding body mode)
  - (3.3) Financial management of programmes and payments to final beneficiaries
- (4) Monitoring, reporting, and evaluation of programme implementation
  - (4.1) Regular monitoring of project (and operating support) implementation by final beneficiaries
  - (4.2) Regular monitoring of programme implementation by the RA and reporting to the EC
  - (4.3) Preparation of evaluation reports of programme implementation
- (5) Controls by competent authorities, detection of irregularities and financial corrections
  - (5.1) Controls by the RA
  - (5.2) Reimbursement of EU contribution and payments by the Commission
  - (5.3) Detection of irregularities, reporting on irregularities, and financial corrections
  - (5.4) Auditing
- (6) Overarching and other processes
  - (6.1) Physical and electronic archiving and audit trail assurance
  - (6.2) Development, setting-up, upgrading and management of MIGRA II IT system
  - (6.3) Inter-departmental coordination and cooperation with stakeholders
  - (6.4) Information and publicity measures
  - (6.5) Measures for ensuring ethics and integrity policy

Table 2. Sub-process 1.1

<b>Process:</b>	<b>(1) Designation of authorities and establishment of the Management and Control System (MCS)</b>
<b>Sub-process and its main features:</b>	<b>(1.1) Designation of (competent) authorities at the governmental level:</b> <ul style="list-style-type: none"> <li>- <b>Nomination of: a designating authority</b>, responsible for designating and overseeing the compliance of the RA with the designation criteria, the Audit Authority (hereinafter: <b>AA</b>), responsible for verifying the effective functioning of the management and control system, and the Responsible Authority (hereinafter: <b>RA</b>), responsible for the management and implementation of AMIF and ISF national programmes in accordance with the principles of sound financial management</li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 25 of the Horizontal regulation (Competent authorities)</li> <li>- Art. 26 of the Horizontal regulation (Designation of responsible authorities)</li> <li>- Art. 2 of the Commission delegated regulation 1042/2014 with regard to the designation and management and control responsibilities of Responsible Authorities and with regard to status and obligations of Audit Authorities (Criteria and procedure for designating the Responsible Authority)</li> <li>- Art. 3 of the Commission delegated regulation 1042/2014 with regard to the designation and management and control responsibilities of Responsible Authorities and with regard to status and obligations of Audit Authorities (Supervision of the Responsible Authority and review of the designation)</li> </ul>
<b>Other relevant documents:</b>	<ul style="list-style-type: none"> <li>- Decision of the Government on the appointment of competent authorities within the MCS (No. 06001-3/2013/7 as of 8 May 2014)</li> <li>- Changes to the Decision of the Government on the appointment of competent authorities within the MCS (to be adopted)</li> </ul>
<b>Detailed description:</b>	<p>Under MFF 14-20, the legal basis changes the structure of the system by abolishing the Certifying Authority (CA) and establishing a new body – the <i>designating authority</i> at the ministerial level (i.e. the minister), which designates the RA on the basis of the <i>opinion of an audit body</i>. The government should adopt a decision on the appointment of competent authorities within the MCS, namely: the <i>designating authority</i> (the Minister of the interior), the AA (Ministry of Finance, Budget Supervision Office of the Republic of Slovenia, hereinafter: BSO) and the <i>Delegated authority for the transfer of funds between the Union and national budget</i> (Ministry of Finance, Department for Management of EU Funds, which until now performed the tasks of the CA). The designating authority only acts when necessary (i.e. at the beginning of the MFA with formal designation and henceforth on an as-needed basis in case of serious breaches or irregularities by the RA).</p> <p>Before the formal designation by the designating authority, the RA has to comply with the <i>designation criteria</i> set-forth in the Annex to the Commission delegated regulation 1042/2014 with regard to the designation and management and control responsibilities of Responsible Authorities and with regard to status and obligations of Audit Authorities. The RA should be narrowly defined in order to streamline the organizational structure of the MCS (no longer the Ministry of the Interior – hereinafter: MoI – as a whole but specifically the Project unit for internal security and migration funds within the MoI). The RA (yet to be designated) prepares the description of the MCS, explaining the business processes and inter-institutional relations within the MCS. On the basis of this document the AA assesses the compliance with the criteria and issues an <i>opinion in an audit report</i>, which is submitted to the designating authority. On the basis of the report, the designating authority (the minister) grants the <i>designation</i> to the RA (decision of the minister). Upon designation, the</p>

	<p>Member State has to notify the EC (see process 1.2). The designating authority further has to continuously supervise the compliance of the RA with the designating criteria.</p> <p>Should the RA no longer comply with the designation criteria, the designating authority puts the RA on probation (max 12 months), during which the RA has to set-up a remedial plan. The probation can result in prolongation of the designation or ending of the designation and prompt designation of a new RA.</p> <p>According to the Commission delegated regulation 1042/2014, the RA, AA and all delegated authorities are jointly named as <i>competent authorities</i>.</p> <p>Upon designation of the RA, the RA can in line with art. 5 of Commission delegated regulation 1042/2014 further delegate certain tasks to delegated authorities (by ministerial decision). The delegation of tasks has to be formalized through an official document signed by both authorities (Act of delegation – see process 1.2).</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- MoI</li> <li>- Government</li> <li>- Designating authority</li> <li>- RA, AA</li> <li>- Delegated authority for the transfer of funds between the Union and national budget</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Decision of the Government</li> <li>- Audit opinion on the compliance of the RA with the designation criteria (report)</li> <li>- Designation of the RA (decision of the minister)</li> </ul>
<b>Process improvements:</b>	<ul style="list-style-type: none"> <li>- Clear positioning of the RA (Project unit for internal security and migration funds within the MoI) enables clearer separation of roles and responsibilities.</li> </ul>
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	<p>No significant changes.  <i>Net effect: 0%.</i></p>
<b>Weighting on the frequency of occurrence (Wf):</b>	<p>Not recurring process, predicted incidence is twice per programming period (establishment and possible amendments).  <i>Wf=2/7=0,29.</i></p>

Table 3. Sub-process 1.2

<b>Process:</b>	<b>(1) Designation of authorities and establishment of the Management and Control System (MCS)</b>
<b>Sub-process and its main features:</b>	<b>(1.2) Establishment of the MCS:</b> <ul style="list-style-type: none"> <li>- <b>Notification on formal designation of the RA</b> to the EC</li> <li>- <b>Act(s) of delegation</b> of tasks by the government and the RA (nomination of delegated authorities)</li> <li>- <b>Setting-up and revision of the organizational structure, systemization of jobs and inter-institutional relations</b> (description of job positions and requirements, inter-institutional agreements, etc.)</li> <li>- <b>Setting up of the Monitoring Committee and the Interdepartmental Working Group</b></li> <li>- <b>Preparation and revision of key implementing documents</b> at the level of competent authorities (RA, AA, delegated authorities) – Manual of procedures for the Implementation of the funds, Internal manuals of procedures of the RA and AA, Agreement on Management and Control</li> <li>- <b>Nomination of a programme manager</b> by the Minister of the interior</li> <li>- <b>Nomination of contact points</b> for day-to-day cooperation between the RA and public entities acting as final beneficiaries (hereinafter: PEFB) and the Delegated authority for projects implemented through public calls for proposals</li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 17 of the Horizontal regulation (General principles of eligibility)</li> <li>- Art. 21 of the Horizontal regulation (General principles of management and control systems)</li> <li>- Art. 4(d) of the Commission delegated regulation 1042/2014 with regard to the designation and management and control responsibilities of Responsible Authorities and with regard to status and obligations of Audit Authorities (Tasks of the Responsible Authority)</li> <li>- Art. 5 of the Commission delegated regulation 1042/2014 with regard to the designation and management and control responsibilities of Responsible Authorities and with regard to status and obligations of Audit Authorities (Delegated Authority)</li> </ul>
<b>Other relevant documents:</b>	/
<b>Detailed description:</b>	<p>Under MFF 07-13, the very definition of the RA was ambiguous, as the RA was the entire Ministry of the Interior, whilst its tasks were performed by the Project Unit for Internal Security and Migration Funds. This should be streamlined so that the RA would equal the Project Unit for Internal Security and Migration Funds within the MoI (see also process 1.1).</p> <p>The relations between the RA and the AA should, as before, be set-forth in the <i>Agreement on Management and Control</i> between the two bodies. This agreement, signed by the head of the BSO and the programme manager, should establish mutual obligations and responsibilities related to the implementation of system and financial audits (see also process 5.4). Each of the bodies should further adopt internal manuals of procedures, defining strictly those aspects of the implementation of the funds that are specific to their area of competence (no need to include detailed explanations of the system and inter-institutional relations).</p> <p>Under MFF 07-13, the division of roles between delegated authorities and associated bodies, which participated in project preparation/implementation as well as public tendering procedures, was complex due to the organizational structure of the MoI. Under</p>

MFF 14-20 the delegated authorities are strictly limited to public or private bodies which carry out certain tasks of the RA under the responsibility of the RA. There should be a limited number of delegated authorities, namely:

- *Delegated authority for the transfer of funds between the Union and national budget* (hereinafter: *DAF*: Delegated Authority – Funds) designated by the Government, as it is actually a body falling outside the jurisdiction of the designating authority.
- *Delegated authority for projects implemented through public calls for proposals* (hereinafter: *DAC*: Delegated Authority – Calls), formed as a project group within the MoI, designated by the minister.

Both delegated authorities require acts of delegation to be signed by the head of the delegated authority and the programme manager (in accordance with article 5 of the Commission delegated regulation 1042/2014).

Associated bodies on the other hand are no longer direct entities of the MCS. These are professional public bodies, which, due to their administrative jurisdiction in the policy areas covered by the funds, act as final beneficiaries of the Funds on the basis of a so-called direct award (see process 3.2). These bodies, which should be referred to as *public entities acting as final beneficiaries* (hereinafter: *PEFB*), are: the MoI (and within it the Internal Administrative Affairs, Migration and Naturalization Directorate and the Police), Ministry of Foreign Affairs, Ministry of Public Administration, and Ministry of Defense. PEFB provide input for the preparation of programming documents and implement projects where they act as final beneficiaries. PEFB should also be responsible for 100% administrative, financial, technical and eligibility controls of projects, as well as the preparation of claims for reimbursement of the funds from the Union budget for projects implemented under direct award (see processes 3.2 and 3.3). The controls performed by PEFB are not controls by the RA (see process 5.1) and the RA does not base its controls on their findings.

The tasks of DAF are strictly limited to financial transactions related to the implementation of national programmes of the funds. DAF is responsible for:

- implementation of actual financial transactions between the EU budget, special purpose sub-accounts and the national budget (see process 5.2) on the basis of orders for transfer of funds (see process 5.2) and recovery orders (see process 5.3);
- notification of the RA on payments received by the EC;
- record keeping of all transactions on special purpose sub-accounts and related interest in MIGRA II on the basis of official statements (entry of data and accompanying documentation).

DAF is directly accountable to the RA, which monitors its work through current records in MIGRA II and via direct cooperation on a daily basis (telephone and e-mail).

For the implementation of its delegated tasks DAF will be eligible for 100% financing from technical assistance. DAF will thus be responsible for the 100% administrative, financial, technical and eligibility control of the spending of technical assistance and preparation of claims for reimbursement (see process 3.3).

The role of DAC is related to the implementation of projects via public calls for proposals (i.e. implementation of projects by the NGOs or other non-profit organizations). DAC should be responsible for the preparation and implementation of calls for proposals on the basis of

an approved action plan, using existing expertise and know-how of nominated staff. DAC should also be responsible for 100% administrative, financial, technical and eligibility controls of projects by NGOs (controls of claims for payments on the basis of a prescribed e-checklist in MIGRA II). Finally, DAC should prepare the claims for reimbursement of the funds from the Union budget for projects implemented on the basis of calls for proposals as well as technical assistance (see process 3.2 and 3.3), and submit these to the RA.

DAC should be placed within the MoI (the only body to be implementing public calls) and should be responsible for projects falling within the policy areas formerly covered by two separate delegated authorities (the Internal Administrative Affairs, Migration and Naturalization Directorate and the Police).

The ministerial decision on the establishment of DAC should adhere to the principles of a matrix organization; DAC should therefore be established as a project group, designated by the Minister of the Interior and comprising of approximately 20 skilled staff from all competent services within the MoI:

- the Internal Administrative Affairs, Migration and Naturalization Directorate (contact point, project managers, contract custodians);
- the Police (contact point, project managers, contract custodians);
- Accounting Service (accountants);
- Budget and Finance Service (staff competent for budget planning);
- Public Procurement and Purchasing Service (staff competent for the preparation and implementation of public calls for proposals);
- Financial Control of EU Funds Section (staff competent for financial controls of claims for payment by non-governmental organizations).

Project group members should also participate in the selection boards for call for proposals procedures. DAC should ensure a clear division of roles in terms of selection of project proposals, financial controls, implementation controls and approval of payments to final beneficiaries. The division is inherently ensured through the system of appointment of staff, i.e. civil servants responsible for implementation of public calls are from a different organizational unit (Public Procurement and Purchasing Service) than those responsible for controls (Financial Control of EU Funds Section). Furthermore, the demarcation of duties should clearly be established in the Act of delegation.

DAC should meet at regular colleges (at least every three months) to discuss current tasks and open issues. Representative of the RA should be present at the meetings in order to be able to carry out adequate oversight and surveillance of the tasks delegated. When appropriate, the RA should issue written recommendations to DAC; the head of DAC (i.e. the head of Financial Control of EU Funds Section) should report on its implementation within agreed deadlines. The RA further monitors the work of DAC directly through implementation of its controls (i.e. administrative controls of claims for reimbursement prepared and submitted by DAC and on-the-spot controls at final beneficiaries – see process 5.1).

For the implementation of its delegated tasks, DAF will be eligible for 100% financing from technical assistance. DAF will thus be

responsible for the 100% administrative, financial, technical and eligibility control of the spending of technical assistance and preparation of claims for reimbursement (see process 3.3).

The nomination of *contact points* for communication with the RA should be kept for both PEFB and DAC. Nomination of a programme custodian is no longer required. However, both DAC and PEFB have to ensure that all official documents are signed by a responsible person, which is responsible for accuracy of data submitted. The organizational chart of the MCS for MFF 14-20 is attached.

Regardless of its status, PEFB as well as both delegated authorities should establish an appropriate organizational structure, systemization of jobs (specialization of posts) and inter-institutional relations for the implementation of tasks related to the implementation of the funds.

Under MFF 14-20, the majority of the tasks of the *programme manager* (State Secretary at the MoI, also the chair of the Monitoring Committee) should be transferred to the RA and the Monitoring Committee. The programme manager should keep only the general functions of overseeing the work of the RA, cooperation with the designating authority (the minister), as well as signing of key documents issued by the RA (implementation reports, accounts, evaluation reports, award decisions in cases of direct award). Signing of claims for transfer of funds is no longer required, as the tasks of the CA have been abolished. The claims should be replaced by a document issued by the RA stating the cumulative amount for transfer from the EU budget (i.e. *order for transfer of funds* – see process 5.1).

Furthermore, a complete mapping of all business processes of the MCS should be developed to serve as the basis for AA's assessment of the system (see process 1.1). Furthermore, a single document (i.e. the *Manual of procedures for the implementation of the funds*) should clearly define the roles of all stakeholders within MCS and should ensure they are properly qualified (e.g. through training provisions). Particular attention should be given to the role of project managers, which should become the key persons in the implementation of the projects (until now, the role of project managers has not clearly been defined). There is only a requirement to send to the EC *the notification on formal designation* of the RA. The notification has to include documentation on the main division of responsibilities between the organizational units of the Responsible Authority, its relationship with delegated authorities, the activities to be delegated, and the main procedures for supervising these delegated activities, and a summary of the main procedures for processing financial claims from beneficiaries and for authorizing and recording expenditure.

A new document which will have to be prepared in parallel, are *National eligibility rules*. Under MFF 07-13, eligibility rules were annexed to SOLID implementing rules (or prepared by the Member States if more rigorous). In the period 2014-2020, member states alone establish eligibility rules in accordance with the legal basis.

In order to ensure interdepartmental coordination and adherence to the partnership principle, the Government should, on the basis of the proposal by the RA, issue a decision on the establishment of the *Monitoring Committee*. In order to streamline the work of the Committee, the Minister of the Interior should issue a decision on the establishment of the *Interdepartmental Working Group* acting as a preparatory body (see process 6.3 for interdepartmental coordination).

<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA, AA</li> <li>- Delegated authority for the transfer of funds between the Union and national budget (DAF)</li> <li>- Delegated authority for projects implemented through public calls for proposals (DAC)</li> <li>- Public entities acting as final beneficiaries (PEFB)</li> <li>- Interdepartmental Working Group</li> <li>- Monitoring Committee</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Notification on formal designation of the RA</li> <li>- Act(s) of delegation</li> <li>- Manual of procedures for the implementation of the funds</li> <li>- Internal manuals of procedures of the RA and AA</li> <li>- Agreement on Management and Control between the RA and AA</li> <li>- National eligibility rules</li> <li>- MCS description</li> <li>- Organizational structures, systemization of jobs and inter-institutional relations</li> <li>- Contact points at the level of PEFB and DAC</li> <li>- Decision of the Government on the establishment of the Monitoring Committee</li> <li>- Decision of the Minister of the Interior on the Establishment of the Interdepartmental Working Group</li> </ul>
<b>Process improvements:</b>	<ul style="list-style-type: none"> <li>- A single, comprehensive manual of procedures will be the basis of the entire MCS (comprehensive description of the system and business processes).</li> <li>- Internal manuals of procedures define strictly those aspects of the implementation of the funds that are specific to their area of competence (no detailed explanations of the system and inter-institutional relations), and are therefore simplified and more focused (e.g. signatories, documentation circuits, individual assignments and responsibilities, etc.). Single internal manual of procedures of the RA can cover also both delegated authorities (DAF and DAC) on the basis of acts of delegation.</li> <li>- Training provisions in the manual of procedures increase the qualifications of the staff working with the funds (e.g. on IT systems, administrative procedures, eligibility rules, etc.).</li> <li>- The manual of procedures provides for a clear definition of the role of project managers, who become the key persons in the implementation of the projects.</li> <li>- National eligibility rules are a new (additional) document to be prepared, but will significantly simplify the preparation of public calls for proposals as well as implementation of projects in general (through the use of simplified costs options).</li> <li>- Exclusion of public entities implementing projects on the basis of a direct award (public entities acting as final beneficiaries) from the list of competent authorities reduces the complexity of the system.</li> <li>- Delegation of public calls for proposals to a designated project group (DAC) clearly divides of roles and tasks of competent staff as well as simplifies the management structure (abolition of a double role played by the Internal Administrative Affairs, Migration and Naturalization Directorate and the Police as delegated authorities and/or associated bodies). Some overlapping still exists (e.g. the same people will be working on projects within the MoI under direct award and under public calls for proposals, e.g. contact</li> </ul>



	<p>points), but the responsibilities are clearly set-forth, as the DAC only relates to public calls for proposals.</p> <ul style="list-style-type: none"> <li>- The role of the programme manager is simplified and streamlined (less administrative task, merging the position of the programme manager and the chair of the Monitoring Committee).</li> <li>- The system provides a clear definition of a final beneficiary (PEFB and NGOs) as opposed to competent authorities.</li> <li>- Lower level of signatories (see all processes) simplifies the decision-making process at the most appropriate level (e.g. decisions on technical assistance can be signed by the programme manager, not the minister as until now).</li> </ul>
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	<p>Plus 5% due to inclusion of new policy areas – police cooperation (Criminal police directorate) and risk and crisis management (Ministry of defense).</p> <p>Minus 10% due to increased transparency, separation of roles and narrower definition of the MCS.</p> <p><i>Net effect: minus 5%.</i></p>
<b>Weighting on the frequency of occurrence (Wf):</b>	<p>Annually recurring process.</p> <p><i>Wf=1.</i></p>

Figure 1. 1.1&1.2 – Designation of authorities and establishment of the Management and Control System (MCS)

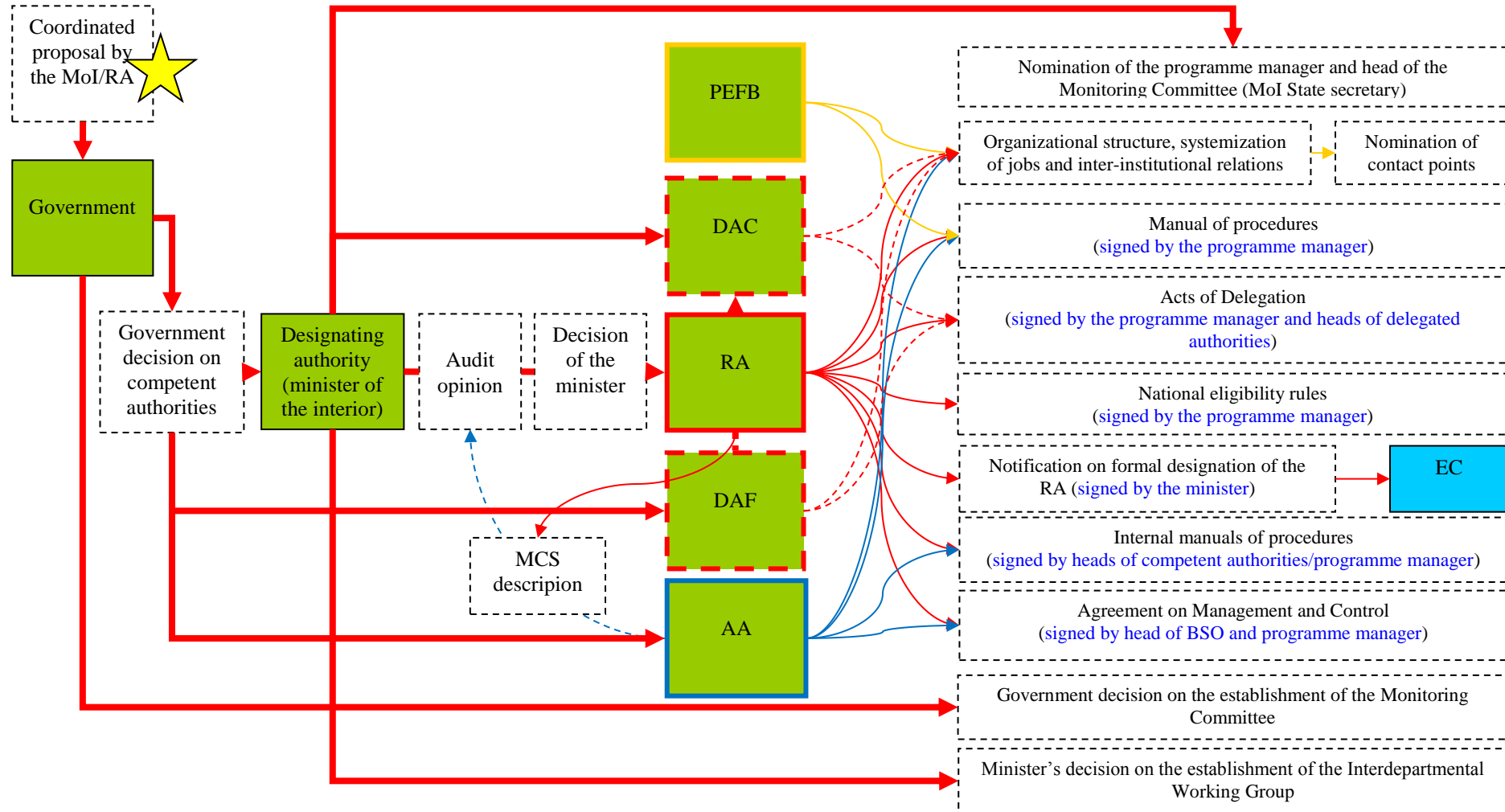


Table 4. Sub-process 2.1

<b>Process:</b>	<b>(2) Programming and budget planning</b>
<b>Sub-process and its main features:</b>	<b>(2.1) Multiannual programming:</b> <ul style="list-style-type: none"> <li>- <b>Preparation of national programmes and its approval by the EC</b> (within 6 months following formal submission)</li> <li>- <b>revision of multiannual programmes</b> for the rest of the programming period at the initiative of a MS or EC and approval by the EC</li> <li>- <b>mid-term review</b> of multiannual programmes in 2018 in line with the rules on preparation of national programmes</li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 13 of the Horizontal regulation (Policy dialogue)</li> <li>- Art. 14 of the Horizontal regulation (Preparation and approval of national programmes)</li> <li>- Art. 15 of the Horizontal regulation (Mid-term review)</li> <li>- Commission delegated regulation 800/2014 support under national programmes and in the framework of the Special Transit Scheme</li> <li>- Commission delegated regulation 802/2014 establishing models for national programmes and establishing the terms and conditions of the electronic data exchange system between the Commission and Member</li> <li>- Art. 4(c) of the Commission delegated regulation 1042/2014 with regard to the designation and management and control responsibilities of Responsible Authorities and with regard to status and obligations of Audit Authorities (Tasks of the Responsible Authority)</li> </ul>
<b>Other relevant documents:</b>	- Commission Decision C(2015) 1658 final on the approval of AMIF national programme
<b>Detailed description:</b>	<p>The RA is responsible for the preparation of the multiannual national programmes on the basis of templates established by Commission delegated regulations. Under MFF 14-20 the multiannual programming was practically concluded before the establishment of the MCS. It was coordinated by the MoI – European Affairs and International Cooperation Service (Policy dialogue) and later by the Project Unit for Internal Security and Migration Funds, which is performing the tasks of the RA for SOLID funds. The key phases in the procedure were: policy dialogue with the European commission (July 2013, based on Key Policy Issues paper prepared jointly by the EC and the Member State), coordination of official minutes of the dialogue, first draft of national programmes prepared in cooperation with competent policy area officials (January 2014), bilateral meetings with competent policy area officials based on comments received by the EC, second draft of national programmes, public consultation with all interested stakeholders, discussion at the Interdepartmental Working Group and the Monitoring Committee, unofficial submission of the third draft national programmes to the European commission, government notification on the state-of-play of the preparation of national programmes, official submission of the final draft national programmes (based on comments received by the EC via SFC2014 information exchange platform (September 2014), revision of the final draft national programmes and second official submission (December 2014/January 2015), government decision on the final text, editorial and technical alignment of the text, and approval by the EC. AMIF national programme has been approved on 18 March 2015 (Commission Decision C(2015) 1658 final).</p> <p>Revision of the programme can take place at the initiative of the member state or the EC (at any point), or at mid-term review in 2018. Under MFF 14-20 the revision of the programme is defined in art. 14(9) of the Horizontal regulation. The rules for revision of national programmes are the same as those pertaining to the preparation of national programmes. Nevertheless, the entire process is expected to be</p>

	<p>streamlined as the entire process has clearly been outlined during the preparation of the first version of national programmes. There should be fewer phases of coordination with the EC. Only phases marked with ‘R’ in the process scheme are likely to take place. As there is no longer a requirement to prepare annual programmes, the revision of the multiannual national programmes is more likely.</p> <p>The information on approved and/or revised national programmes has to be disseminated to the PEFB, DAC, and AA, as well as published online by the RA.</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA</li> <li>- PEFB</li> <li>- DAC</li> <li>- Interdepartmental Working Group</li> <li>- Monitoring Committee</li> <li>- Civil society and interested public</li> <li>- Government</li> <li>- EC</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- National programmes</li> <li>- Revised national programmes</li> <li>- Mid-term review of national programmes</li> </ul>
<b>Process improvements:</b>	- No improvements (in some aspects the process is even more complex than under MFF 07-13).
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	<p>Plus 10% due to inclusion of new policy areas – police cooperation (Criminal police directorate) and risk and crisis management (Ministry of defense), as well as extremely lengthy process of programming (over 2 years). Lack of EC guidelines and unclear definitions made the process even more cumbersome.</p> <p><i>Net effect: plus 10%.</i></p>
<b>Weighting on the frequency of occurrence (Wf):</b>	<p>Not recurring process, predicted incidence is twice per programming period.</p> <p><math>Wf=2/7=0,29</math>.</p>

Figure 2. 2.1 – Multiannual programming

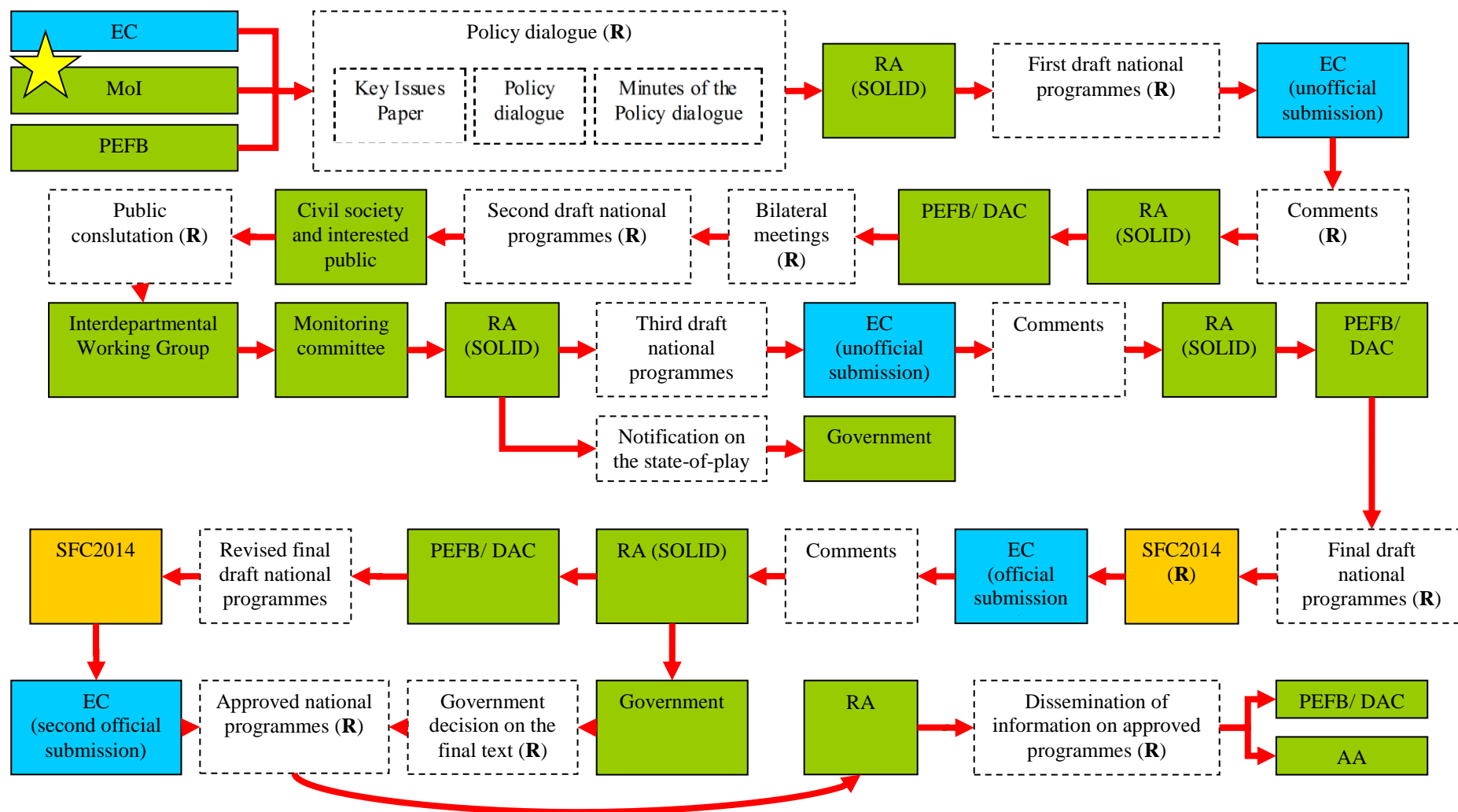


Table 5. Sub-process 2.2

<b>Process:</b>	<b>(2) Programming and budget planning</b>
<b>Sub-process and its main features:</b>	<b>(2.2) Preparation of an action plan</b> for the implementation of national programmes
<b>Legal basis:</b>	/
<b>Other relevant documents:</b>	- Guidelines for the preparation of the Action Plan (No. 410-255/2014/5 (15151-03) as of 12 February 2015)
<b>Detailed description:</b>	<p>There is no annual programming under MFF 14-20. In order to ensure the required pace of implementation of programmes, action plan should be prepared on the basis of approved national programmes. The action plan should be prepared at the beginning of the implementation of national programmes as a single document covering the entire programming period, but should be adjusted (at least annually) to the state-of-play of the implementation of the programmes as well as concrete needs (subsequent versions of the action plan).</p> <p>The action plan should be based on the hierarchical structure of the national programmes (list of objectives and actions), previously established budget commitments, timetable, as well as pre-set performance indicators. PEFB and DAC should feed the <i>list of potential projects</i> into the action plan by fitting them under appropriate objectives/actions and establishing an overall budget. The potential projects should observe Guidelines for the preparation of the Action Plan, which promote bigger, cyclical projects (2-3 years projects with a minimum value of 50.000 EUR). In order to avoid the decommitment procedure for unused funds due to non-implementation, reserve projects should be included into the action plan. Due to its comprehensive nature, it enables a comprehensive setting and monitoring of financial allocations to projects as well as indicator values.</p> <p>The action plan should be prepared in cooperation with PEFB, DAC as well as all public bodies participating in the work of the Interdepartmental Working Group and the Monitoring Committee. All stakeholders should actively be involved in the adjustment of the action plan as they best know the implementation rate and current needs on the ground. The action plan (and its revisions) should be approved by the Monitoring Committee and signed by the programme manager (i.e. chair of the Monitoring Committee). Upon its approval, the RA should enter the information from the action plan into MIGRA II (this should be automatized as much as possible) and each project should be given a unique project code. The RA should further make sure the information on the action plan is disseminated to all interested stakeholder and published online. The information in the action plan should serve as the basis for project proposals.</p> <p>During the implementation, the RA could replace non-implemented projects with those from the reserve list. If a need arises, effective procedure for amending the action plan should be adopted. The changes to the action plan are subject to the decision of the Interdepartmental Working Group and/or the Monitoring Committee.</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA</li> <li>- PEFB/DAC</li> <li>- Interdepartmental Working Group</li> <li>- Monitoring Committee</li> </ul>

<b>Process outputs:</b>	- Action plan for the implementation of national programmes
<b>Process improvements:</b>	<ul style="list-style-type: none"> <li>- The action plan enables better project planning (contents, timetable and budget) and thus improves implementation pace and monitoring of projects (both absorption rate as well as indicator values) as well as reduces the need for revisions of award decisions and grant agreements. This improves also the subsequent planning and implementation of tendering procedures and calls for proposals.</li> <li>- The action plan promotes bigger, cyclical projects, thus streamlining the implementation pace and absorption rate.</li> <li>- The action plan is a flexible document, constantly adjusted with current needs on the ground (quick procedure for amending the action plan within the Monitoring Committee – also via correspondence sessions, possibility of the RA to replace non-implemented projects with reserve projects).</li> <li>- Automatic import of the action plan into MIGRA II streamlines the working process (before, the entry of programming items was manual).</li> <li>- PEFB and DAC will have a complete overview over the entire programme and projects in MIGRA II, thus the planning of projects and preparation of the action plan will be much more transparent and efficient. Unique project codes in MIGRA II will abolish the multiple numbering systems currently in practice under MFF 07-13.</li> </ul>
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	<p>Plus 5% due to inclusion of new policy areas – police cooperation (Criminal police directorate) and risk and crisis management (Ministry of defense).</p> <p>Minus 30% due to simplified preparation and adoption procedures (abolition of annual programmes, no more revisions of annual programmes, no need for mid-term reporting to the EC, no EC decision approving the projects within the annual programme, simplified project selection procedure and approval at the level of Monitoring Committee).</p> <p><i>Net effect: minus 25%.</i></p>
<b>Weighting on the frequency of occurrence (Wf):</b>	<p>Annually recurring process.</p> <p><i>Wf=1.</i></p>

Table 6. Sub-process 2.3

<b>Process:</b>	<b>(2) Programming and budget planning</b>
<b>Sub-process and its main features:</b>	<b>(2.3) Budget planning</b> of commitments by the competent authorities and PEFB for advanced financing of the projects and technical assistance from the national budget, i.e. (two) budget items for each fund, based on annual programmes' allocations
<b>Legal basis:</b>	- Public finance and accounting acts
<b>Other relevant documents:</b>	/
<b>Detailed description:</b>	<p>The competent authorities and PEFB will have to plan budget commitments on two separate dedicated budget items for each of the funds (one budget item for Union co-funding – up to 75%, and the other for Slovenian contribution – normally 25%; in exceptional and duly justified circumstances the share of Union co-funding of projects can be increased to 90%; in case of technical assistance for competent authorities there is a possibility to use 100% Union financing). The budget items are used exclusively for the financing of projects from the national budget in line with the annual programmes, as well as financing of technical assistance (i.e. preparatory measures, management, monitoring, evaluation, information and control measures, as well as measures for the reinforcement of the administrative capacity for the implementation of the funds). As all budget items are financed from the national budget, this established a system of advancing of funds (pre-financing) and subsequent reimbursement of the amount of eligible Union contribution by DAF (based on orders for transfer of funds by the RA).</p> <p>The entire budget planning process should significantly be streamlined due to: (a) bigger role of project managers in the planning and implementation of projects and (b) approved action plan, involving all the necessary data for the preparation of annual budgets.</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA, AA</li> <li>- DAF</li> <li>- DAC</li> <li>- PEFB</li> </ul>
<b>Process outputs:</b>	- Confirmed budget items
<b>Process improvements:</b>	- Although the budget planning procedures will remain the same, bigger role of project managers and an approved action plan will facilitate the process, as allocations of funds to projects will already serve as the basis for budget planning.
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	<p>Plus 5% due to inclusion of new policy areas – police cooperation (Criminal police directorate) and risk and crisis management (Ministry of defense).</p> <p><i>Net effect: plus 5%.</i></p>
<b>Weighting on the frequency of occurrence (Wf):</b>	<p>Annually recurring process.</p> <p><i>Wf=1.</i></p>



Figure 3. 2.2&2.3 – Preparation of an action plan and budget planning

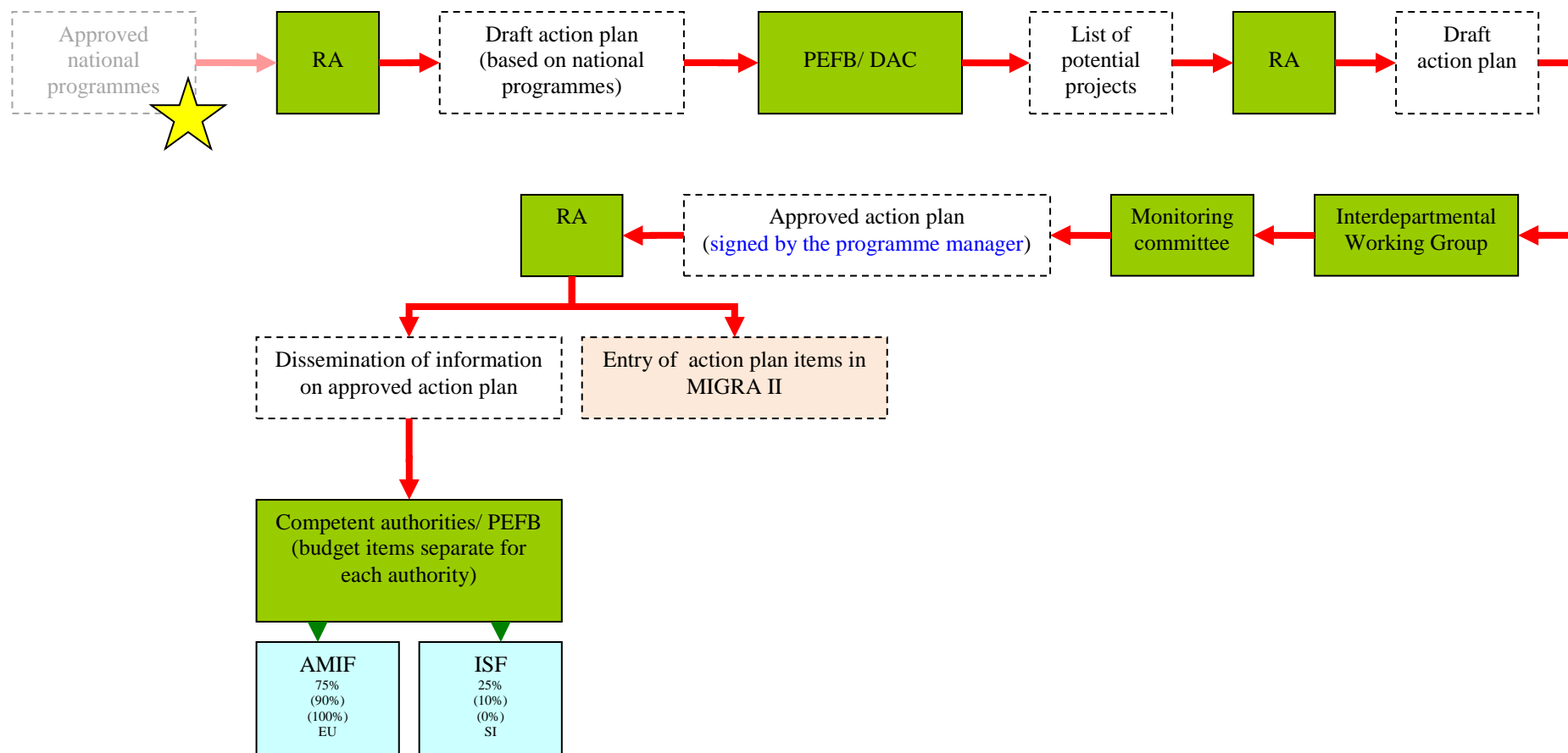


Table 7. Sub-process 3.1

<b>Process:</b>	<b>(3) Project selection and programme implementation</b>
<b>Sub-process and its main features:</b>	<b>(3.1) Selection and implementation of projects when the RA acts as an executing body (executing body mode):</b> <ul style="list-style-type: none"> <li>- <b>Administrative decision</b> to co-finance a project under the national programme</li> <li>- <b>Implementation through tendering procedure</b> (procurement contracts for purchasing of goods and services on the market) and/or <b>in-house implementation</b></li> <li>- <b>Follow-up and amendments to the administrative decision</b> to co-finance a project under 'executive body mode'</li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 24(4) of the Horizontal regulation (Responsibilities of Member States)</li> <li>- Art. 8 of the Commission delegated regulation 1042/2014 with regard to the designation and management and control responsibilities of Responsible Authorities and with regard to status and obligations of Audit Authorities (Conditions under which the Responsible Authority acts as executing body)</li> <li>- Art. 11 of the Commission delegated regulation 1042/2014 with regard to the designation and management and control responsibilities of Responsible Authorities and with regard to status and obligations of Audit Authorities (Documents formalizing grants when the Responsible Authority acts as executing body)</li> </ul>
<b>Other relevant documents:</b>	/
<b>Detailed description:</b>	<p>Under MFF 14-20, the 'executing body mode' relates to the implementation of projects directly by the RA (either alone or in association with any other national authority), because of administrative powers, technical expertise, or because the characteristics of the project leaves no other choice for the implementation, such as a de jure monopoly or security requirements. In such cases the RA (which is the beneficiary of the grant) on the basis of an approved actions plan issues an administrative decision to co-finance a project under the national programme. The administrative decision should be signed by the programme manager (i.e. State secretary at the MoI) and should encompass the information and documents in line with art. 11 of the Commission delegated regulation 1042/2014.</p> <p>Implementation of projects under executing body mode is not planned under MFF 14-20 as the RA alone will not be implementing projects directly. The business processes currently related to 'executing body mode' implementation will fall under 'awarding body mode', i.e. direct award (see process 3.2).</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA</li> <li>- Associated authorities</li> </ul>
<b>Process outputs:</b>	- Administrative decisions to co-finance projects
<b>Process improvements:</b>	- No improvements as no projects are planned under executing body mode.
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	<p>Minus 100% due to abolition of process (hence, these projects are implemented under direct award – see process 3.2).</p> <p><i>Net effect: minus 100%.</i></p>

Weighting on the frequency of occurrence ( $Wf$ ):	Annually recurring process. $Wf=1$ .
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Figure 4. 3.1 – Selection and implementation of projects when the RA acts as an executing body (executing body mode)

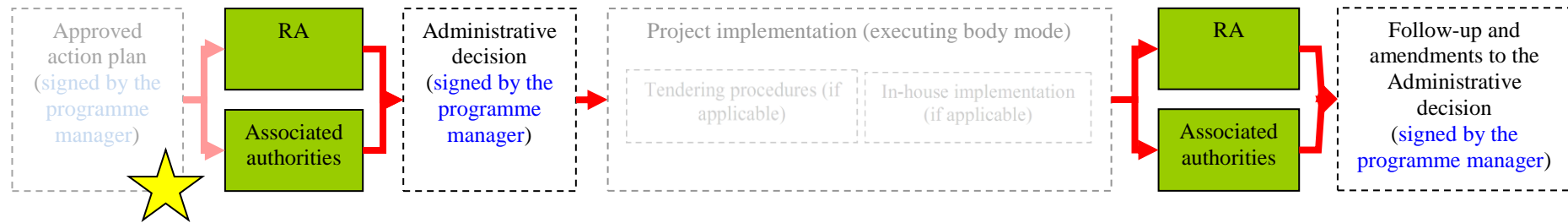


Table 8. Sub-process 3.2

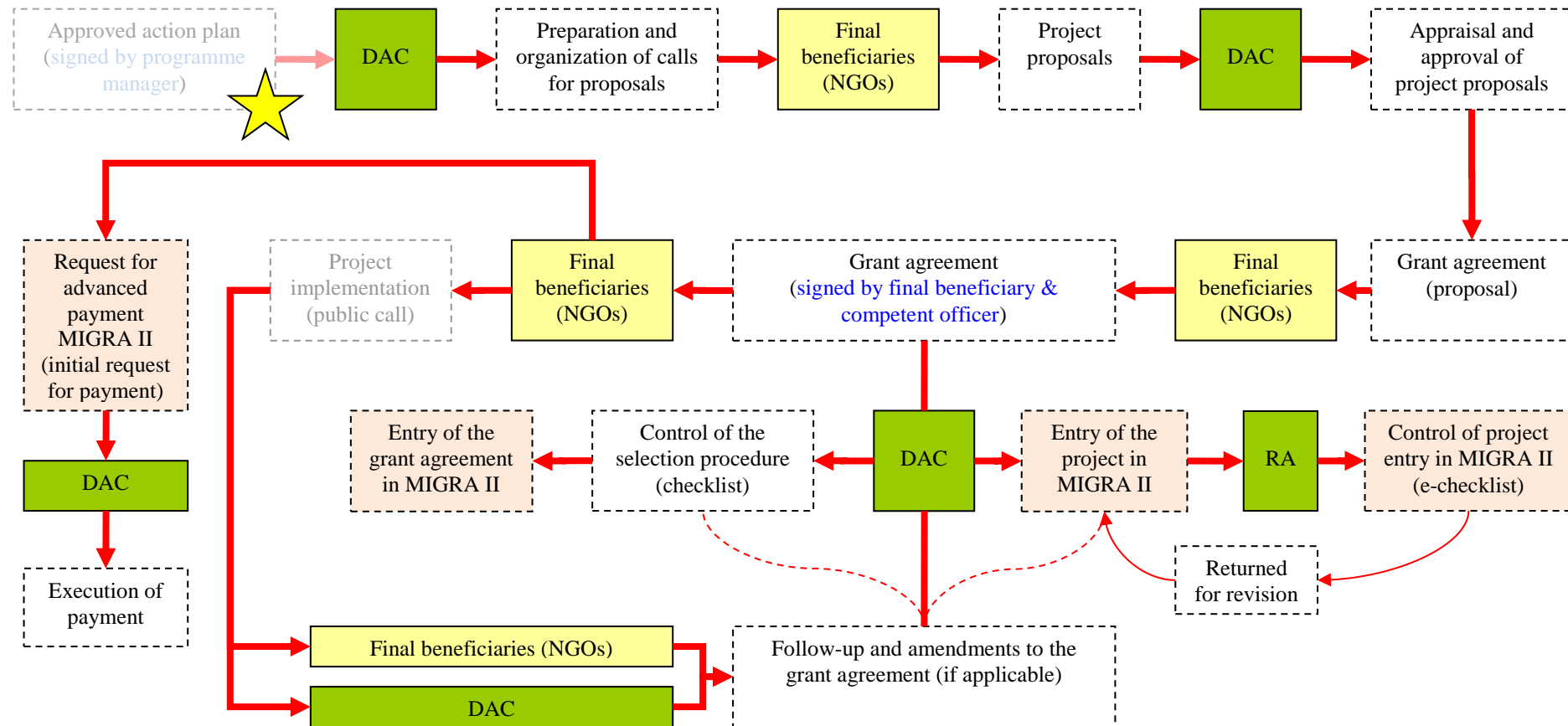
<b>Process:</b>	<b>(3) Project selection and programme implementation</b>
<b>Sub-process and its main features:</b>	<p><b>(3.2) Selection and implementation of projects when the RA acts as an awarding body (awarding body mode):</b></p> <p><b>A) Public calls for proposals:</b></p> <ul style="list-style-type: none"> <li>- <b>Preparation and organization of calls for proposals</b> by DAC on the basis of an approved action plan</li> <li>- <b>Appraisal and approval of projects</b> submitted by potential final beneficiaries based on formal, technical and budgetary analysis, and qualitative assessment according to pre-set criteria</li> <li>- <b>Grant agreement preparation and signing</b> (indicating amount of the grant, share of Community contribution, timetable, tasks and costs, forward budget, operational objectives, indicators for evaluating results and impacts, eligible costs, payment and book-keeping provisions, audit trail, data protection and publicity)</li> <li>- Submission of the <b>request for advanced payment</b> in MIGRA II by the final beneficiary and execution of payment</li> <li>- <b>Control of the selection procedure and entry of the contract details in MIGRA II</b> by DAC</li> <li>- <b>Entry of project in MIGRA II</b> by DAC and control of data entry by the RA</li> <li>- <b>Implementation of projects by selected</b> final beneficiaries</li> <li>- <b>Follow-up and amendments to the grant agreements</b></li> </ul> <p><b>B) Direct award:</b></p> <ul style="list-style-type: none"> <li>- <b>Submission of project proposals in MIGRA II</b> by PEFB</li> <li>- <b>Appraisal and approval of project proposals</b> of PEFB by the RA (direct award)</li> <li>- <b>Issuing of an award decision by the RA</b></li> <li>- <b>Implementation of projects</b> by PEFB through tendering procedure (procurement contracts for purchasing of goods and services on the market) and/or in-house implementation</li> <li>- <b>Control of the tendering procedure and entry of goods/services supply contracts in MIGRA II</b> by PEFB</li> <li>- <b>Follow-up and amendments to the award decision</b></li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 24(4) of the Horizontal regulation (Responsibilities of Member States)</li> <li>- Art. 4(e) of the Commission delegated regulation 1042/2014 with regard to the designation and management and control responsibilities of Responsible Authorities and with regard to status and obligations of Audit Authorities (Tasks of the Responsible Authority)</li> <li>- Art. 7 of the Commission delegated regulation 1042/2014 with regard to the designation and management and control responsibilities of Responsible Authorities and with regard to status and obligations of Audit Authorities (The role of the Responsible Authority as awarding body)</li> <li>- Art. 10 of the Commission delegated regulation 1042/2014 with regard to the designation and management and control responsibilities of Responsible Authorities and with regard to status and obligations of Audit Authorities (Documents formalizing grants when the Responsible Authority acts as awarding body)</li> </ul>
<b>Other relevant documents:</b>	/

<p><b>Detailed description:</b></p>	<p>Under MFF 14-20, projects will be implemented solely under 'awarding body mode' either via calls for proposals (grant agreements) or through direct award (<i>award decisions</i>). All grants/decisions should be based on the approved action plan (see process 2.2) and should encompass the information and documents from art. 10 of the Commission delegated regulation 1042/2014.</p> <p>When projects will be implemented via <i>calls for proposals</i>, these calls should be initiated, prepared and organized by DAC (see process 1.2). In this situation the implementation of projects is the task of selected final beneficiaries (non-governmental or non-profit organizations), which are awarded the funds through <i>grant agreements</i> signed by the representative of the final beneficiary and a competent officer at the side of the MoI, which is the only body implementing projects under public calls for proposals (signatory depends on the value of the contract, subject to internal rules of MoI). The selection procedure should observe a range of quality criteria (price cannot be the main criteria for selection). Upon selection, DAC should perform control of the selection procedure (using a checklist) and enter the contract in MIGRA II. DAC should also enter the selected project's details in MIGRA II (project application form), whilst the RA should perform control of project entry using an e-checklist; in case discrepancies from the grant agreement are discovered, it should return the project entry to DAC for revision. If so provided in the grant agreement, the final beneficiaries may submit a request for advanced payment in MIGRA II as an initial claim for payment (see process 3.3); DAC should ensure that the advanced payment is executed by the competent services within the MoI, whilst the details on the payment are entered in MIGRA II, processed as a negative claim for reimbursement and then taken into account in the preparation of subsequent requests for payment/reimbursement (see process 3.3). See point A of "Selection and implementation of projects when the RA acts as an awarding body – awarding body mode" scheme.</p> <p>When projects will be implemented under <i>direct award</i> (i.e. where the specific nature of the project or the technical or administrative competence of the relevant bodies leaves no other choice, such as in the case of <i>de jure</i> or <i>de facto</i> monopolies), the PEFB should submit project proposals in MIGRA II (project application form). The RA should then solely appraise and select project proposals using e-checklists. Project proposals should be as thorough as possible and should include the description of the main actions, project objectives, and indicators for evaluating results and impacts as well as draft project budget. In case discrepancies are discovered, the RA should return the project application to PEFB for revision. Final project approval should be subject to an <i>award decision</i> unilaterally issued by the RA and signed by the programme manager (see point B of "Selection and implementation of projects when the RA acts as an awarding body – awarding body mode" scheme). Upon receiving the decision, PEFB should implement projects in-house or through tendering procedures. In the latter case, all contracts signed with suppliers of goods/services should be entered into MIGRA II, including signed checklists for tendering procedures. This data is required for the preparation of claims for reimbursement (references to legal basis of individual items of expenditure – see process 3.3).</p> <p>The follow-up and amendments to the award decisions should be based on pre-set thresholds for <i>tolerable/significant deviation</i> from the approved project proposal/budget, such as:</p> <ul style="list-style-type: none"> <li>- no amendments if the deviation is below 10% between individual budget lines/items, and the entire project value remains unchanged, given that there are no changes to project contents, its activities and results;</li> <li>- <i>notification</i> on the deviation if it is between 10% and 20% between individual budget lines/items, and the entire project value remains</li> </ul>
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	<p>unchanged, given that there are no changes to project contents, its activities and results;</p> <ul style="list-style-type: none"> <li>- requirement for an amendment or annex to the award decision if deviation is above 20% or if there are changes to project contents, its activities and results.</li> </ul> <p>Both grant agreements as well as award decisions should be as closely aligned with the action plan (in terms of project duration).</p> <p>Finally, on the basis of a <i>decision on technical assistance</i> (signed by the programme manager), the competent authorities implement their tasks related to the management and control functions (no scheme attached).</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA</li> <li>- PEFB</li> <li>- DAC</li> <li>- Final beneficiaries (NGOs and legal entities operating under a non-profit principle)</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Grant agreement (including follow-up and amendments)</li> <li>- Award decision (including follow-up and amendments)</li> </ul>
<b>Process improvements:</b>	<ul style="list-style-type: none"> <li>- Majority of funds awarded through direct award (award decision) results in simplified procedures of grant awarding.</li> <li>- Amendments to award decisions are needed only in cases of significant deviation from the project proposal (reduced burden in terms of amending award decisions).</li> <li>- Smoother implementation of projects is possible due to better project planning (requirements of the project proposals).</li> <li>- The process of selection of projects through public calls for proposals will not change; nevertheless, the process will be facilitated due to better and more flexible planning of the action plan as well as pre-set national eligibility rules. The grant agreements will be entered into MIGRA II at source level (DAC), thus no subsequent data entry will be required.</li> <li>- Alignment of grant agreements and award decisions with project duration (in line with the 2-3 year projects in the action plan) will simplify the monitoring of the implementation of these.</li> <li>- Simplification of the selection procedure MIGRA II via e-project proposals, e-appraisal and e-checklists and appraisal of project proposals to be awarded under direct award.</li> <li>- Automatic generation of award decisions in MIGRA II.</li> </ul>
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	<p>All hours previously planned under process 3.1 have to be added, as 'executing body mode' now falls under direct award! Then, the following weightings can be applied:</p> <p>Plus 5% due to inclusion of new policy areas under direct award – police cooperation (Criminal police directorate) and risk and crisis management (Ministry of defense)</p> <p>Minus 15% due to automatization of the process in MIGRA II.</p> <p><i>Net effect: (process 3.1+3.2) minus 10%.</i></p>
<b>Weighting on the frequency of occurrence (Wf):</b>	<p>Annually recurring process.</p> <p><i>Wf=1.</i></p>

Figure 5. 3.2 – Selection and implementation of projects when the RA acts as an awarding body – awarding body mode

A) Public calls for proposals:





B) Direct award:

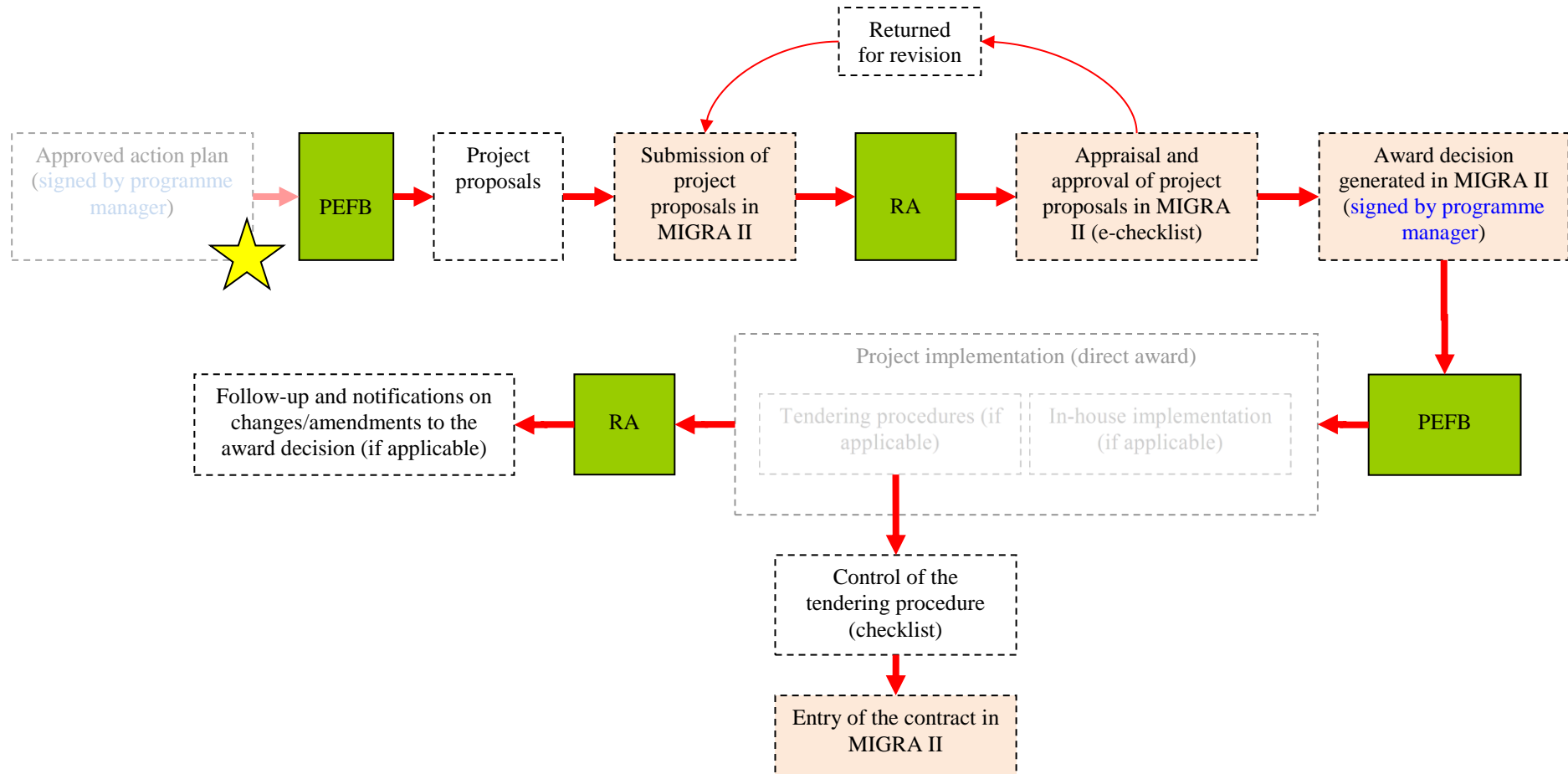


Table 9. Sub-process 3.3

<b>Process:</b>	<b>(3) Project selection and programme implementation</b>
<b>Sub-process and its main features:</b>	<p><b>(3.3) Financial management of programmes and payments to final beneficiaries</b> (internal payment orders, payments to the final beneficiaries, controls and preparation of claims for reimbursement by DAC and PEFB):</p> <ul style="list-style-type: none"> <li>- Submission of <b>claims for payment</b> by final beneficiaries (NGOs) and preparation of <b>draft claims for reimbursement</b> in MIGRA II by competent authorities and PEFB;</li> <li>- <b>100% administrative, financial, technical and eligibility controls</b> of accounting and other project documentation submitted via claims for payment/reimbursement, including controls of physical aspects of projects (control of all eligible expenditure in terms of suitability, correctness and eligibility of expenditure, revenues and costs) by the competent authorities (technical assistance), PEFB and DAC (e-checklists)</li> <li>- <b>Implementation controls</b> by the PEFB and DAC (optional – when applicable)</li> <li>- <b>Preparation by the competent authorities and PEFB of payment orders</b> (for EU and Slovenian contribution) <b>and accompanying documentation</b></li> <li>- <b>In-house documentation circuit within the competent authorities and PEFB</b> (subject to internal rules of each authority)</li> <li>- <b>Payments to final beneficiaries</b> (on the basis of a signed payment order and complete documentation, the accounting service prepares a request for payment from the designated budget items to the final beneficiary and sends it to the Payments Administration of the Republic of Slovenia, which executes the payment within 5 working days after filing a request)</li> <li>- Entry of payment details, preparation of <b>final claims for reimbursement</b> by the competent authorities and PEFB, and submission to the RA</li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 28 of the Horizontal regulation (Payment to beneficiaries)</li> <li>- Commission implementing regulation 2015/377 establishing the models for the documents required for the payment of the annual balance</li> <li>- Public Finance Act (requirements on establishment of a system of internal controls by direct budget users)</li> </ul>
<b>Other relevant documents:</b>	/
<b>Detailed description:</b>	<p>According to the Public Finance Act, all direct budget users have to perform internal controls on all public expenditure. As the implementation of EU funds is based on a system of advancing of funds from the national budget and subsequent reimbursement of the amount of eligible Union contribution, these controls have to be performed by public bodies involved in the implementation (competent authorities for technical assistance, DAC and PEFB for projects). Payments to final beneficiaries are thus subject to 100% administrative, financial, technical, and eligibility verifications of project implementation and accounting data (reports, invoices, delivery notes, etc.); these controls are not controls by the RA described under process 5.1. Incoming project data (accounting and implementation documentation) is scanned and entered into the records by the main offices (see also process 6.1) as well as in MIGRA II by the final beneficiaries. This data is the basis for the controls. To ensure a functioning system of controls and preparation of claims for reimbursement, the process should be adjusted to the specifics of the project selection procedure:</p> <ol style="list-style-type: none"> <li>1. In case of a <i>direct award</i> or technical assistance, final beneficiaries (PEFB and competent authorities) should enter all relevant project</li> </ol>

data directly into MIGRA II as part of the preparation of draft *claims for reimbursement*. They should enter all relevant contracts and legal basis and perform verifications of procurement procedures using checklists (see also process 3.2). Then, they should enter all project-related invoices and other document proving expenditure and link these to the legal basis. Each application for reimbursement should also encompass implementation data (see process 4.1). Draft claims for reimbursement are then subject to 100% administrative, financial, technical, and eligibility verifications using e-checklists (signed by competent officers, who should be independent from staff directly involved in the implementation of projects, such as project managers and other project staff). Any irregularities discovered resulting in financial corrections is automatically entered into the registry of irregularities in MIGRA II (see process 5.3). For individual expenditure items, final beneficiaries should prepare separate payment orders, which are the basis for payment from the designated budget items. After payment and on the basis of thresholds set (in terms of time elapsed or amounts verified), PEFB should complete the claims for reimbursement with payment details and perform checks of payments (e-checklist in MIGRA II). Final claims should be signed by competent officers at the side of PEFB and submitted to the RA (this submission also relates implementation reporting described under process 4.1).

2. In case of *public calls for proposals* the process should be two-fold. First, the selected NGO should enter all project-related legal bases, invoices and other document proving expenditure, implementation data and other accompanying documentation directly into MIGRA II. This package of documents and data is actually a *claim for payment* by the NGO and includes also implementation details required for the reporting procedure (see process 4.1). In case the initial claim relates to the advanced payment request, the implementation and expenditure data is irrelevant (see process 3.2). The format of the claims for payment should be aligned with those of claims for reimbursement. DAC should then perform 100% administrative, financial, technical, and eligibility verifications using e-checklists (signed by competent officers). Any irregularities discovered resulting in financial corrections should first be communicated to the final beneficiary, giving a possibility of a single *hotfix* (this does not relate to cases where there is suspicion of fraud or corruption). If revised claims for payment do not eliminate irregularities, these become subject to financial corrections and are automatically entered into the registry of irregularities in MIGRA II (see process 5.3). Payments to final beneficiaries (the NGOs) should be performed on a cumulative basis (i.e. one payment order for the entire claim for payment). After payments and on the basis of thresholds set (in terms of time elapsed or amounts verified), DAC should generate in MIGRA II a *claim for reimbursement* (on the basis of data entered in claim for payment), complete it with payment details, perform checks of payments (e-checklist in MIGRA II) and submit the signed claim for reimbursement to the RA. There is no need to perform comprehensive controls of the claims for reimbursement, as these are generated on the basis of claims for payments, which are already subject to 100% controls (only checks of payments are required).

Controls should be certified by the competent officers using standardized e-checklists in MIGRA II. One control before payment to final beneficiaries (i.e. signed e-checklist) is sufficient. As a general rule, controls should be performed *before payment to final beneficiaries* from the national budget (with justified exceptions, e.g. projects implemented at diplomatic and consular missions abroad, which would be subject to ex-post control). Controls should be implemented by qualified staff; therefore the RA should organize regular trainings for competent personnel of PEFB/DAC performing controls.

The controls are completed with the preparation of *payment orders* for EU and Slovenian contribution (normally two separate payment orders for 75% EU and 25% national contribution, for technical assistance and operating support under ISF one single payment order for 100% EU contribution), and accompanying documentation (invoice, statement of account, records on acceptance of goods or confirmation of performed services, delivery notes, acceptance notes, original contract upon first payment, procurement proposals, other accounting documentation, control documents). The documentation is sent to the in-house documentation circuit, which is normally as follows: (a) general ledgers (control of correctness of accounts and sub-accounts), (b) liquidations (control of correctness of accounting documents, confirming that the transaction denoted in the documents was performed in accordance with the contract and that the accounting documents provide a valid base for posting), (c) material accounting (control of articles and quantities of materials and equipment on the invoice and delivery note), (d) accountants (control of previous controls of accounting documents and confirmation by appropriate signatories, check of compliance with the law), (e) authorization of the payment order (signing by the authorizing officer). The in-house circuit is subject to internal rules of each competent, delegated authority or PEFB, and is not directly related to the MCS.

Based on authorized payment orders (signed by the authorizing officer), *requests for payment* are prepared by the accounting services (internal, such as in the case of MoI, or external at the Ministry of Finance for other public authorities) and payments to final beneficiaries are made by the Payment Administration of the Republic of Slovenia directly from the state budget (designated budget items by the designated authorities, delegated authorities and associated bodies).

There are 3 possible arrangements for payments to final beneficiaries:

- direct payments for technical assistance by the competent authorities themselves;
- direct payments to final beneficiaries (NGOs) for project implemented on the basis of open calls for proposals by DAC;
- direct payments for projects implemented under direct award (due to de facto, de jure monopoly or security reasons) by PEFB.

After payments to final beneficiaries have been executed, *claims for reimbursement* are supplemented with payment details by the competent authorities and PEFB. These have to check whether all required details have been provided by completing the section of the e-checklist referring to the control after payments to the final beneficiaries. Once checklists have been completed and the claims have been signed by a responsible person, claims are submitted to the RA. The final claims are composed of the basic accounting documents declaring eligible expenditure, and accompanying documentation (invoices/situations/payrolls, contracts, orders, receipts on received goods, provided service or completed construction works or the issued decision and certification on the implemented controls, payment orders complete documentation on the implemented public contract and proof of payment, and other relevant documents). Attached are also signed e-checklists that certify the implemented controls. Normally, there are multiple claims for a single project. The categories of data in claims for reimbursement should be aligned with the request for payment of the annual balance by the RA to the EC (see also processes 4.2 and 5.1).

In order to align and streamline the reporting procedure with the requirements of the EC, claims for reimbursement should be linked to the duration of a financial year. The first application in a given year N should cover data from 16 October of the year N, whilst the last

	<p>application should close at 15 October of the year N+1 (see process 5.1). Expenditure incurring during the financial year N, which could not be claimed with the last claim for reimbursement could nevertheless be transferred to the reports for the following year. The claim for reimbursement has to be submitted to the RA within 30 days after the payment from the national budget.</p> <p>Significant changes are planned in terms of <i>informatization</i> of the entire process of financial management of programmes and payments to final beneficiaries (from collection of accounting and other project documentation such as reports, invoices, delivery notes, etc., to controls of these documents and preparation of claims for reimbursement). This is partially related to the changes planned due to shift to obligatory electronic invoicing for the entire government administration, and parallel development of MIGRA II (see also process 6.2). The goal of the future MCS should be 100% e-business and abolition of paper document processing. Given the fact that all incoming project documentation is scanned and entered into records by the main offices at competent authorities and PEFB, and also archived by the final beneficiaries, there is no need to pursue with paper-form documentation circuit.</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA, AA</li> <li>- PEFB</li> <li>- DAF</li> <li>- DAC</li> <li>- Final beneficiaries (NGOs and legal entities operating under a non-profit principle)</li> <li>- Payments Administration of the Republic of Slovenia</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Payments to final beneficiaries</li> <li>- Claims for payment (by NGOs)</li> <li>- Claims for reimbursement</li> </ul>
<b>Process improvements:</b>	<ul style="list-style-type: none"> <li>- All incoming project documentation is entered in MIGRA II at the source, i.e. by the final beneficiaries (NGOs or PEFB); all remaining processing of data and documents takes place within MIGRA II electronically (100% e-business).</li> <li>- Shorter cycle times of payment to final beneficiary due to electronic invoicing and possibility of import of MFERAC data directly into MIGRA II.</li> <li>- The process of preparation and submission of claims for reimbursement is streamlined and simplified (all documents already entered in MIGRA II by the final beneficiaries, electronic invoicing and exports of data from the MFERAC government accounting system, automatic arithmetic checks and e-checklists in MIGRA II, automatic generation of applications on the basis of data entered, etc.).</li> <li>- Possibility of abolition of double 100% controls at the level of PEFB and DAC, where such an arrangement was established (e.g. by both the project manager and the contact person). One 100% control (i.e. signed e-checklist) is sufficient.</li> <li>- As DAC (within the MoI) will encompass all competent services implementing controls, internal MoI procedures could be changed so that administrative burden is reduced (e.g. abolition of other accounting controls, shorter documentation circuits, centralization of budget planning procedures, implementation controls, etc.). Furthermore, merging of all competent personnel under within one project group enables a more efficient division of tasks. However, this is a matter of internal organization, not MCS as a whole.</li> <li>- Hotfixes by the final beneficiaries reduce the error rate by eliminating irregularities before payments to final beneficiaries. Consequently, administrative burden stemming from elimination of consequences of irregularities is reduced.</li> </ul>

	<ul style="list-style-type: none"> <li>- Claims for reimbursement should be linked to the duration of a financial year (16 October of the year N to 15 October of the year N+1) streamlines and aligns the reimbursement procedure with the reporting requirements of the Commission.</li> <li>- Claims for payment by NGOs are entered directly in MIGRA II, where data is broken down by individual expenditure; this significantly facilitates the controls performed by DAC (before, claims were received in paper form as a single document, which had to be thoroughly analyzed and arranged before implementing controls). Furthermore, claims for payment are aligned with claims for reimbursement, thus enabling automatic generation of the latter.</li> <li>- Irregularities discovered are automatically entered into the registry in MIGRA II through data entered in e-checklists.</li> <li>- Regular trainings on controls for PEFB/DAC improve the qualifications of staff and facilitate the control procedures.</li> </ul>
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	<p>Plus 5% due to inclusion of new policy areas under direct award – police cooperation (Criminal police directorate) and risk and crisis management (Ministry of defense).</p> <p>Minus 25% due to simplified procedures of controls (no more 100% double control, improvements in MIGRA II).</p> <p><i>Net effect: minus 20%.</i></p>
<b>Weighting on the frequency of occurrence (Wf):</b>	<p>Annually recurring process.</p> <p><i>Wf=1.</i></p>

Figure 6. 3.3 – Financial management of programmes and payments to final beneficiaries

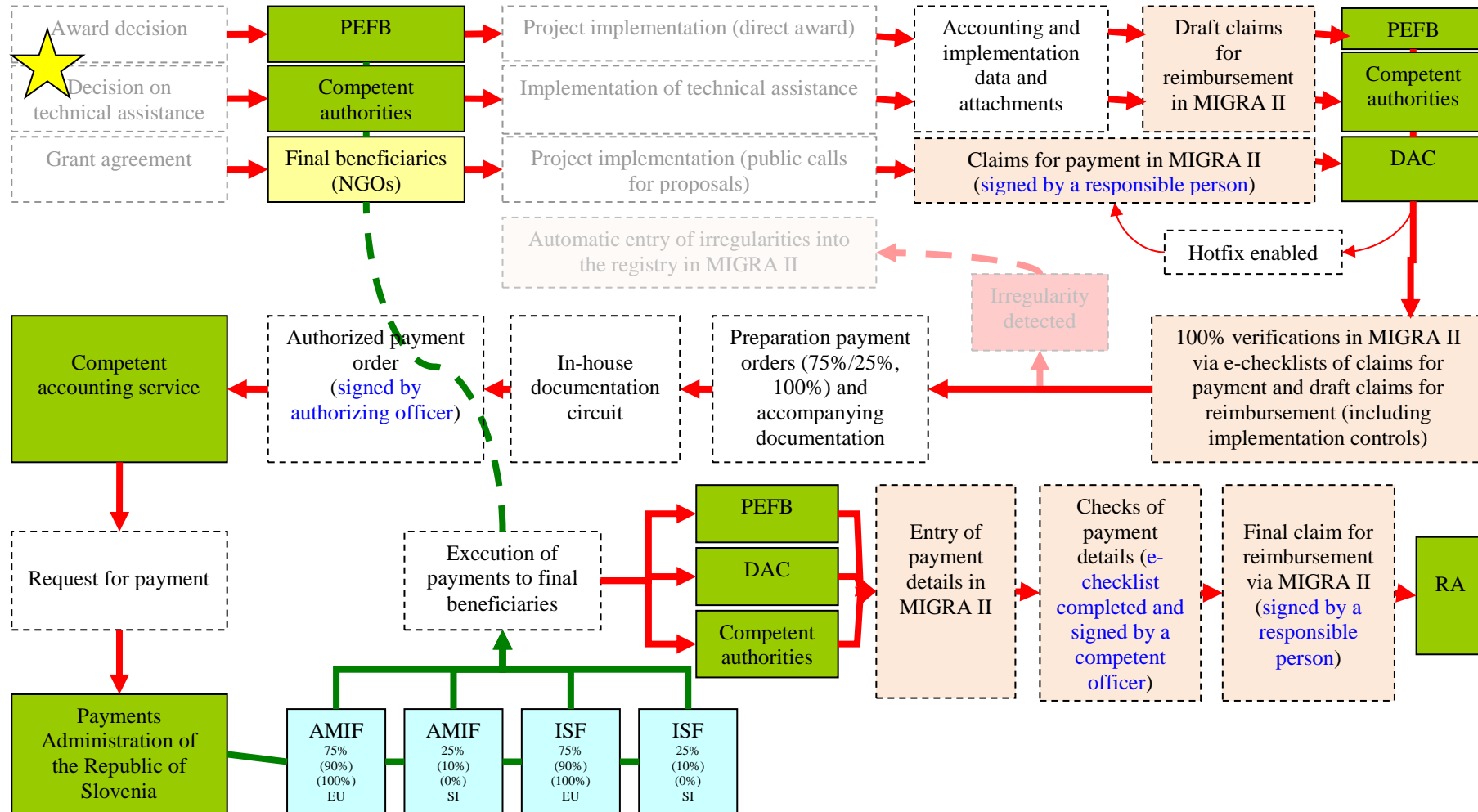


Table 10. Sub-process 4.1

<b>Process:</b>	<b>(4) Monitoring, reporting, and evaluation of programme implementation</b>
<b>Sub-process and its main features:</b>	<b>(4.1) Regular monitoring of project (and operating support) implementation by final beneficiaries:</b> <ul style="list-style-type: none"> <li>- Regular <b>monitoring of project implementation</b> and <b>gathering of monitoring data</b> by final beneficiaries (quality and quantity aspects of project implementation such as activities carried out, indicator values, timeline tracking, and other implementation-related data)</li> <li>- <b>Entry of monitoring data in MIGRA II</b> by the final beneficiaries via claims for payment/reimbursement</li> <li>- <b>Verification of monitoring data</b> by PEFB and DAC as a part of 100% controls</li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 14 of the Horizontal regulation (Preparation and approval of national programmes)</li> <li>- Art. 54 of the Horizontal regulation (Implementation reports)</li> <li>- Commission delegated regulation 799/2014 establishing models for annual and final implementation reports</li> <li>- Art. 4(f) of the Commission delegated regulation 1042/2014 with regard to the designation and management and control responsibilities of Responsible Authorities and with regard to status and obligations of Audit Authorities (Tasks of the Responsible Authority)</li> <li>- Commission delegated regulation on the common monitoring and evaluation framework (not yet adopted)</li> </ul>
<b>Other relevant documents:</b>	/
<b>Detailed description:</b>	<p>Regular monitoring of project (as well as operating support) implementation consists of regular and systematic collection of data on outputs and results of interventions, and the examination of such data. It should thus take into account the activities carried out, indicator values, timeline tracking, and other <i>implementation-related data</i>. Monitoring should take place at the level of final beneficiaries, i.e. PEFB (for projects implemented under direct award) and NGOs or other non-profit organizations (for project implemented on the basis of open calls for proposals).</p> <p>During the negotiations of the legal basis for MFF 14-20, common indicators for evaluating results and impacts have been established at the level of Home Affairs Funds for the entire financing period. The reporting according to these indicators is obligatory, therefore the data collected at the level of final beneficiaries has to be accurate and methodologically sound (common understanding of indicators). These indicators are numeric and rather general and provide only a broad overview of general results and impacts of the implementation of national programmes. For the purposes of evaluation, however, also programme-specific indicators should be established at the project level. These indicators should be set during the preparation of an action plan, or at the latest during organization of public calls for proposals by DAC or submission of project proposals by PEFB (see processes 2.2, 3.1 and 3.2). Common and specific indicators for evaluating results and impacts should be observed throughout the monitoring process in line with award decisions and grant agreements (see also process 3.2).</p> <p>According to the Commission delegated regulation 1042/2014, the RA has to ensure that there are systems in place to collect the data required to report the common and programme-specific indicators to the Commission, together with other data on the implementation of</p>



	<p>the programme and projects. Under MFF 14-20 the monitoring data should be collected and entered into MIGRA II by the final beneficiaries (PEFB and NGOs). NGOs should submit monitoring data as part of (signed) claims for payment; PEFB should enter the monitoring data as a part of draft claims for reimbursement. Monitoring data should include also details on implemented information and publicity measures in order to enable the preparation of a summary annual report on information and publicity measures (see process 6.4). Upon completion of a project (i.e. with the final claim for payment/claim for reimbursement), final beneficiaries should also report on additional descriptive categories of data (such as overall evaluation of a project, added value, good practice examples, etc.); these categories of data should be given clear and concise instructions for reporting. All data reported should be focused on results and impact of project (achievement of project goals and long-term impact).</p> <p>The implementation monitoring data submitted as part of claims payment/reimbursement actually serves as <i>interim/final project implementation reports</i>. The monitoring data (particularly indicator values) should be checked during the implementation of 100% administrative, financial, technical, and eligibility verifications by PEFB and DAC (see process 3.3). If required, the data should be supplemented by the final beneficiaries. Upon verifications of claims for payments, these are automatically transformed into claims for reimbursement. All final claims for reimbursement signed by a responsible person at PEFB or DAC are submitted to the RA.</p> <p>Reporting format for implementation monitoring data should be aligned with the templates project proposals, award decisions and grant agreements, annual/final implementation reports to be submitted by the RA to the EC (see process 4.2), as well as data required for the evaluation procedures (see process 4.3), thus ensuring a uniform approach towards gathering of and entry of monitoring data.</p> <p>Monitoring data on project implementation, submitted via claims for payment/reimbursement, should be linked to the duration of a financial year. The first report for a given year N should cover data from 16 October of the year N, whilst the last report should close at 15 October of the year N+1 (see processes 4.2 and 5.1). The deadline for submission of the last claim for reimbursement to the RA for the past financial year should be no later than 15 November of the year N+1, i.e. three months before the submission deadline for the request for payment of the annual balance, which is 15 February (e.g. for the financial year lasting from 16 October 2015 to 15 October 2016, the deadline for the submission of the last project implementation report would be 15 November 2016).</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- PEFB</li> <li>- DAC</li> <li>- Final beneficiaries (NGOs and legal entities operating under a non-profit principle)</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Monitoring data entered into MIGRA II</li> <li>- Claims for payment/reimbursement (implementation monitoring data)</li> </ul>
<b>Process improvements:</b>	<ul style="list-style-type: none"> <li>- The monitoring system is simplified and enforced through pre-defined monitoring indicators, ongoing data collection and single entry into MIGRA II at the level of final beneficiaries (subsequent levels are only involved in verification of the data).</li> <li>- Submission of implementation monitoring data via claims for payment/reimbursement streamlines the reporting process and ensure continuous gathering of monitoring data. Thus, duplication of the reporting data is avoided (e.g. during MFF 07-13, information on public procurement procedures was included in both claims for reimbursement, as well as annual implementation reports).</li> </ul>

	<ul style="list-style-type: none"> <li>- MIGRA II enables automatic aggregation of monitoring data in MIGRA II.</li> <li>- MIGRA II enables real-time access to all monitoring data and thus facilitates the work of all stakeholders involved in the implementation of projects (e.g. project managers can track project progress).</li> <li>- Project reporting is aligned with the requirements of EC (gathering of and entry of monitoring data needed for the preparation of annual/final implementation reports and evaluation purposes) as well as other documents and templates (project proposals, award decisions and grant agreements).</li> <li>- Linking of project implementation reporting within claims for payment/reimbursement to the duration of a financial year (16 October of the year N to 15 October of the year N+1) streamlines and aligns the reporting procedure with the reporting requirements of EC.</li> </ul>
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	<p>Plus 5% due to inclusion of new policy areas under direct award – police cooperation (Criminal police directorate) and risk and crisis management (Ministry of defense).</p> <p>Minus 20% due to improvements in MIGRA II and better planning (action plan).</p> <p><i>Net effect: minus 15 %.</i></p>
<b>Weighting on the frequency of occurrence (Wf):</b>	<p>Annually recurring process.</p> <p><i>Wf=1.</i></p>

Table 11. Sub-process 4.2

<b>Process:</b>	<b>(4) Monitoring, reporting, and evaluation of programme implementation</b>
<b>Sub-process and its main features:</b>	<b>(4.2) Regular monitoring of programme implementation by the RA and reporting to the EC:</b> - Preparation of <b>annual/final implementation reports</b> by the RA, and submission to the EC via SFC2014
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 14 of the Horizontal regulation (Preparation and approval of national programmes)</li> <li>- Art. 54 of the Horizontal regulation (Implementation reports)</li> <li>- Commission delegated regulation 799/2014 establishing models for annual and final implementation reports</li> <li>- Art. 4(p) of the Commission delegated regulation 1042/2014 with regard to the designation and management and control responsibilities of Responsible Authorities and with regard to status and obligations of Audit Authorities (Tasks of the Responsible Authority)</li> <li>- Commission delegated regulation on the common monitoring and evaluation framework (not yet adopted)</li> </ul>
<b>Other relevant documents:</b>	/
<b>Detailed description:</b>	<p>The overall reporting process by the RA to the EC encompasses two basic documents:</p> <ol style="list-style-type: none"> <li>1. <i>Request for payment of the annual balance</i>, comprised of (a) annual accounts (information for each project/special case/operating support, cumulative accounting data for projects and technical assistance, inventory data, on-the-spot controls report, and data summary), (b) management declaration by the RA, (c) annual summary of final audit reports and controls carried out and (d) opinions of AA. All of these documents are basically financial and audit reports, covered under processes 5.1 and 5.4. The request for payment is due on 15 February.</li> <li>2. <i>Annual/final implementation reports</i> (for both projects as well as operating support), due on 31 March. These reports include information on (a) the implementation of national programmes by reference to the financial data and the indicators and (b) any significant issues which affect the performance of the national programme. Annual/final implementation reports should be prepared on the basis of implementation data submitted by PEFB and DAC via claims for reimbursement.</li> </ol> <p>The RA should perform the verifications of the implementation data in the final claims for reimbursement submitted by PEFB and DAC (100 % administrative controls using standardize e-checklists and operational on-the-spot-controls – see process 5.1). In case the RA discovers inconsistencies or irregularities it may ask for modifications or additional explanations (hotfix of the claim for reimbursement). Once claims for a given financial year are approved and finalized, the RA should use of the implementation monitoring data and prepare annual/final implementation reports for the EC (final reports relate to the reporting upon closure of the programmes). As much data as possible should be generated automatically in MIGRA II (e.g. indicator values). Annual/final implementation reports should be discussed and approved by both the Interdepartmental Working Group as well as the Monitoring Committee. The level of signatory of these reports should be lowered from the ministerial level to the level of the programme manager (i.e. state secretary at the MoI). The reports should then automatically be transferred into SFC2014 (online data exchange platform of the EC) on the basis of an established communication protocol between SFC2014 and MIGRA II. Once in SFC2014, the reports are officially submitted to the EC by a competent officer of the RA.</p>

	The implementation reports submitted in 2017, 2020 and 2023 shall further have to include information on the progress towards achieving the objectives in the national programmes as well as the involvement of relevant partners. If the examination of the collected data reveals a risk of deviation from the targets, the causes of these possible deviations should be examined and appropriate action should be taken.
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- PEFB</li> <li>- DAC</li> <li>- RA</li> <li>- EC</li> <li>- Interdepartmental Working Group</li> <li>- Monitoring Committee</li> </ul>
<b>Process outputs:</b>	- Annual/final implementation reports
<b>Process improvements:</b>	<ul style="list-style-type: none"> <li>- The controls of implementation data by the RA are performed as a part of controls of claims for reimbursement in MIGRA II using e-checklists.</li> <li>- MIGRA II enables automatic aggregation of certain categories of monitoring data submitted through claims for reimbursement by PEFB and DAC (e.g. indicator values).</li> <li>- Establishment of an information exchange protocol between SFC2014 and MIGRA II enables direct transfer of monitoring data within the submission of annual and final implementation reports (no more data entry in SFC2014).</li> </ul>
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	<p>Minus 15% due to improvements in MIGRA II (data entry at the source and automatic aggregation of data, reporting and information exchange protocol with the EC).</p> <p><i>Net effect: minus 15%.</i></p>
<b>Weighting on the frequency of occurrence (Wf):</b>	<p>Annually recurring process.</p> <p><i>Wf=1.</i></p>

Table 12. Sub-process 4.3

<b>Process:</b>	<b>(4) Monitoring, reporting, and evaluation of programme implementation</b>
<b>Sub-process and its main features:</b>	<b>(4.3) Preparation of evaluation reports of programme implementation:</b> <ul style="list-style-type: none"> <li>- Preparation of an <b>interim evaluation report</b> and submission to the EC (due in 2017)</li> <li>- Preparation of an <b>ex-post evaluation report</b> and submission to the EC (due in 2023)</li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 55 of the Horizontal regulation (The common monitoring and evaluation framework)</li> <li>- Art. 56 of the Horizontal regulation (Evaluation of national programmes by Member States)</li> <li>- Art. 57 of the Horizontal regulation (Evaluation reports by the Member States and the Commission)</li> <li>- Art. 4(l,m,p) of the Commission delegated regulation 1042/2014 with regard to the designation and management and control responsibilities of Responsible Authorities and with regard to status and obligations of Audit Authorities (Tasks of the Responsible Authority)</li> <li>- Commission delegated regulation on the common monitoring and evaluation framework (not yet adopted)</li> </ul>
<b>Other relevant documents:</b>	/
<b>Detailed description:</b>	<p>Evaluation process consists of making judgments on the implementation of actions, programmes and regulations according to their results, impacts and needs they aim to satisfy. The aim of the evaluations is to assess the relevance, effectiveness, efficiency, sustainability, coherence, complementarity and EU added value of the interventions implemented in the framework of the national programmes in the light of the objectives of the Horizontal and the Specific Regulations.</p> <p>Unlike during MFF 07-13, the 2014-2020 financial framework requires two (not three) obligatory evaluation reports – interim (2017) and ex-post evaluation report (2023). The report due in 2017 shall also contribute to improving the quality of the design and the implementation of national programmes. The evaluation reports have to be prepared in relation to the funds' objectives as well as common and programme-specific indicators to assess the relevance, effectiveness and impact of actions. Evaluation reports have to be prepared by experts who are functionally independent of the RA, the AA and the delegated authorities, thus an external evaluator should be employed. The RA will select an external evaluator on the basis of a tendering procedure. Evaluation reports should follow the templates to be prepared by the Commission and should be presented to the Interdepartmental Working Group and the Monitoring Committee. Approved reports should be sent to the EC through SFC2014.</p> <p>There are certain improvements possible in terms of gathering data by the final beneficiaries (see process 4.1) and storage of this data in MIGRA II. The external evaluator will have all the required documents and data stored in the system. By granting access to the system, there will be a minimum need for on-location work for the evaluators.</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- PEFB</li> <li>- DAC</li> <li>- RA</li> <li>- External evaluator</li> </ul>

	<ul style="list-style-type: none"> <li>- Interdepartmental Working Group</li> <li>- Monitoring Committee</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Interim evaluation report (due in 2017)</li> <li>- Ex-post evaluation report (due in 2023)</li> </ul>
<b>Process improvements:</b>	<ul style="list-style-type: none"> <li>- Establishing of programme-specific indicators in the phase of preparation of project proposals or public calls for proposals facilitates the evaluation process.</li> <li>- Automatic aggregation and storage of monitoring data in MIGRA II for the purposes of reporting to the EC brings enables the evaluators real-time access to all required information without them having to perform on-the-spot visits.</li> <li>- Only two (not three) evaluation reports in the programming period are obligatory.</li> </ul>
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	<p>No significant changes.  <i>Net effect: 0%.</i></p>
<b>Weighting on the frequency of occurrence (Wf):</b>	<p>Not recurring process, predicted incidence is twice per programming period.  <i>Wf=2/7=0,29.</i></p>

Figure 7. 4 – Monitoring, reporting, and evaluation of programme implementation

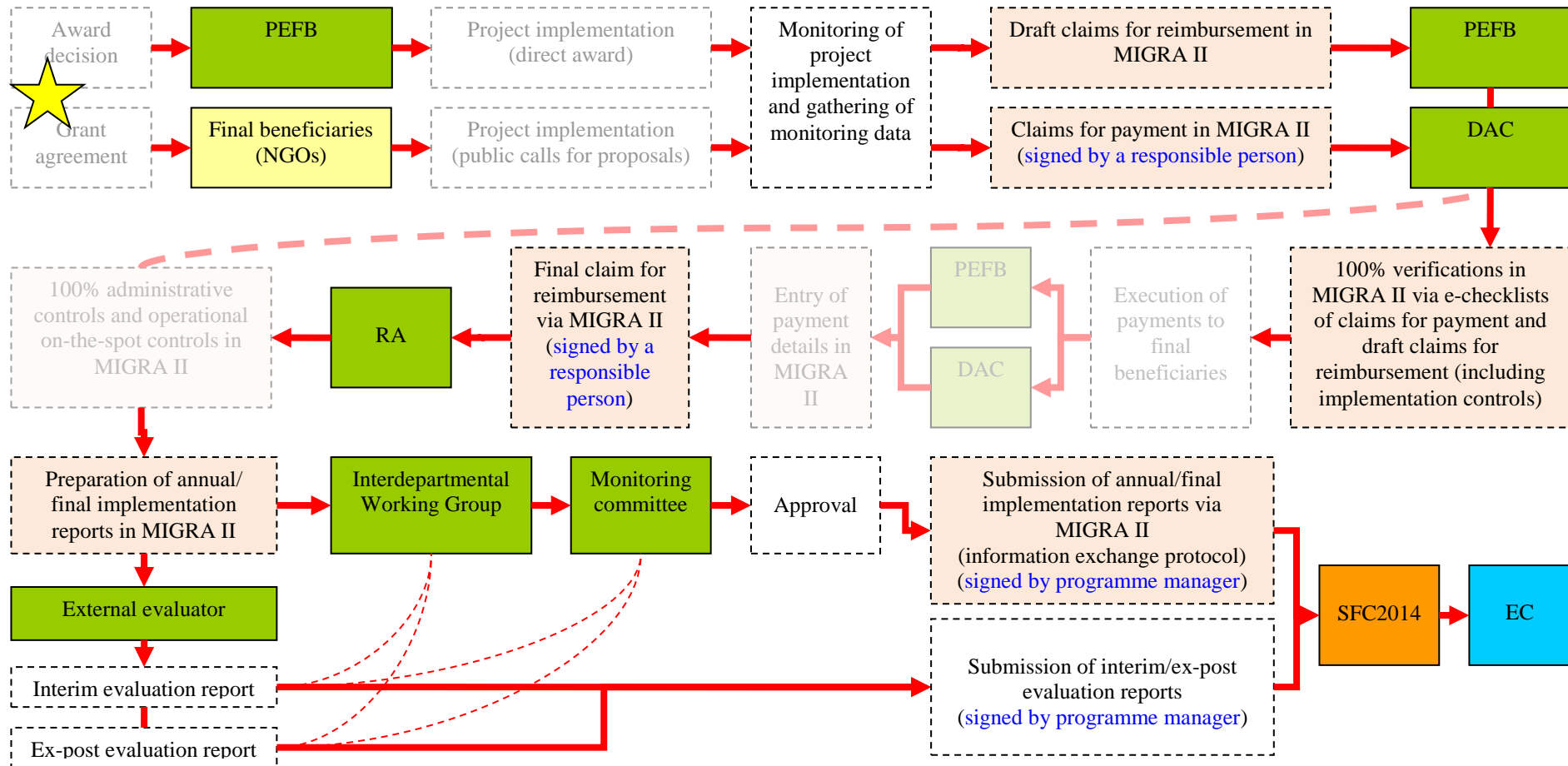


Table 13. Sub-process 5.1

<b>Process:</b>	<b>(5) Controls by competent authorities, detection of irregularities and financial corrections</b>
<b>Sub-process and its main features:</b>	<p><b>(5.1) Controls by the RA:</b></p> <ul style="list-style-type: none"> <li>- <b>100% administrative</b> controls of claims for reimbursement in MIGRA II using e-checklists (including detailed checks on a targeted sample of supporting documents in case of inconsistencies or irregularities)</li> <li>- In case of <b>positive</b> results of administrative controls, the RA prepares an <b>order for transfer of funds</b> in MIGRA II from the special purpose sub-accounts and sends it to DAF (see process 5.2)</li> <li>- In case of <b>negative</b> results of the administrative controls (inconsistencies/irregularities detected), the RA carries out <b>detailed checks on a targeted sample of supporting documents</b> (copies available in MIGRA II database) and <b>reduces the total amount</b> of the order for transfer of funds accordingly (in parallel, it prepares in MIGRA II an <b>official notice on the requested corrections of the claim for reimbursement</b>, and sends it to the authority, which issued the claim for reimbursement - see process 5.3)</li> <li>- Preparation of a <b>risk register</b> and <b>on-the-spot control plan</b> by analyzing final beneficiaries</li> <li>- Implementation of <b>financial</b> and <b>operational on-the-spot controls</b>, and, in case of revealed irregularities or inconsistencies, preparation of <b>recovery orders</b> in MIGRA II or suggestions of <b>corrective actions</b></li> <li>- Annual preparation of the <b>request for payment of the annual balance</b> in MIGRA II and submission to the EC via SFC2014</li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 27 of the Horizontal regulation (General principles on controls by Responsible Authorities)</li> <li>- Art. 4(i,s) of the Commission delegated regulation 1042/2014 with regard to the designation and management and control responsibilities of Responsible Authorities and with regard to status and obligations of Audit Authorities (Tasks of the Responsible Authority)</li> <li>- Annexes I and II to the Commission implementing regulation 2015/377 establishing the models for the documents required for the payment of the annual balance</li> <li>- Commission implementing regulation 2015/840 on controls carried out by Responsible Authorities</li> </ul>
<b>Other relevant documents:</b>	/
<b>Detailed description:</b>	<p>A complete two-stage control of administrative, financial, technical and physical aspects of projects will not be implemented under MFF 14-20. The first control, described under process 3.3, is performed by PEFB, DAC and competent authorities (for technical assistance) and is not related to controls performed by the RA. These controls verify compliance and completeness, procurement procedures and transparency, monitoring of supply of products and services on the basis of claims for payment/reimbursement entered into MIGRA II (e-checklists).</p> <p>The second-stage control by the RA refers to systematic <i>administrative controls</i> on all financial declarations sent by the beneficiaries with the aim of receiving Union funding, as well as <i>on-the-spot controls</i> (also unannounced) on the expenditure related to the final payment requests from the beneficiaries that are declared in the annual accounts. On-the-spot controls should be based on the <i>on-the-spot control plan</i> representing an appropriate mix of types and sizes of projects, transactions, beneficiaries and implementing modes. This plan is prepared by the RA and is comprised of a random part and a risk-based part (so-called risk register).</p>



Controls by the RA should cover:

1. *100% administrative controls* of claims for reimbursement, which include (a) formal and arithmetic checks in order to confirm the correctness and accuracy of the financial claims (arithmetic checks are done automatically by MIGRA II), (b) checks to confirm that the progress or achievement of a project's objectives is in accordance with the grant agreement/award decision (data on achievement of project objectives is a part of the claim for reimbursement) and (c) analytical review in order to verify the relevance the declared expenditure in the financial claims and its compliance with the requirements set out in the grant agreement and the applicable Union and national rules (this is done on the basis of the description of expenditure in the claim for reimbursement). The administrative controls should be implemented within MIGRA II using electronic checklists on the basis of data already entered by the final beneficiaries (the checklist should be aligned with the requirements of the request for payment of the annual balance). Completed checklists should be signed by competent officers performing the checks. In case of positive control results, the RA prepares an order for transfer of funds in MIGRA II (signed by a competent officer) and submits it to DAF for reimbursement of the EU contribution from the special purpose sub-accounts to the general budget reserve item (hence, process 5.2 is applied). Any irregularities discovered should first be communicated to the authority/body, which issued the claim for reimbursement, giving it a possibility of a single *hotfix* (this does not relate to cases where there is suspicion of fraud or corruption). If the revised claim does not eliminate irregularities, these become subject to financial corrections. In case irregularities show any indication of systematic problems the RA should carry out detailed checks on a targeted sample of supporting documents in order to assess the legality and regularity of the expenditure. On the basis of data on irregularities detected and entered in the checklist, the RA reduces the total amount of the order for transfer of funds accordingly and prepares an official notice on the requested corrections of the claim for reimbursement, which is signed by the programme manager and sent to the authority, which issued the claim for reimbursement – competent authority or PEFB (see 5.3 for financial corrections).
2. Sample-based *financial and operational on-the-spot controls* (also unannounced); financial on-the-spot controls, verifying the legality and regularity of the transactions and contracts, should cover a minimum of 10 % of the cumulated Union contribution to the projects declared as finalized in the annual accounts referred to in Article 39 of Regulation (EU) No 514/2014 (may be reduced if error rate is below 2% of the Union contribution controlled). Operational on-the-spot controls relate to compliance of the project implementation with the grant agreement, particularly indicators reported, should cover a minimum of 20 % of the number of projects being implemented during a given financial year. The operational on-the-spot controls by the RA therefore cover project implementation data submitted by competent authorities, PEFB and DAC via claims for reimbursement in MIGRA II (see process 4.2). Findings of on-the-spot controls are entered into MIGRA II through a control report form; any irregularities discovered resulting in financial corrections are automatically transferred also into the registry of irregularities in MIGRA II (see process 5.3). Suggested corrective actions are communicated to the final beneficiaries whilst the requests for financial corrections are submitted via recovery orders, prepared by the RA (see process 5.3 for registry of irregularities and recoveries). The on-the-spot control report should be aligned with the requirements of the request for payment of the annual balance.

For reporting reasons claims for reimbursement should cover the period of a financial year, i.e. the first application should cover data from

	<p>16 October of the year N, whilst the last application should close at 16 October of the year N+1 (see also process 4.1). Last claims for reimbursement for a given financial year should be submitted to the RA three months before the deadline for the submission of the request for payment of the annual balance, i.e. on 15 November of the year N+1.</p> <p>Based on data entered in MIGRA II, the RA (in cooperation with DAF and AA) each year prepares the <i>request for payment of the annual balance</i> (see also processes 4.2, 5.2 and 5.4). The request comprises (a) annual accounts (information for each project/special case/operating support, cumulative accounting data for projects and technical assistance, inventory data, on-the-spot controls report, and data summary), (b) management declaration by the RA, (c) annual summary of final audit reports and controls carried out and (d) opinions of the Audit Authority. The request, due on 15 February, should be prepared in MIGRA II and submitted to the EC (SFC2014) via information exchange protocol.</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA, AA</li> <li>- PEFB</li> <li>- DAC</li> <li>- DAF</li> <li>- EC</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Order for transfer of funds</li> <li>- Request for payment of the annual balance</li> <li>- Corrective actions as a result of on-the-spot controls</li> <li>- Risk register</li> <li>- On-the-spot control plan and reports</li> </ul>
<b>Process improvements:</b>	<ul style="list-style-type: none"> <li>- Two-stage 100% controls of administrative, financial, technical and physical aspects of projects are abolished.</li> <li>- Double-signed checklists are abolished (only the final checklist related to the entire claim for reimbursement should be filled-in by both the final beneficiary and the RA).</li> <li>- Entry of claims for reimbursement (and other data) as well as scanning and archiving of claims for reimbursement and accompanying documentation is abolished, as all project documentation in MIGRA II is entered by the final beneficiaries.</li> <li>- Systematic on-the-spot checks are reinforced and performed by qualified personnel.</li> <li>- Automatic entry of irregularities discovered during 100% administrative and financial on-the-spot controls into the registry of irregularities in MIGRA II, and generation of a recovery orders in MIGRA II.</li> <li>- MIGRA II enables an automatic preparation and submission of orders for transfer of funds (no more paper business), which are also limited strictly to the financial data needed to implement the transactions between the EU and the national budget (no more certification of expenditure). Decision-making procedures of RA are further simplified by lowering the level of signatories for the orders for transfer of funds (competent officers instead of the programme manager).</li> <li>- MIGRA II enables an automatic preparation of the request for payment of the annual balance on the basis of data entered by final beneficiaries and RA, as well as automatic transfer to SFC2014 via information exchange protocol.</li> <li>- Simplified decision-making procedures of the RA by lowering the level of signatories for orders for transfer of funds (competent</li> </ul>

	officers instead of the programme manager).
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	<p>Plus 20 % due to expansion of the on-the-spot controls in line with the requirements of implementing regulation on general principles of controls carried out by Responsible Authorities (on-the-spot controls).</p> <p>Minus 30% due to reduction of the level of administrative controls and automatization in MIGRA II.</p> <p><i>Net effect: minus 10%.</i></p>
<b>Weighting on the frequency of occurrence (Wf):</b>	<p>Annually recurring process.</p> <p><math>Wf=1</math>.</p>

Figure 8. 5.1 – Controls by the RA

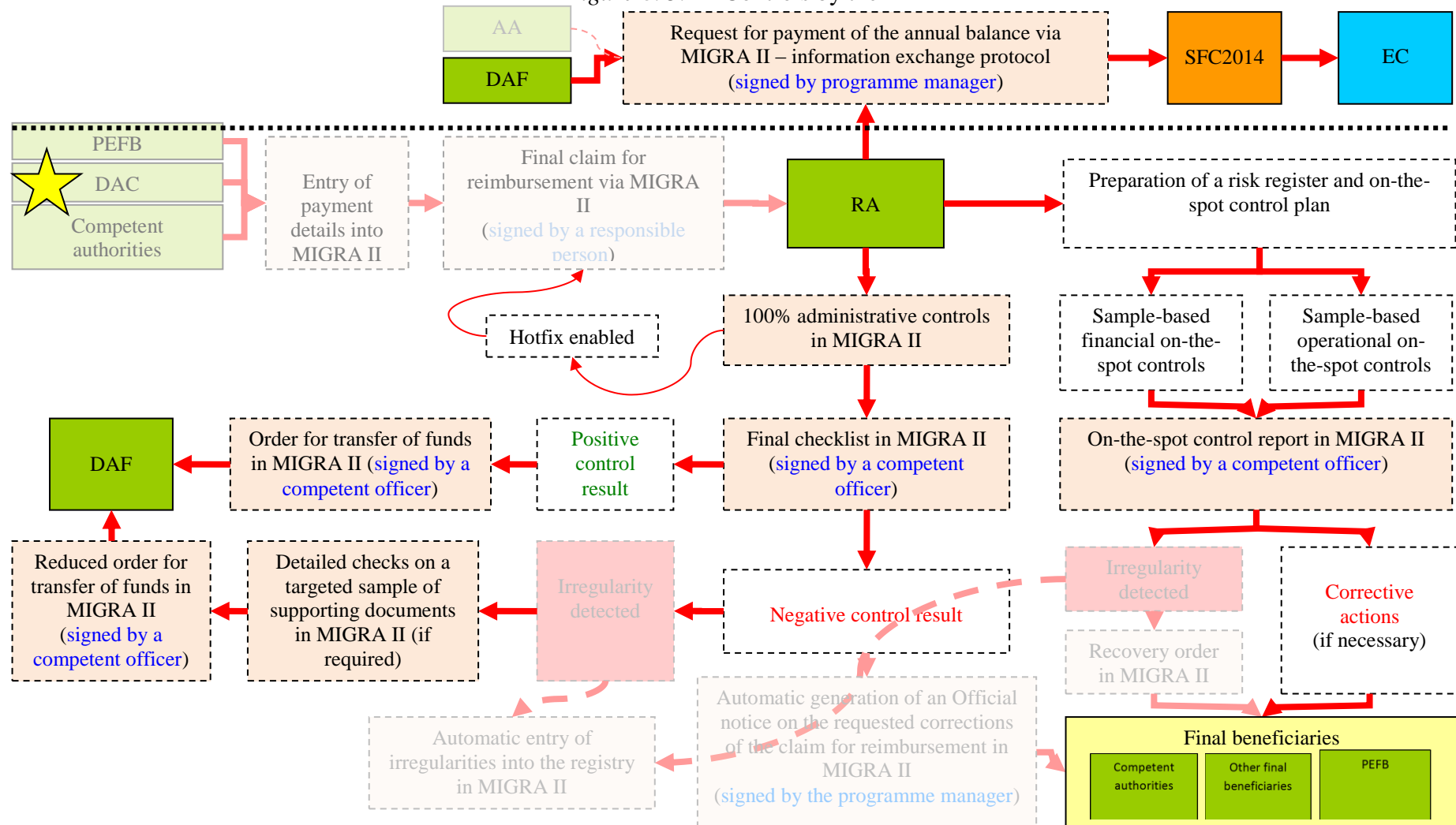


Table 14. Sub-process 5.2

<b>Process:</b>	<b>(5) Controls by competent authorities, detection of irregularities and financial corrections</b>
<b>Sub-process and its main features:</b>	<b>(5.2) Reimbursement of EU contribution and payments by the Commission:</b> <ul style="list-style-type: none"> <li>- <b>Management of the special purpose sub-accounts</b> (for AMIF and ISF) by DAF</li> <li>- <b>Reimbursement of EU contribution</b> from the special purpose sub-accounts (for AMIF and ISF) to the general budget reserve line by DAF on the basis of orders for transfer of funds</li> <li>- <b>Payments by the EC</b> (initial pre-financing, annual pre-financing, payments of the annual balance and the payment of the final balance)</li> <li>- Ensuring <b>recovery</b> to the Community of all amounts unduly paid</li> <li>- <b>Record keeping of all transactions and related interest</b> on special purpose sub-accounts in MIGRA II</li> <li>- <b>Verification of accuracy and correctness of data</b> in section B, Annex I of <b>the request for payment of the annual balance</b> by DAF</li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 33 of the Horizontal regulation (Common rules for payments)</li> <li>- Art. 34 of the Horizontal regulation (Accumulation of initial pre-financing and annual balances)</li> <li>- Art. 35 of the Horizontal regulation (Pre-financing arrangements)</li> <li>- Art. 39 of the Horizontal regulation (Payment of the annual balance)</li> <li>- Art. 4(g,q) of the Commission delegated regulation 1042/2014 with regard to the designation and management and control responsibilities of Responsible Authorities and with regard to status and obligations of Audit Authorities (Tasks of the Responsible Authority)</li> </ul>
<b>Other relevant documents:</b>	/
<b>Detailed description:</b>	<p>As before, payments to final beneficiaries are made directly from the national budget as described under process 3.3. The RA checks eligibility of expenditure and approves the reimbursement of the Union contribution by issuing orders for transfer of funds and submitting these to DAF (see process 5.1).</p> <p>Under MFF 14-20, the CA has been abolished and there is no longer a requirement to neither make verifications by the CA nor produce a declaration of expenditure. In order to take advantage of the acquired organizational knowledge, the CA should be streamlined and transformed into a Delegated authority for the transfer of funds between the Union and national budget (DAF – see process 1.2). DAF should be responsible for the implementation of all financial transactions between the EU budget, special purpose sub-accounts and the national budget on the basis of orders for transfer of funds and recovery orders (see process 5.3). Furthermore, DAF should keep records of all transactions on special purpose sub-accounts and related interest in MIGRA II on the basis of official statements (see also process 1.2 for DAF tasks and process 5.3 for recovery orders). DAF is directly accountable to the RA, which monitors its work through current records in MIGRA II and via direct cooperation on a daily basis (telephone and e-mail).</p> <p>As regards reimbursement of EU contribution and payments by the Commission, this sub-process should be based on the template order for transfer of funds (claim for transfer of funds under MFF 07-13). The form should be altered and simplified so that includes only the</p>

	<p>information on the total amount to be transferred from a given fund (AMIF or ISF). Claims should be prepared automatically and submitted in MIGRA II on the basis of approved expenditure of the final beneficiaries by the RA, as described under process 5.1. Upon receipt of the order, DAF should execute the reimbursement of the EU contribution from the special purpose sub-accounts (for AMIF and ISF) in the State budget (i.e. actual transfer of EU contribution to the general budget reserve line).</p> <p>DAF will continue to play the role of monitoring the spending of funds by managing the payments (as well as recoveries) by the EC. For this purpose, two sub-accounts have been opened by the Ministry of Finance:</p> <ul style="list-style-type: none"> <li>- SI56011006000046292 for ISF and</li> <li>- SI56011006000046195 for AMIF.</li> </ul> <p>Payments from the EC to AMIF and ISF national sub-accounts shall take the form of:</p> <ul style="list-style-type: none"> <li>- initial pre-financing (4% of the total contribution from the Union budget),</li> <li>- annual pre-financing (5% of the total contribution from the Union budget),</li> <li>- payments of the annual balance and</li> <li>- the payment of the final balance.</li> </ul> <p>The latter two shall be cleared by the EC on the basis of the request for payment of the annual balance (see also process 5.1) and annual/final implementation reports submitted (see process 4.2). Depending on budget availability, the EC pays the annual balance no later than six months after these documents have been considered admissible (submitted via SFC2014) and the latest annual accounts have been cleared. DAF should notify the RA on payments received by the EC. DAF should also take part in the preparation of the request for payment of the annual balance to be prepared by the RA in cooperation with the AA, particularly in terms of verification of accuracy and correctness of the data in section B of Annex I – accounting data (see processes 5.1 and 5.4).</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA, AA</li> <li>- DAF</li> <li>- EC</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Reimbursement of EU contribution from the funds' sub-accounts to the general budget reserve line</li> <li>- Transaction records in MIGRA II</li> <li>- Request for payment of the annual balance (section B of Annex I – accounting data)</li> </ul>
<b>Process improvements:</b>	<ul style="list-style-type: none"> <li>- Abolition of the certification of expenditure in the legal basis simplifies the process of reimbursements from the EU budget (declaration of expenditure is no longer required).</li> <li>- There is no more a requirement to keep records on on-the-spot controls in MIGRA II by the Certifying Authority, as it has been abolished; these are entered directly by the RA.</li> <li>- Orders for transfer of funds issued by the RA are final and complete (no more need to check the data).</li> <li>- All data on the transfer of funds is in MIGRA II (transaction records).</li> <li>- Management of all data required for reimbursement of EU contribution and payments by the Commission is automated within in</li> </ul>

	MIGRA II (e.g. preparation of the request for the payment of the annual balance).
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	Minus 75% due to abolition of certification of expenditure (declaration of expenditure is no longer required) and simplification of orders for transfer of funds. <i>Net effect: minus 75%.</i>
<b>Weighting on the frequency of occurrence (Wf):</b>	Annually recurring process. <i>Wf=1.</i>

*Figure 9.5.2 – Reimbursement of EU contribution, payments by the Commission and certification of expenditure*

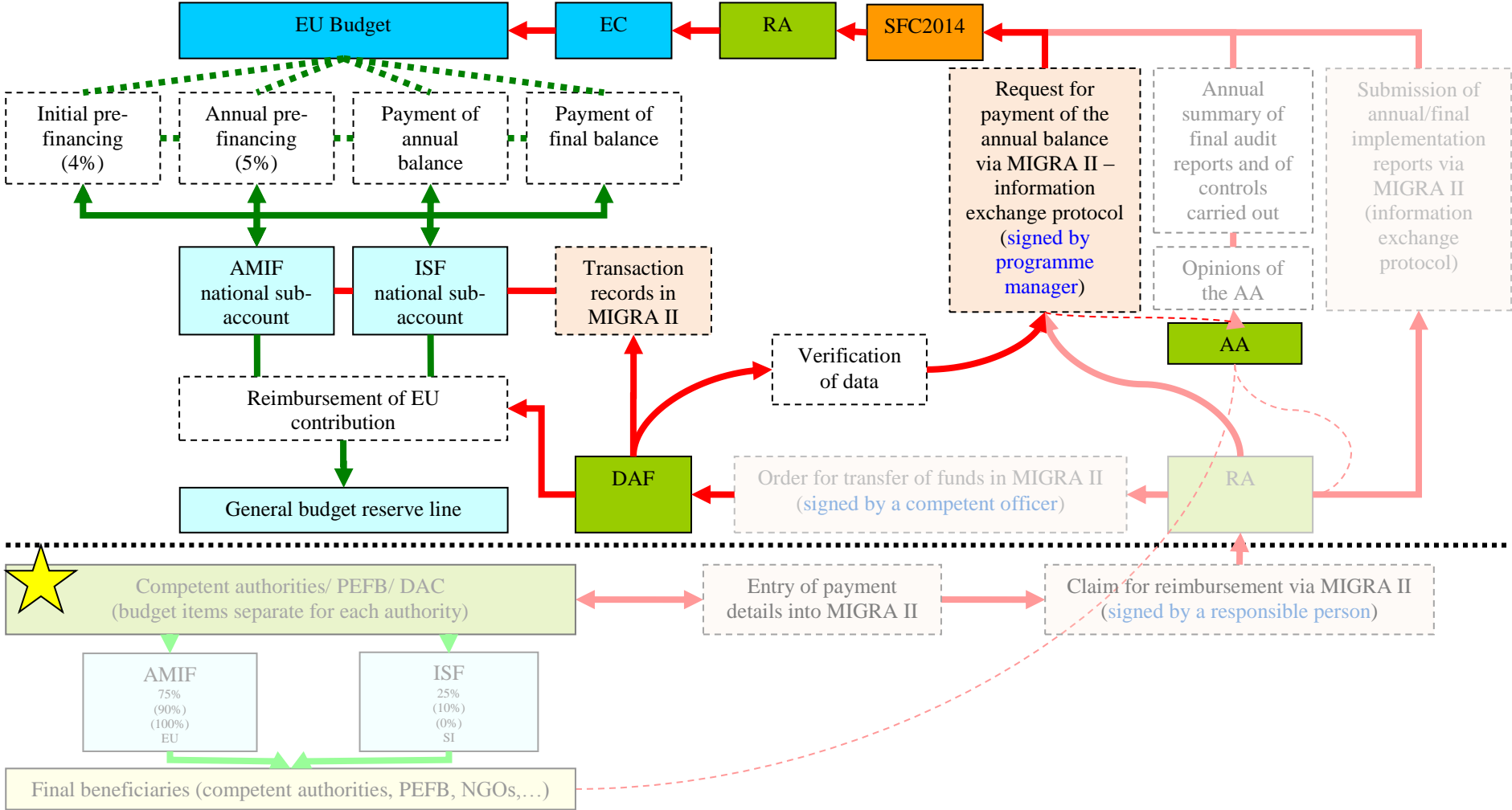




Table 15. Sub-process 5.3

<b>Process:</b>	<b>(5) Controls by competent authorities, detection of irregularities and financial corrections</b>
<b>Sub-process and its main features:</b>	<p><b>(5.3) Detection of irregularities, reporting on irregularities, and financial corrections:</b></p> <ul style="list-style-type: none"> <li>- <b>Detection of irregularities before reimbursement from the Union budget:</b> (a) by competent authorities/PEFB during 100% verifications of claims for payment/reimbursement in MIGRA II, (b) by the RA during 100% administrative controls of claims for reimbursement</li> <li>- <b>Financial corrections</b> in case irregularities have been detected <b>before reimbursement from the Union budget</b> (adjustment of payment to final beneficiaries or automatic generation of an Official notice on the requested corrections of the claim for reimbursement in MIGRA II by the RA)</li> <li>- <b>Detection of irregularities after reimbursement from the Union budget:</b> (a) by the RA during financial on-the-spot controls, (b) by the AA during audit missions or (c) by the EC or other competent EU authorities during monitoring/audit missions</li> <li>- <b>Financial corrections</b> in case irregularities have been detected <b>after reimbursement from the Union budget</b> (issuing of recovery orders by the RA, entry of transaction records on recoveries in MIGRA II by DAF, and follow-up of recovery orders by the RA)</li> <li>- Automatic <b>entry of irregularities detected into the registry</b> in MIGRA II</li> <li>- <b>Preparation of customized reports on irregularities</b> on the basis of data in the registry of irregularities in MIGRA II</li> <li>- <b>Quarterly reporting</b> on irregularities by the RA to the EC and <b>ad-hoc reporting</b> on major irregularities by RA to AA (AFCOS)</li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 5 of the Horizontal regulation (Protection of the financial interests of the Union)</li> <li>- Art. 21(h) of the Horizontal regulation (General principles of management and control systems)</li> <li>- Art. 46 of the Horizontal regulation (Financial corrections by Member States)</li> <li>- Art. 47 of the Horizontal regulation (Conformity clearance and financial corrections by the Commission)</li> <li>- Art. 48 of the Horizontal regulation (Obligations of Member States)</li> <li>- Art. 49 of the Horizontal regulation (Repayment)</li> <li>- Commission implementing regulation 2015/377 establishing the models for the documents required for the payment of the annual balance</li> <li>- Commission implementing regulation 2015/840 on controls carried out by Responsible Authorities</li> <li>- Commission delegated regulation with regard to the obligations of Member States on the reporting of irregularities (not yet adopted)</li> <li>- Commission implementing regulation on the setting out of the frequency and the format of the reporting of irregularities (not yet adopted)</li> </ul>
<b>Other relevant documents:</b>	/
<b>Detailed description:</b>	<p>The MCS has to ensure prevention, detection and correction of irregularities, including fraud, and the recovery of amounts unduly paid, together with any interest on late payments. To ensure this, a robust and effective reporting system should be established, enabling transparent overview of all irregularities and effective implementation of financial corrections. The <i>detection of irregularities</i> should be based on pre-set definitions of irregularities (on the basis of EU <i>acquis</i>). These definitions should be updated on the basis of lessons learned during the implementation of SOLID funds.</p>

Irregularities are detected by various entities within the MCS during implementation of controls, audits and monitoring missions (in case of the EC). The financial corrections following the detection of irregularities, cancelling all or part of the expenditure declared for reimbursement, differ according to the phase in which irregularity is detected and the budgetary year in which expenses incurred.

In case irregularities have been *detected before reimbursement from the Union budget*, the following procedures apply:

- a) If irregularities detected are a result of 100% verifications of claims for payment (DAC) and draft claims for reimbursement (competent authorities and PEFB) in MIGRA II (see process 3.3), the final payment orders for payment to final beneficiaries have to be adjusted accordingly (reduced for the amount of irregularities discovered).
- a) If irregularities detected are a result of 100% administrative controls of claims for reimbursement by the RA (see process 5.1), the RA issues via MIGRA II an automatically generated *official notice on the requested corrections of the claim for reimbursement* to the issuer of the claim for reimbursement (competent authorities or PEFB), which, within 30 days after receipt of notice, has to book over budgetary commitments related to ineligible expenditure. The amount has to be booked over from the funds' designated budget items to the budget items not related to EU funds (if the notice relates to expenditure in the current financial year) or to the general budget reserve item (if the notice relates to expenditure in past financial years). In case of non-implementation of these procedures, the RA can withhold the implementation of payments. See point A of "Detection of irregularities, reporting on irregularities and financial corrections" scheme.

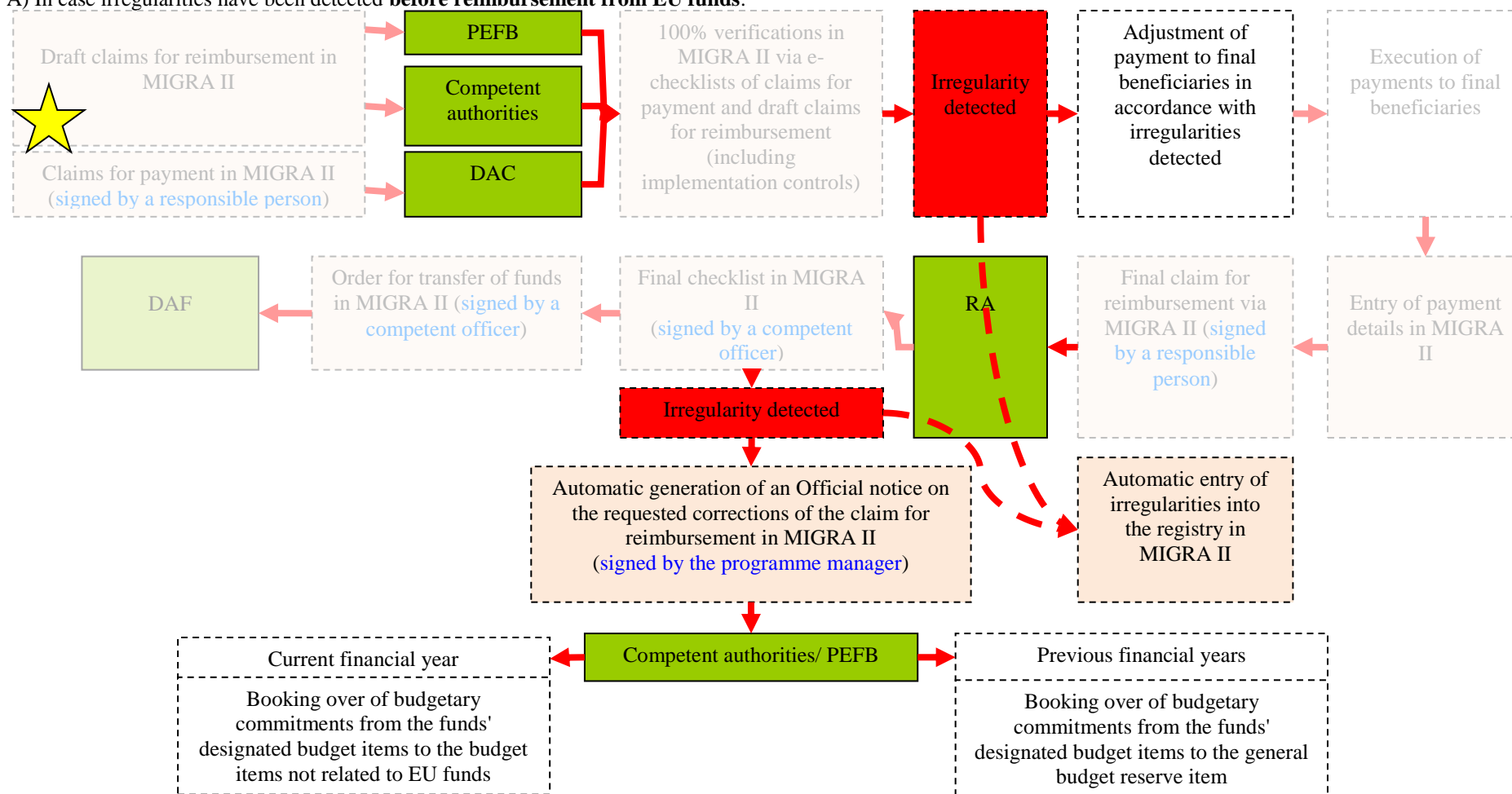
In case irregularities have been *detected after reimbursement from the Union budget* as a result of financial on-the-spot controls by the RA (see process 5.1), audit missions by the AA or monitoring/audit missions by the EC or other competent EU institutions, a uniform mechanism for financial corrections is applied. On the basis of data in the registry of irregularities (automatically entered via on-the-spot control reports or entry of audit findings by the RA), the RA generates in MIGRA II a *recovery order* for the refund of ineligibly reimbursed funds to the funds' special purpose sub-accounts (for AMIF and ISF) and sends it to the authority/body, which requested the reimbursement of the funds (competent authorities, PEFB). The deadline for repayment should observe the deadlines related to preliminary proceedings (e.g. the deadline for responding to the audit findings of the AA). In case EU-level controls reveal irregularities that require repayment of ineligible expenditure (e.g. order for recovery by the EC), the RA should instruct DAF to repay ineligible expenditure from the funds' sub-accounts to the Union budget, whilst the authority/body, which requested the reimbursement of the funds, has to reimburse the unduly paid amounts to the funds' sub-accounts by a recovery order. In either case, reimbursement relates to the transfer of funds from the integrated budget items to EU funds sub-accounts (only EU contribution). Furthermore, the authority/body, which requested the reimbursement of the funds, has to book over budgetary commitments in the amount of irregularities detected from the funds' designated budget items to the budget items not related to EU funds (if the recovery order relates to expenditure in the current financial year) or to the general budget reserve item (if the recovery order relates to expenditure in past financial years). RA should further be responsible for follow-up of recovery orders, whilst DAF should keep records in MIGRA II of all transactions related to recoveries and related interest on special purpose sub-accounts. See point B of "Detection of irregularities, reporting on irregularities and financial corrections" scheme.

	<p>All data on irregularities should be gathered within MIGRA II and automatically fed into the <i>registry of irregularities</i>. The registry enables a comprehensive overview of all irregularities and should thus readily be available to all bodies and authorities within the MCS (particularly the AA). The data on irregularities should automatically be entered into the registry according to the phase and procedure of discovery (see below). Every irregularity entered into MIGRA II should be attributed at least the following categories of data: (a) the phase of detection of irregularity (before/after payment to final beneficiary, before/after reimbursement from the Union budget), (b) the type of process during which procedure irregularity has been detected (RA controls, DAC/PEFB controls, AA audits, EU-level audits) and (c) the consequences resulting therefrom (returned for modification/hotfix/additional information, accounting consolidation of payables and receivables, financial corrections, repayment, etc.). The data on irregularities in MIGRA II should also serve as input for the preparation of a risk register and on-the-spot control plan by RA (see process 5.1).</p> <p>Furthermore, the registry should enable the generation of customized reports on irregularities (e.g. for a given time period, according to the phase in which irregularity has been discovered, for a specific final beneficiary, etc.). The RA has to ensure at least the following reports:</p> <ul style="list-style-type: none"> <li>- <i>Quarterly reporting to the EC</i> (the report should be automatically generated on the basis of data in the registry and pre-selected criteria in line with requirement of the delegated regulation, e.g. reporting period, irregularities after reimbursement from the Union budget, threshold amounts for reporting, etc.).</li> <li>- <i>Annual reporting to the EC</i> on all cases of irregularities pertaining to the MCS and financial corrections (only in case irregularities have been detected after the reimbursement from the Union budget) within the requests for payment of the annual balance (along with the AA, which submits its audit findings and opinions – see processes 5.1 and 5.4).</li> </ul> <p>In cases of major irregularities, which have been the subject of a primary administrative or judicial finding (such as fraud, corruption and any other illegal activities and/or exceeding 10.000 EUR), the RA has to send the information to the EC and AA for reporting to OLAF via AFCOS; the RA also ensures follow-up reporting concerning the initiation, conclusion or abandonment of any procedures for imposing administrative or criminal penalties related to the reported irregularities as well as of the outcome of such procedures.</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA, AA</li> <li>- PEFB</li> <li>- DAC, DAF</li> <li>- EC</li> <li>- Other competent EU authorities</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Registry of irregularities</li> <li>- Official notice on the requested corrections of the claim for reimbursement</li> <li>- Recovery order</li> <li>- Reports on irregularities (quarterly reports, other customized reports)</li> </ul>
<b>Process improvements:</b>	<ul style="list-style-type: none"> <li>- As controls by CA have been abolished, there are no more rejections of orders for transfer of funds.</li> </ul>

	<ul style="list-style-type: none"> <li>- There is no more need to produce quarterly reports on irregularities by PEFB, DAC or DAF, or manage the registry of irregularities, as this is done automatically by MIGRA II (automatic entry of irregularities discovered during controls and audits).</li> <li>- MIGRA II enables aggregation of data on irregularities for reporting purposes (customized automatically generated reports, e.g. quarterly reports to the EC or preparation of the request for payment of the annual balance).</li> <li>- Summary quarterly reporting by the RA to the AA has been abolished as this information will be readily available in MIGRA II.</li> <li>- MIGRA II enables an automatic generation of official notices on the requested corrections of the claim for reimbursement and recovery orders on the basis of data entered by competent authorities and PEFB.</li> <li>- Data on irregularities in MIGRA II serves as a valuable input for the preparation of a risk register and on-the-spot control plan by RA.</li> <li>- MIGRA II enables effective follow-up on the implementation of both official notice on the requested corrections of the claim for reimbursement as well as recovery orders.</li> </ul>
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	<p>Minus 10% due to simplified reporting in MIGRA II and automatic generation of reports.</p> <p>Minus 5% due to abolition of quarterly reporting.</p> <p><i>Net effect: minus 15%.</i></p>
<b>Weighting on the frequency of occurrence (Wf):</b>	<p>Annually recurring process.</p> <p><i>Wf = 1.</i></p>

Figure 10. 5.3 – Detection of irregularities, reporting on irregularities and financial corrections

A) In case irregularities have been detected **before reimbursement from EU funds:**



B) In case irregularities have been detected **after reimbursement from EU funds (by MS or EC)**:

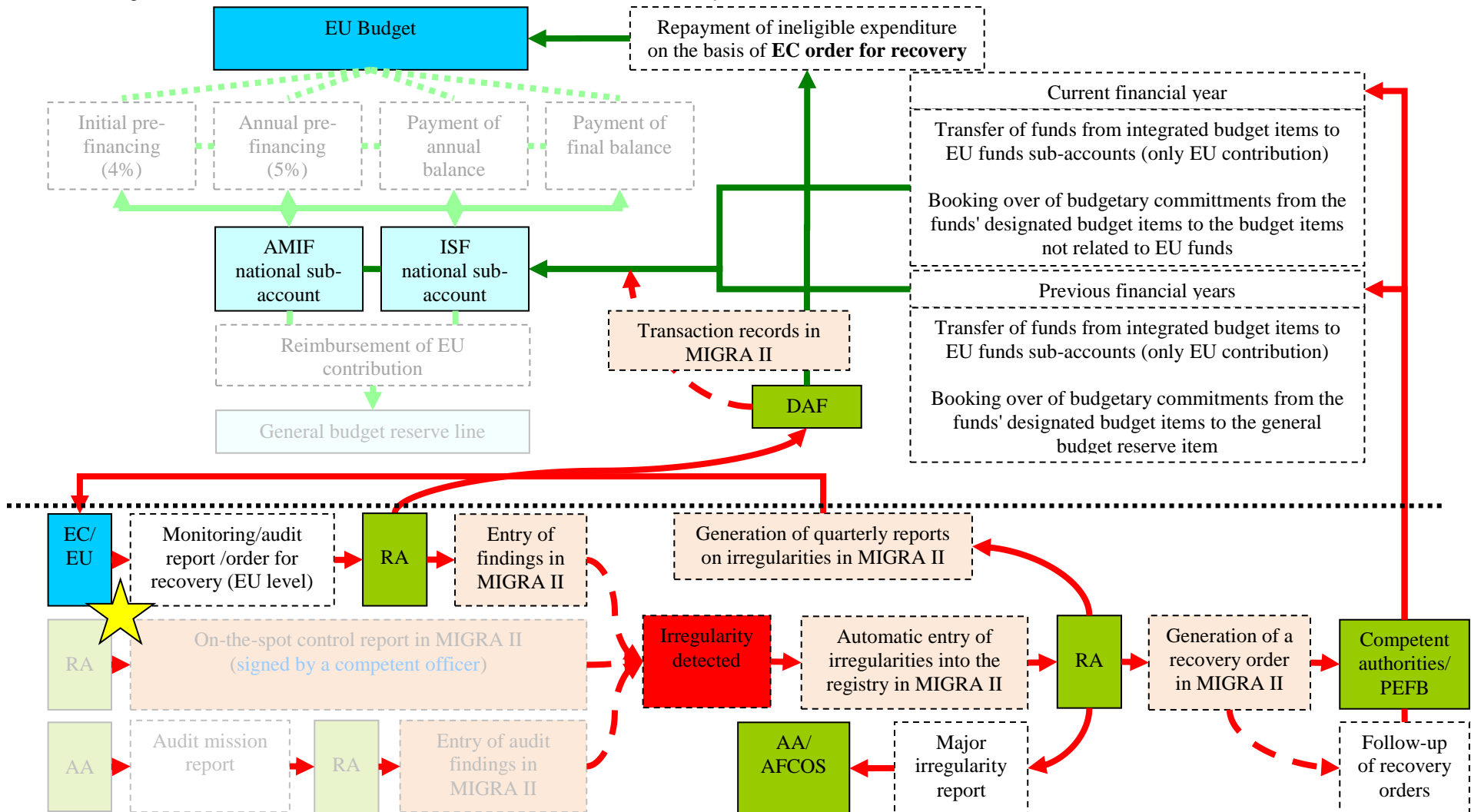


Table 16. Sub-process 5.4

<b>Process:</b>	<b>(5) Controls by competent authorities, detection of irregularities and financial corrections</b>
<b>Sub-process and its main features:</b>	<b>(5.4) Auditing:</b> <ul style="list-style-type: none"> <li>- <b>Preparation of annual audit plans</b> by the AA, based on an audit strategy, risk assessment and cost-benefit analysis</li> <li>- Sample-based <b>on-the-spot financial audits</b> on the basis of documentation and records held by final beneficiaries and/or project partners</li> <li>- <b>System audits and opinions by the AA</b> to verify the compliance of the RA with the designation criteria</li> <li>- <b>Audit recommendation/opinions and follow-up</b> of these recommendations</li> <li>- <b>Re-performing</b> of the administrative or on-the-spot controls carried out by RA and <b>recommendations to the RA</b> in cases of material weaknesses in the effective functioning of the MCS</li> <li>- <b>Preparation of an annual reports</b> for the EC comprising of: (a) annual summary and (b) opinions of the AA</li> <li>- <b>Entry of audit findings in MIGRA II</b> by the RA</li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 5 of the Horizontal regulation (Protection of the financial interests of the Union)</li> <li>- Art. 29 of the Horizontal regulation (Functions of the audit authority)</li> <li>- Art. 30 of the Horizontal regulation (Cooperation with audit authorities)</li> <li>- Art. 4(o,u) of the Commission delegated regulation 1042/2014 with regard to the designation and management and control responsibilities of Responsible Authorities and with regard to status and obligations of Audit Authorities (Tasks of the Responsible Authority)</li> <li>- Chapter III of the Commission delegated regulation 1042/2014 with regard to the designation and management and control responsibilities of Responsible Authorities and with regard to status and obligations of Audit Authorities (Status of the Audit authority and obligations with regards to audits)</li> <li>- Annexes III and IV to the Commission implementing regulation 2015/377 establishing the models for the documents required for the payment of the annual balance</li> </ul>
<b>Other relevant documents:</b>	/
<b>Detailed description:</b>	<p>As before, the functional independence of AA from RA should be ensured through its organizational placement within the BSO under the ministry of Finance (see organizational chart). Based on its audit strategy and risk assessment the AA should prepare annual audit plans, which are the basis for two types of audits:</p> <ol style="list-style-type: none"> <li><i>System audits</i> take place at competent authorities to verify the functioning of the MCS. Based on these audits, the AA determines in its opinion whether the RA continues to comply with the designation criteria (see process 1.1). This information is particularly important for the Designating Authority.</li> <li><i>On-the-spot financial audits</i> (i.e. audits of projects) take place at final beneficiaries (PEFB and NGOs) and competent authorities to provide reasonable assurance that the annual accounts give a true and fair view of the expenditure declared by the RA. The AA verifies the accounting records of the RA for all expenditure paid and public contributions received. It further verifies on a sample basis the compliance of the records with the request for payment of the annual balance to be submitted to the EC (see</li> </ol>

	<p>process 5.1), recoveries and performance of administrative and on-the-spot controls of the RA. These audits can be performed on a sample basis. Upon completion of its audit missions, the AA produces a report, which includes its findings and recommendations.</p> <p>All audit findings by the AA should be sent to the RA, which should enter the data in MIGRA II; individual reports should be linked to corresponding projects. The data on irregularities should also automatically be transferred also into the registry of irregularities in MIGRA II. The ineligible expenditure resulting from irregularities discovered should be recovered by the RA by issuing a recovery order in the amount indicated in the audit report (see process 5.3 for detection of irregularities and recoveries).</p> <p>The AA <i>re-performs</i> part of the administrative or on-the-spot controls carried out by RA (process 5.1) on the basis of a risk assessment. In case the AA detects material weaknesses in the effective functioning of the MCS, it assesses the financial implications of these weaknesses, makes appropriate recommendations to the RA and monitors the implementation of these recommendations.</p> <p>If required, part of AA's tasks can also be outsourced to an external provider, given that these are performed in accordance with internationally accepted audit standards and under the close monitoring and supervision of the AA. Before finalizing its findings, the AA sends its draft opinions/reports to the auditees for comments. Auditees are further responsible for the implementation of audit recommendations, whilst the AA should observe also the follow-up of these recommendations.</p> <p>Each year the AA has to produce two documents (reports) to be submitted to the Designating Authority and the EC (via RA) as a part of request for payment of the annual balance due on 15 February (see also process 5.1):</p> <ul style="list-style-type: none"> <li>- <i>annual summary</i> of final audit reports and of controls carried out (Annex III of the Commission implementing regulation 2015/377), which includes summaries of administrative and on-the-spot controls (financial and operational) carried out;</li> <li>- <i>opinions</i> of the Audit Authority (Annex IV of the Commission implementing regulation 2015/377), which include a brief description of the audit strategy, opinion on the annual accounts (unqualified, qualified or adverse), opinion on the functioning of the MCS (unqualified, qualified or adverse), and validation of the management declaration of the RA.</li> </ul> <p>The AA submits its reports to the EC via RA. Once the RA has prepared the request for payment of the annual balance in SFC2014, the AA may enter its findings/reports directly into that system. Upon completion, the RA submits the entire patch of documents to the EC. After submission, the RA enters the AA's section of the request also in MGIRA II (as an attachment).</p> <p>The AA also cooperates with the EC to coordinate audit plans and methods.</p> <p>The AA should have a complete overview of the entire MIGRA II system, particularly the documents database.</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA, AA</li> <li>- PEFB</li> <li>- DAC, DAF</li> <li>- other final beneficiaries and/or project partners</li> </ul>



	- EC
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Audit mission reports/opinions</li> <li>- Annual summary of final audit reports and of controls carried out (annex III)</li> <li>- Opinions of the Audit Authority (Annex IV)</li> </ul>
<b>Process improvements:</b>	<ul style="list-style-type: none"> <li>- Audit strategy is no longer an official document to be submitted to EC.</li> <li>- Audit findings are entered in MIGRA II by the RA; any irregularities entered are then automatically transferred into the registry of irregularities.</li> <li>- Data in MIGRA II facilitates the preparation for audit missions by final beneficiaries, RA as well as AA.</li> <li>- Audit reports are linked to corresponding projects in MIGRA II, thus audit coverage can be monitored constantly.</li> </ul>
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	<p>Plus 10% due to inclusion of new policy areas – police cooperation (Criminal police directorate) and risk and crisis management (Ministry of defense). Changes are also predicted in terms of deadlines for audits (on the spot audits will be more intense).</p> <p><i>Net effect: plus 10%.</i></p>
<b>Weighting on the frequency of occurrence (Wf):</b>	<p>Annually recurring process.</p> <p><i>Wf=1.</i></p>

*Figure 11.5.4 – Auditing*

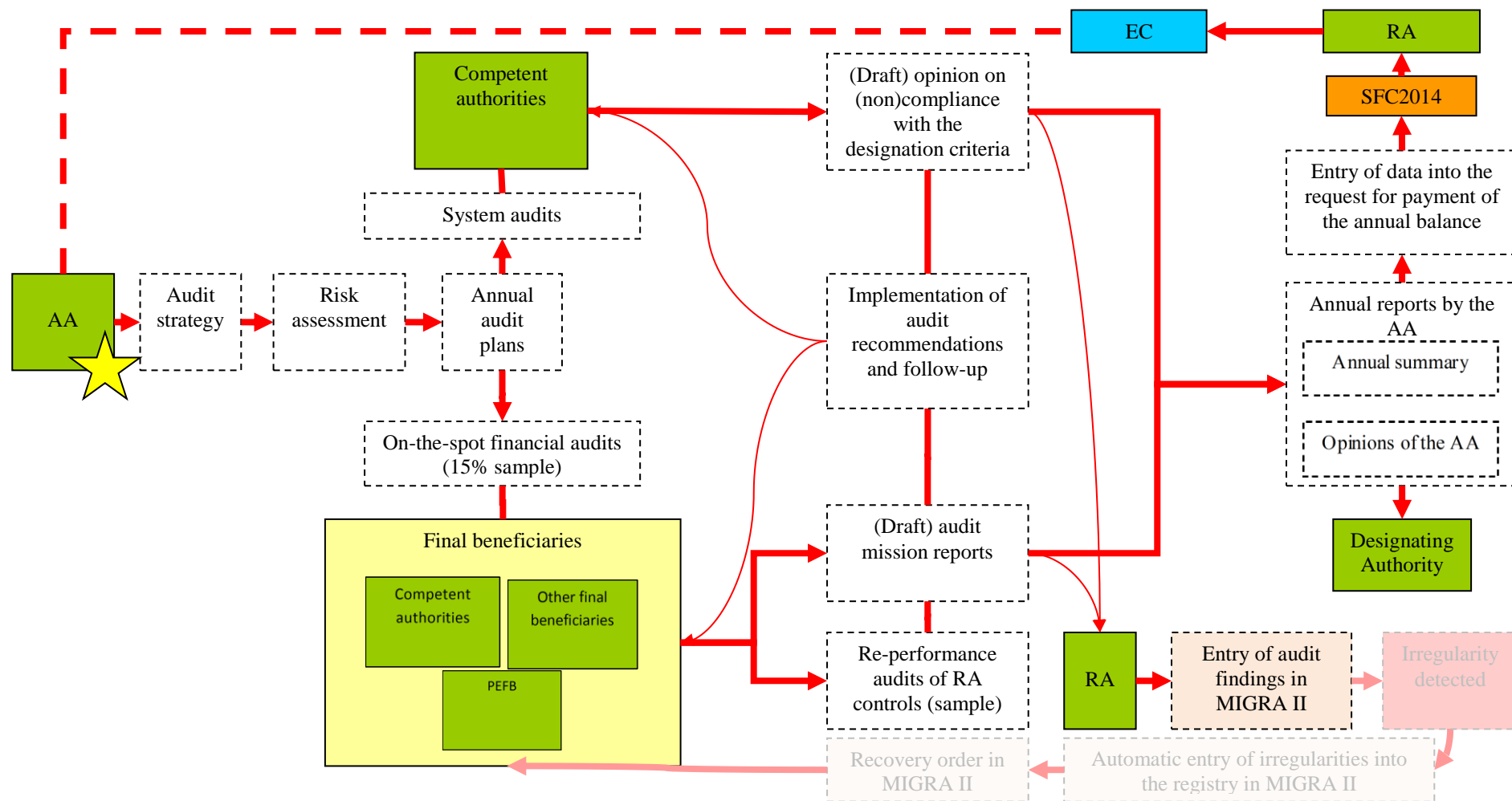


Table 17. Sub-process 6.1

<b>Process:</b>	<b>(6) Overarching and other processes</b>
<b>Sub-process and its main features:</b>	<b>(6.1) Physical and electronic archiving and audit trail assurance</b>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 21(g) of the Horizontal regulation (General principles of management and control systems)</li> <li>- Art. 24(5) of the Horizontal regulation (Responsibilities of Member States)</li> <li>- Art. 4(j,n) of the Commission delegated regulation 1042/2014 with regard to the designation and management and control responsibilities of Responsible Authorities and with regard to status and obligations of Audit Authorities (Tasks of the Responsible Authority)</li> <li>- Commission Delegated regulation 802/2014 establishing models for national programmes and establishing the terms and conditions of the electronic data exchange system between the Commission and Member States</li> </ul>
<b>Other relevant documents:</b>	<ul style="list-style-type: none"> <li>- IT security policy by the RA (to be established)</li> </ul>
<b>Detailed description:</b>	<p>Archiving of all official documents and assurance of an adequate audit trail is the responsibility of all organizations/institutions at the national level, involved in the implementation of EU Home Affairs Funds. As the process involves a variety of different stakeholders and its features are highly intertwined with other IT systems and processes, it is impossible to provide a clear cut description of the process. Nevertheless, some main clusters of official documents, which are subject to rules on archiving and audit trail assurance, can be described:</p> <ul style="list-style-type: none"> <li>- <i>Audit records</i> (physical and electronic): The AA keeps all evidence on its activities (findings, methodology, time and individual procedures and decisions). Original audit reports and opinions are also held by AA. All reports and materials should be kept in audit files, labeled, signed and certified by responsible persons. RA should ensure that all these records, including annual reports by AA, are also entered into MIGRA II.</li> <li>- <i>Reports and documents submitted to the EC</i> (physical and electronic): the RA holds all original documents submitted to EC (annual/final implementation reports, interim/ex-post evaluation reports, requests for payment of the annual balance, national programmes, notification on formal designation). RA is also responsible for all official exchanges with EC via SFC2014 electronic data exchange system. For this purpose the RA has to establish a special IT security policy (art. 7 of the Commission Delegated regulation 802/2014). In order to further streamline the process of exchange of documents with EC, an information exchange protocol between SFC2014 and MIGRA II should also be established.</li> <li>- <i>System data</i> (physical and electronic): original system documents (such as manuals of procedures, description of the MCS, agreements on management and control, decisions of the government, designation documents, acts of delegation, national eligibility rules, national programmes, action plans, etc.) are held by the RA (or competent authorities in case of internal manuals of procedures). Copies should also be made available in MIGRA II.</li> <li>- <i>Accounting records, including records on reimbursements and recoveries of the EC contribution</i> (physical and electronic): each final beneficiary (including competent authorities for technical assistance and PEFB) has to ensure proper archiving and audit trail for all accounting records. State authorities (competent authorities and PEFB) further use the MFERAC IT system for recording and storing of all accounting records. The accounting tasks are performed by the centralized Directorate for Public Accountancy within the</li> </ul>

	<p>Ministry of Finance. The Ministry of the Interior and the Ministry of Defense are the only two ministries exempt from the central services for security reasons and they run on separate servers. Nevertheless, all three systems use the same IT platform – MFERAC accountancy programme. In MFERAC, budget items are kept separately for each fund contribution, for each direct budget spending authority (competent authorities and PEFB), and also separately for EU (normally 75%) and national contribution (normally 25%). Projects on individual budget items are additionally separated by bills and spending authority analytics. The RA has an overview of all items of all state authorities, which are involved in the implementation of projects financed from the funds, within the MFERAC accountancy programme. The required accounting documents and printouts from MFERAC (payment details) should further be entered in MIGRA II by PEFB and DAC in the process of the preparation of claims for reimbursement (see process 3.3). MIGRA II should be adjusted so that MFERAC data and reports can be imported.</p> <ul style="list-style-type: none"> <li>- <i>Project data</i> (physical and electronic): original project documentation is held by the final beneficiaries, whilst final beneficiaries enter the data also in MIGRA II in the process of the preparation of claims for payment/reimbursement (see process 3.3). Project data encompasses project proposals, supporting documents, certificates, evidence, technical specifications, grant approval documentation, documents related to public procurement procedures, reports on audits, claims for reimbursements, orders for transfer of funds, etc.</li> </ul> <p>All state authorities involved in the implementation of the funds further have to ensure physical and electronic input and output recording of all official documents related to the implementation of the funds within a certified national archiving system, such as SPIS4 (electronic form + original). Such systems function independently all other electronic systems.</p> <p>Under MFF 14-20, MIGRA II system should encompass all key processes and thus adhere to the principle of e-business, minimizing paper load and administrative burden. Original documents should be held at the source and should be made available for the purpose of on-the-spot controls and audits. Possible integration of MIGRA II with existing systems should be explored in order to facilitate electronic exchange of data whenever possible (particularly SFC2014 and MFERAC). Although original documentation will still be required in physical form (this documentation is subject to on-the-spot controls and audits), this should only be required at the level of final beneficiaries and/or competent bodies in case of non-project-related documents. All subsequent exchanges of documents and data should take place electronically, i.e. via MIGRA II. MIGRA II would thus become an overreaching system for recording and storing in a computerized form of all the above-mentioned clusters of official documents. Unlike other systems (such as SPIS4 and MFERAC), MIGRA II should enable access within a single application all documents needed to ensure an adequate audit trail.</p> <p>All documents should be kept at least five years following the closure of national programmes, except for documents, which under national legislation have to be kept permanently (audit reports and opinions).</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA, AA</li> <li>- DAC, DAF</li> <li>- PEFB</li> <li>- Final beneficiaries (NGOs and legal entities operating under a non-profit principle)</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Audit records (physical and electronic)</li> </ul>

	<ul style="list-style-type: none"> <li>- Reports and documents submitted to the EC (physical and electronic)</li> <li>- System data (physical and electronic)</li> <li>- Accounting records, including records on reimbursements and recoveries of the EC contribution (physical and electronic)</li> <li>- Project data (physical and electronic)</li> <li>- IT security policy by the RA</li> </ul>
<b>Process improvements:</b>	- Original documents are held at the source and are available for the purpose of on-the-spot controls and audits (there is no need to send originals back and forth).
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	The process is not possible to evaluate and quantify as it intertwined with many non-related IT systems and processes. <i>Net effect: 0%.</i>
<b>Weighting on the frequency of occurrence (Wf):</b>	Annually recurring process but not possible to evaluate and quantify as it intertwined with many non-related IT systems and processes. <i>Wf=0.</i>

Table 18. Sub-process 6.2

<b>Process:</b>	<b>(6) Overarching and other processes</b>
<b>Sub-process and its main features:</b>	<b>(6.2) Development, setting-up, upgrading and management of MIGRA II IT system:</b> <ul style="list-style-type: none"> <li>- <b>Development, setting-up, upgrading and management of MIGRA IT system</b> for management of EU Home Affairs Funds</li> <li>- <b>Management of MIGRA II database</b> for the financial management of funds by the RA (data, entered by the designated authorities)</li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 24(5) of the Horizontal regulation (Responsibilities of Member States)</li> <li>- Art. 4(j) of the Commission delegated regulation 1042/2014 with regard to the designation and management and control responsibilities of Responsible Authorities and with regard to status and obligations of Audit Authorities (Tasks of the Responsible Authority)</li> </ul>
<b>Other relevant documents:</b>	<ul style="list-style-type: none"> <li>- IT security policy by the RA (to be established)</li> </ul>
<b>Detailed description:</b>	<p>The RA has to ensure a system for electronic recording and storing of accounting records for each project under the national programmes, as well as all the data on implementation necessary for financial management, monitoring, control and evaluation of programmes. To enable an efficient, transparent and reliable management of EU Home Affairs Funds during MFF14-20, a second generation of MIGRA IT system should be set-up – i.e. <i>MIGRA II</i>. It should be developed and set-up by an external (private) contractor in cooperation with the RA on the basis of a public tender.</p> <p>The system should be established as a process application, enabling the implementation of all funding-related processes, real-time exchange of information amongst stakeholders (competent authorities, PEFB and other final beneficiaries) as well as constant and reliable access to all required information (processes numbered 1-5 as well as 6.3 and 6.4). It should be a project management tool, used in all phases of the implementation of funds (from programming, to closure). The main improvement should be the shift from pure financial management to a more result-oriented monitoring tool (especially through monitoring of indicator values).</p> <p>MIGRA II should be based on the following general principles:</p> <ul style="list-style-type: none"> <li>- a true process application, based on the mapping of business processes related to the implementation of EU Home Affairs Funds;</li> <li>- a true internet application, accessible via secure access within all major internet browsers (Google Chrome, Internet Explorer, Mozilla Firefox);</li> <li>- flexibility (adjustment to the organizational and structural environment), scalability (possibility of upgrading and improvement) and connectivity with related systems (especially SFC2014 and MFERAC, aimed at ensuring single data entry);</li> <li>- flexible access levels (e.g. different access rights of access for NGOs and PEFB);</li> <li>- decentralization and data entry at source level and expansion of the range of users to project level (e.g. project managers at final beneficiaries, such as NGOs);</li> <li>- 100% e-business in relation to process 6.1 (particular attention should be given to existing solutions such as e-signatures and electronic invoicing);</li> <li>- a full and accessible electronic archive;</li> </ul>

	<ul style="list-style-type: none"> <li>- full traceability of all activities within the applications (e.g. entry and deletion of data);</li> <li>- automation of work (automatic generation of documents on the basis of data entered into the database).</li> </ul> <p>All final users of MIGRA II (competent authorities, PEFB and other final beneficiaries) should constantly be involved in the process of its <i>development, setting-up</i> and <i>upgrading</i>. The RA should be finally responsible to prepare the application <i>specifications</i> required by the external contractor in order to set-up/upgrade MIGRA II (and also entire communication and cooperation with the external contractor). Ongoing <i>management</i> of the application should be a shared task of RA and an external contractor.</p> <p>An important aspect of MIGRA II remains its <i>database</i>, which should be managed by the RA. The database is a precondition for real time exchange and access to all information in the system.</p> <p>Due to the fact that MIGRA II will not be established before the start of the implementation of national programmes, a solution for gathering and processing of project data in the transitional period has to be established. In order to ensure comprehensive data capture, all data should be gathered in excel forms and subsequently imported into MIGRA II. To enable a smooth transitions, excel forms should be prepared in advance and should be taken into account in the specifications for the development of MIGRA II. All forms/official documents submitted to the RA and/or produced by the RA (such as project applications, requests for reimbursement, timesheets, checklists, orders for transfer of funds, recovery orders, etc.) should be signed by responsible persons and recorded in SPIS4 archiving system (see process 6.1). Furthermore, the RA should keep consolidated records on all expenditure and irregularities in excel forms, thus enabling adequate monitoring of programme implementation.</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA, AA</li> <li>- DAC, DAF</li> <li>- PEFB</li> <li>- Final beneficiaries (NGOs and legal entities operating under a non-profit principle)</li> <li>- External contractor (private company)</li> </ul>
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- MIGRA II specifications</li> <li>- MIGRA II application</li> <li>- MIGRA II upgrades</li> </ul>
<b>Process improvements:</b>	<ul style="list-style-type: none"> <li>- Involvement of all stakeholders in the process of development, setting-up, upgrading and management of MIGRA II enables a user-based approach to establishing an IT system for management of funds.</li> </ul>
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	<p>Plus 25% due to a more complex application and wider range of stakeholders involved in its development, setting-up, upgrading and management.</p> <p><i>Net effect: plus 25%.</i></p>
<b>Weighting on the frequency of occurrence (Wf):</b>	<p>Annually recurring process.</p> <p><i>Wf=1.</i></p>

Figure 12. 6.2 – IT management of funds via MIGRA IT system

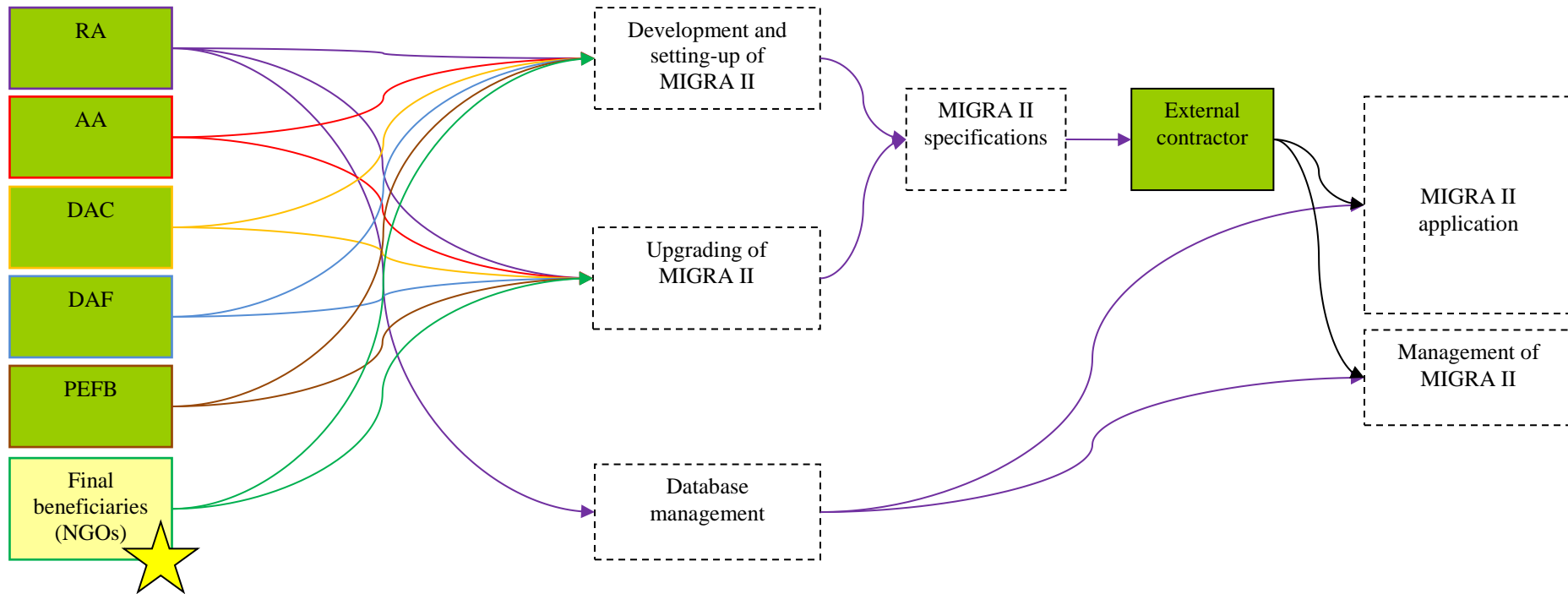




Table 19. Sub-process 6.3

<b>Process:</b>	<b>(6) Overarching and other processes</b>
<b>Sub-process and its main features:</b>	<b>(6.3) Inter-departmental coordination and cooperation with stakeholders:</b> <ul style="list-style-type: none"> <li>- <b>Preparation of materials, meetings and minutes of the meetings of the Interdepartmental Working Group</b></li> <li>- <b>Preparation of materials, meetings (at least annual), minutes of the meetings and implementation of decisions of the Monitoring Committee</b></li> <li>- <b>EU cooperation</b> within the framework of AMIF-ISF committee and <b>cooperation with other Member States and EU institutions</b></li> <li>- <b>Maintenance of partnership</b> with all relevant stakeholders in the preparation, implementation, monitoring and evaluation of national programmes (day-to-day cooperation, nomination of an NGO representative to the Monitoring Committee, public information events, public discussions, etc.)</li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 12 of the Horizontal regulation (Partnership)</li> <li>- Art. 4(a,b,h,t) of the Commission delegated regulation 1042/2014 with regard to the designation and management and control responsibilities of Responsible Authorities and with regard to status and obligations of Audit Authorities (Tasks of the Responsible Authority)</li> </ul>
<b>Other relevant documents:</b>	<ul style="list-style-type: none"> <li>- Government decision on the establishment of the Monitoring Committee no. 06001-3/2013/7 of 8 May 2014</li> <li>- Decision of the Minister on the appointment of the Interdepartmental Working Group no. 024-38/2014/2 of 23 April 2014</li> <li>- Rules of Procedure of the Monitoring Committee</li> <li>- Rules of procedure for the 'Asylum, Migration and Integration and Internal Security Funds Committee'</li> </ul>
<b>Detailed description:</b>	<p>The Monitoring Committee for internal security and migration funds (hereinafter: Monitoring Committee) and the Interdepartmental Working Group for operational coordination of the implementation of projects, financed from the funds (hereinafter: Interdepartmental Working Group) have been established to discuss cross-departmental issues pertaining to the implementation of Home Affairs funds. These issues are:</p> <ul style="list-style-type: none"> <li>- prioritization, selection and approval of project proposals,</li> <li>- distribution of funds,</li> <li>- compliance and synergies with other instruments of EU financing,</li> <li>- implementation monitoring,</li> <li>- evaluation,</li> <li>- reporting on implementation.</li> </ul> <p>The role of the two bodies is linked to all processes of the implementation of EU Home Affairs Funds, particularly:</p> <ul style="list-style-type: none"> <li>- (1.2) Establishment of the MCS;</li> <li>- (2.1) Multiannual programming;</li> <li>- (2.2) Preparation of an action plan for the implementation of national programmes;</li> <li>- (4.2) Regular monitoring of programme implementation by the RA and reporting to the EC;</li> </ul>

- (4.3) Preparation of evaluation reports of programme implementation.

The Interdepartmental Working Group is actually a preparatory body of the Monitoring Committee.

The Monitoring Committee has to convene at least once a year; the Interdepartmental Working Group is convened on an as-needed basis. Both bodies can discuss ad hoc matters on correspondence sessions. In the past, the Interdepartmental Working Group rarely convened, therefore all issues were discussed and decisions taken at the level of the Monitoring Committee. Revival of the role of the Interdepartmental Working Group as a preparatory body of the Monitoring Committee would streamline the decision-making process as more decisions could be coordinated on the operational level in advance and then approved by the Committee on a correspondence session.

An important change in terms of membership in the Monitoring Committee relates to the role of NGOs in line with the partnership principle also in the phase of implementation and monitoring. As regards the work of the Interdepartmental Working Group and Monitoring Committee, this should foremost be implemented through membership of a NGO representative in the latter body (due to the fact that it is the Monitoring Committee which delivers final decisions). The representative should be selected by the NGOs on the basis of a public call organized by a representative NGO network.

The members (and their deputies) in both bodies are civil servants from public bodies involved in the implementation of the funds (competent authorities and PEFB), an NGO representative and other government bodies whose areas of competence (partially) relate to projects co-funded from the funds. Representative of the Managing Authority for ESI funds is also a member. Representatives of the AA participate as observers. Other stakeholders can be invited to the meetings on an as needed basis, depending on the agenda.

The Monitoring Committee should be chaired by the programme manager, whilst the Interdepartmental Working Group is chaired by the head of the Finance and Purchasing Office of the Ministry of the Interior, where the RA is positioned. Both chairs are assisted by the secretary, who is responsible for the preparation of all materials (invitation, draft agenda, financial, implementation and evaluation reports, and minutes from the meetings).

As a principle, decisions of the Monitoring Committee are delivered by consent; if this is not possible, decisions are made on the basis of a simple majority. The decisions and those responsible for their implementation are listed in the minutes of the meetings signed by the programme manager.

EU cooperation takes place within the framework of AMIF-ISF Committee. EU cooperation is further supported by cooperation with other Member States on as needed basis (especially exchange of know-how, best practices, coordination of positions etc. via meetings and other forms of communication) and cooperation with EU institutions (particularly the European Commission via desk officer contact).

	Under MFF 14-20 an emphasis is put on the so-called partnership principle, i.e. involvement of all relevant stakeholders in the preparation, implementation, monitoring and evaluation of national programmes. These may be competent regional, local, urban and other public authorities, international organizations, and bodies representing civil society, such as non-governmental organizations or social partners.
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA, AA</li> <li>- PEFB</li> <li>- Other competent government bodies</li> <li>- Other stakeholders</li> <li>- Interdepartmental Working Group</li> <li>- Monitoring Committee</li> </ul>
<b>Process outputs:</b>	- Decisions of the Monitoring Committee/ Interdepartmental Working Group
<b>Process improvements:</b>	<ul style="list-style-type: none"> <li>- More efficient work of the Monitoring Committee due to the revival of the role of the Interdepartmental Working Group (preparatory work for the Monitoring Committee).</li> <li>- Preparatory work by the Interdepartmental Working Group gives the possibility to use more correspondence sessions.</li> <li>- Nomination of a NGO representative in the Monitoring Committee facilitates the implementation of the partnership principle.</li> </ul>
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	No significant changes. <i>Net effect: 0%.</i>
<b>Weighting on the frequency of occurrence (Wf):</b>	Annually recurring process. <i>Wf=1.</i>

Figure 13. 6.3 – Inter-departmental coordination and cooperation with stakeholders

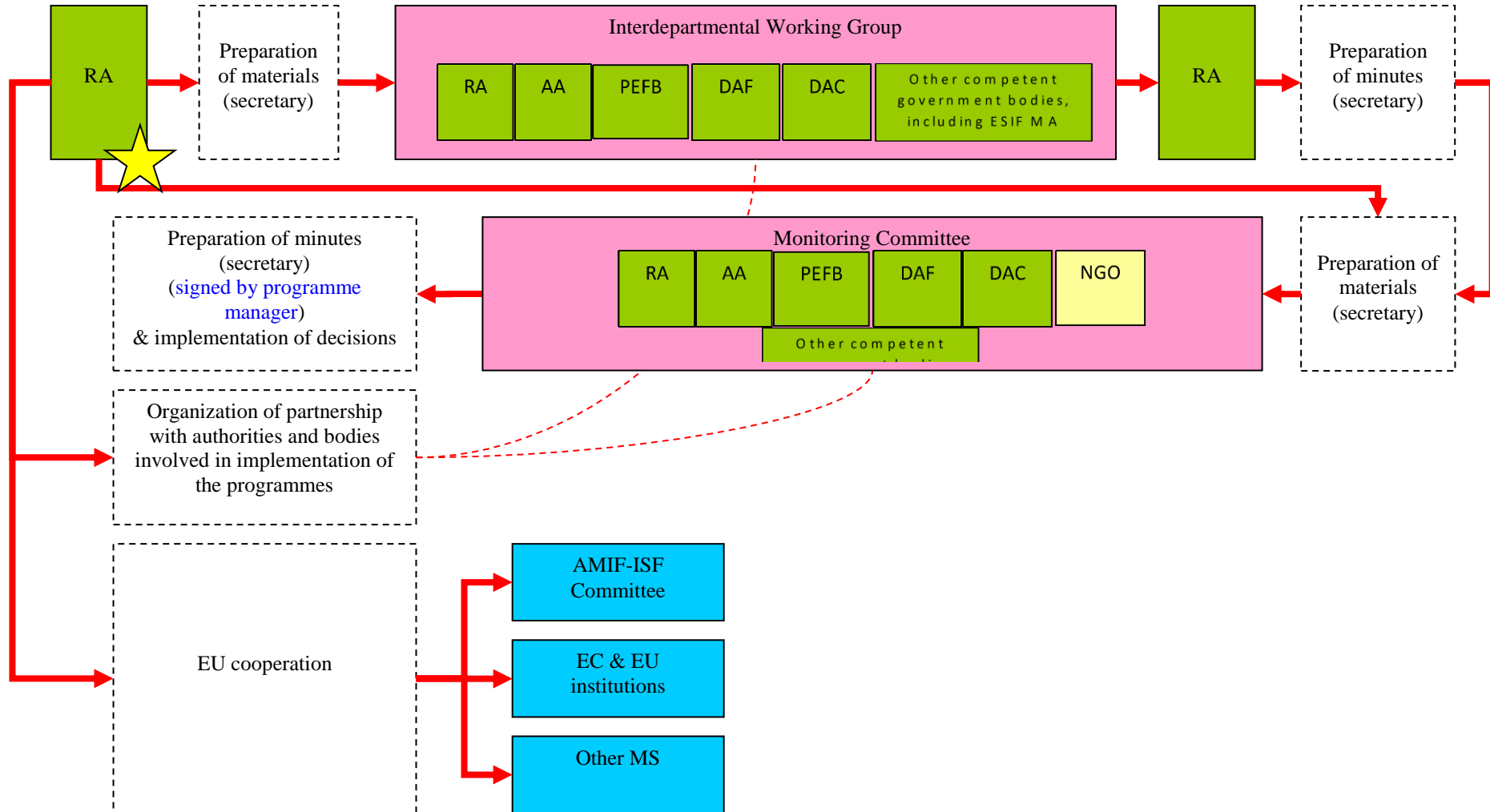


Table 20. Sub-process 6.4

<b>Process:</b>	<b>(6) Overarching and other processes</b>
<b>Sub-process and its main features:</b>	<p><b>(6.4) Information and publicity measures:</b></p> <ul style="list-style-type: none"> <li>- <b>Responsibilities of the RA ensuring the widest possible media coverage</b> using various forms and methods of communication (RA's website updating, information events, etc.)</li> <li>- <b>Responsibilities of final beneficiaries (PEFB and NGOs) for informing the general public</b> about the financial assistance obtained from the funds</li> <li>- Project-level <b>monitoring of information and publicity measures</b> by final beneficiaries and the RA, and entry of data into MIGRA II as a part of claims for payment/reimbursement</li> <li>- <b>Automatic entry of data into the list of information and publicity measures</b> in MIGRA II on the basis of submitted claims for payment/reimbursement</li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Art. 53 of the Horizontal regulation (Information and publicity)</li> <li>- Art. 4(r) of the Commission delegated regulation 1042/2014 with regard to the designation and management and control responsibilities of Responsible Authorities and with regard to status and obligations of Audit Authorities (Tasks of the Responsible Authority)</li> <li>- Commission delegated regulation 1048/2014 laying down information and publicity measures for the public and information measures for beneficiaries</li> <li>- Commission implementing regulation 1049/2014 on technical characteristics of information and publicity measures</li> </ul>
<b>Other relevant documents:</b>	/
<b>Detailed description:</b>	<p>Information and publicity activities and dissemination of the programme's results remain one of the key responsibilities of the RA and final beneficiaries.</p> <p>According to article 53 of the Horizontal regulation, the basic tool for implementation of information and publicity measures is through setting-up of RA's <i>website/web portal</i> (<a href="http://www.mnz.gov.si/si/o_ministrstvu/crpanje_evropskih_sredstev/">http://www.mnz.gov.si/si/o_ministrstvu/crpanje_evropskih_sredstev/</a>), containing at least the following:</p> <ul style="list-style-type: none"> <li>- information on and access to the national programmes;</li> <li>- information for potential beneficiaries about funding opportunities under the national programmes and the launching of calls for proposals (conditions of eligibility, the description of the procedures for examining claims for funding and of the time periods involved, and the criteria for selecting and granting the projects to be funded);</li> <li>- information for the general public on the results and impact of the national programmes (including basic data on implemented projects);</li> <li>- a list of actions supported by each national programme, updated information on the final beneficiaries, the names of the projects and the amount of Union funding allocated (the RA has to inform all final beneficiaries that acceptance of funding also implies acceptance of their inclusion on the list of actions published);</li> </ul>

	<ul style="list-style-type: none"> <li>- contacts who can provide information on the national programmes.</li> </ul> <p>The RA in cooperation with the final beneficiaries further has to ensure that information and publicity measures are disseminated widely using <i>various forms and methods of communication</i> (this does not relate to the information, which is restricted due to its confidential nature). Apart from the website and online dissemination of information, the RA should organize at least one <i>information activity</i> a year, presenting the launch of the national programme or its achievements as well as the achievements of the funds.</p> <p>RA's activities in the area of information and publicity should regularly be reported via claims for reimbursement (for technical assistance) and then automatically entered into the <i>list of information and publicity measures</i> in MIGRA II.</p> <p>On the other hand, all final beneficiaries have the obligation to adhere to the rules of <i>informing the general public about the financial assistance obtained</i> from the funds under the national programmes (putting up permanent prominent plaques for physical objects/construction projects, informing project participants of the funding source, use of a statement indicating EU co-financing in all relevant project documentation). The data on information and publicity activities carried out should be regularly reported within claims for payment/reimbursement (see processes 3.3. and 4.1) and automatically entered into the list of information and publicity measures in MIGRA II.</p> <p>The complete list of information and publicity measures serves as a comprehensive database for the purposes of controls, evaluation as well as preparation of any customized reports required.</p> <p>There is no legal requirement to produce specific reports on information and publicity measures, therefore semi-annual reporting on information and publicity as it existed under MFF 07-13 should be abolished. Alternatively, reporting on information and publicity should refer to regular publishing of any significant information on activities and measures carried out on the RA's website, particularly concrete project information (e.g. press releases on past events, news on ongoing projects by final beneficiaries, links to other media sources financed from the funds, information on completed projects, etc.).</p> <p>All information and publicity measures aimed at beneficiaries, potential beneficiaries and the general public has to be in line with the <i>technical characteristics</i> established by the Commission implementing regulation 1049/2014 concerning the use of the EU emblem, reference to the funds, and a statement highlighting the added value of the EU contribution. The RA should make sure that all final beneficiaries are well acquainted with the requirements of information and publicity and should establish clear rules on the implementation of these measures (e.g. in the manual of procedures).</p>
<b>Key stakeholders:</b>	<ul style="list-style-type: none"> <li>- RA</li> <li>- PEFB</li> <li>- DAC</li> <li>- Final beneficiaries (NGOs and legal entities operating under a non-profit principle)</li> </ul>

	- General public
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Information for the general public about the financial assistance obtained from the funds by final beneficiaries</li> <li>- Online dissemination of information on RA's web site</li> <li>- Information activities (events) and other forms of communication about funding opportunities</li> <li>- List of information and publicity measures in MIGRA II</li> </ul>
<b>Process improvements:</b>	<ul style="list-style-type: none"> <li>- Semi-annual reporting on information and publicity measures has been abolished. Alternatively, information and publicity by the final beneficiaries has been incorporated into the process of monitoring of project implementation (submission of information and publicity reports within claims for payment/reimbursement).</li> <li>- There is no requirement to produce a comprehensive report by the RA (although the list of information and publicity measures enables ad hoc generation of customized reports).</li> <li>- Data on information and publicity is entered at source/project level as a part of the monitoring exercise (final beneficiaries/RA).</li> <li>- MIGRA II enables automatic aggregation of data in the list of information and publicity measures.</li> </ul>
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	Minus 15% due to simplification of reporting and aggregation of all data in MIGRA II. <i>Net effect: minus 15%.</i>
<b>Weighting on the frequency of occurrence (Wf):</b>	Annually recurring process. <i>Wf=1.</i>

Figure 14. 6.4 – Information and publicity measures

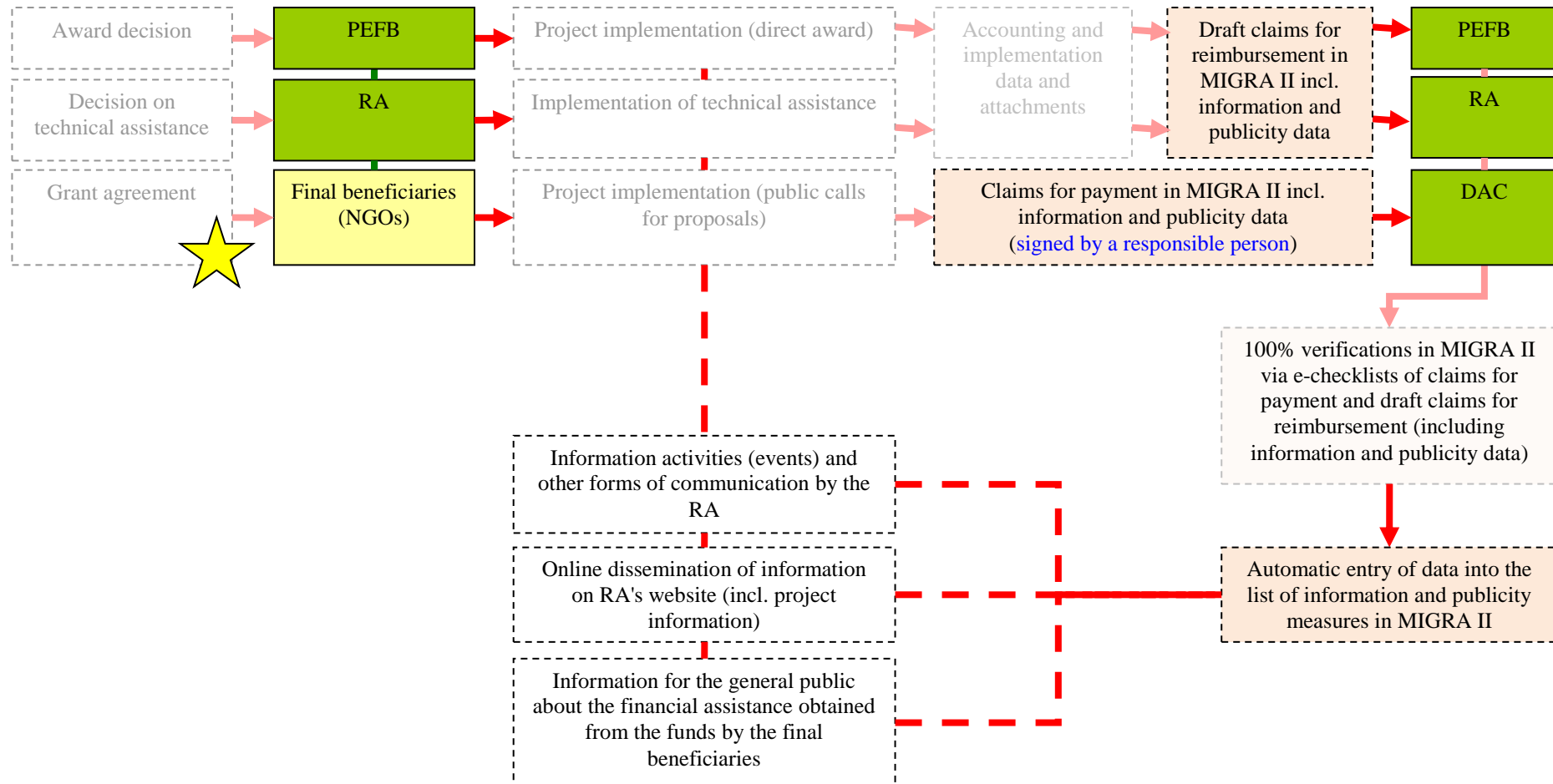




Table 21. Sub-process 6.5

<b>Process:</b>	<b>(6) Overarching and other processes</b>
<b>Sub-process and its main features:</b>	<b>(6.5) Measures for ensuring ethics and integrity policy</b> <ul style="list-style-type: none"> <li>- <b>Risk management</b></li> <li>- Preparation of an <b>integrity plan</b> and <b>protection of whistleblowers</b></li> </ul>
<b>Legal basis:</b>	<ul style="list-style-type: none"> <li>- Public Finance Act</li> <li>- Integrity and Prevention of Corruption Act</li> </ul>
<b>Other relevant documents:</b>	<ul style="list-style-type: none"> <li>- Strategy of the development of the internal control of public finance</li> <li>- Regulation of the policies for a coordinated operation of the system of internal control of public finance</li> <li>- Manual on risk management in the Ministry of the Interior (020-90/2014/11 as of 12 September 2014)</li> <li>- Guidelines by the Commission for the Prevention of Corruption (<a href="https://www.kpk-rs.si/sl">https://www.kpk-rs.si/sl</a>)</li> <li>- Guidelines on the procedures by responsible persons for the management of “protection of whistleblowers” risk factor</li> </ul>
<b>Detailed description:</b>	<p>The RA is organizationally situated within the MoI, which according to the national legislation on risk management assessment prepares a <i>risk register</i> of the MoI and an <i>integrity plan</i> including anti-fraud measures. All documents are prepared at the level of individual organizational units and encompass all business processes within the MoI. The documents are monitored and revised annually. The results are reported to the minister. The risk register includes a separate risk assessment of the process “Planning and management of EU funds in the area of internal security and migration, structural funds and Union actions”. All other processes of the MoI (such as accounting, budget planning, budget implementation, tendering procedures, etc.) are also included into the risk register and subject to a risk assessment. The MoI further prepares an <i>integrity plan</i> (last version 1.1, No. 020-90/2014/6), which encompasses risk exposure assessment and correlated mitigation measures for the following areas:</p> <ul style="list-style-type: none"> <li>- prohibited acceptance of gifts,</li> <li>- failure to comply with rules on conflicts of interest,</li> <li>- failure to comply with restrictions on commerce (for officials)</li> <li>- tampering with lobbying,</li> <li>- protection of whistleblowers,</li> <li>- tendering procedures,</li> <li>- suspicion of corruption and abuse of power.</li> </ul>
<b>Key stakeholders:</b>	- MoI
<b>Process outputs:</b>	<ul style="list-style-type: none"> <li>- Risk register of the MoI</li> <li>- Integrity plan of MoI (including protection of whistleblowers)</li> </ul>
<b>Process improvements:</b>	- No improvement.
<b>Quantification of process improvement (estimated)</b>	<p>No changes (process outputs are being prepared as a part of internal rules of the MoI).</p> <p><i>Net effect: 0%.</i></p>

increase/ reduction of process complexity in %):	
Weighting on the frequency of occurrence (Wf):	Annually recurring process. $Wf=1$ .

## Appendix 5: Expert opinion on the estimation of BPR project impact (quantification of process improvement)

Expert opinion on the estimation of BPR project impact (i.e. quantification of process improvement) was obtained via personal interview with Ms. Polona Čufer Klep, head of the European Funds Service at the Slovenian Ministry of the Interior. The interview was conducted on 30 April 2015. The level of improvement is based on the identified process improvements and is expressed as percentage (%) of increase/reduction of process complexity.

Table 1. Expert opinion broken down by processes and sub-processes

<b>Process:</b>	<b>(1) Designation of authorities and establishment of the Management and Control System (MCS)</b>
<b>Sub-process:</b>	<b>(1.1) Designation of (competent) authorities at the governmental level</b>
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	No significant changes. <i>Net effect: 0%.</i>
<b>Sub-process and its main features:</b>	<b>(1.2) Establishment of the MCS</b>
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	Plus 5% due to inclusion of new policy areas – police cooperation (Criminal police directorate) and risk and crisis management (Ministry of defense). Minus 10% due to increased transparency, separation of roles and narrower definition of the MCS. <i>Net effect: minus 5%.</i>
<b>Process:</b>	<b>(2) Programming and budget planning</b>
<b>Sub-process and its main features:</b>	<b>(2.1) Multiannual programming</b>
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	Plus 10% due to inclusion of new policy areas – police cooperation (Criminal police directorate) and risk and crisis management (Ministry of defense), as well as extremely lengthy process of programming (over 2 years). Lack of EC guidelines and unclear definitions made the process even more cumbersome. <i>Net effect: plus 10%.</i>
<b>Sub-process and its main features:</b>	<b>(2.2) Preparation of an action plan</b>
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	Plus 5% due to inclusion of new policy areas – police cooperation (Criminal police directorate) and risk and crisis management (Ministry of defense). Minus 30% due to simplified preparation and adoption procedures (abolition of annual programmes, no more revisions of annual programmes, no need for mid-term reporting to the EC, no EC decision approving the projects within the annual programme, simplified project selection procedure and approval at the level of Monitoring Committee). <i>Net effect: minus 25%.</i>
<b>Sub-process and its main features:</b>	<b>(2.3) Budget planning</b>
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	Plus 5% due to inclusion of new policy areas – police cooperation (Criminal police directorate) and risk and crisis management (Ministry of defense). <i>Net effect: plus 5%.</i>
<b>Process:</b>	<b>(3) Project selection and programme implementation</b>
<b>Sub-process and its main features:</b>	<b>(3.1) Selection and implementation of projects when the RA acts as an executing body (executing body mode)</b>
<b>Quantification of process</b>	Minus 100% due to abolition of process (hence, these projects are

improvement (estimated increase/ reduction of process complexity in %):	implemented under direct award – see process 3.2). <i>Net effect: minus 100%.</i>
Sub-process and its main features:	<b>(3.2) Selection and implementation of projects when the RA acts as an awarding body (awarding body mode)</b>
Quantification of process improvement (estimated increase/ reduction of process complexity in %):	All hours previously planned under process 3.1 have to be added, as ‘executing body mode’ now falls under direct award! Then, the following weightings can be applied: Plus 5% due to inclusion of new policy areas under direct award – police cooperation (Criminal police directorate) and risk and crisis management (Ministry of defense) Minus 15% due to automatization of the process in MIGRA II. <i>Net effect: process 3.1+3.2 minus 10%.</i>
Sub-process and its main features:	<b>(3.3) Financial management of programmes and payments to final beneficiaries</b>
Quantification of process improvement (estimated increase/ reduction of process complexity in %):	Plus 5% due to inclusion of new policy areas under direct award – police cooperation (Criminal police directorate) and risk and crisis management (Ministry of defense). Minus 25% due to simplified procedures of controls (no more 100% double control, improvements in MIGRA II). <i>Net effect: minus 20%.</i>
Process:	<b>(4) Monitoring, reporting, and evaluation of programme implementation</b>
Sub-process and its main features:	<b>(4.1) Regular monitoring of project (and operating support) implementation by final beneficiaries</b>
Quantification of process improvement (estimated increase/ reduction of process complexity in %):	Plus 5% due to inclusion of new policy areas under direct award – police cooperation (Criminal police directorate) and risk and crisis management (Ministry of defense). Minus 20% due to improvements in MIGRA II and better planning (action plan). <i>Net effect: minus 15 %.</i>
Sub-process and its main features:	<b>(4.2) Regular monitoring of programme implementation by the RA and reporting to the EC</b>
Quantification of process improvement (estimated increase/ reduction of process complexity in %):	Minus 15% due to improvements in MIGRA II (data entry at the source and automatic aggregation of data, reporting and information exchange protocol with the EC). <i>Net effect: minus 15%.</i>
Sub-process and its main features:	<b>(4.3) Preparation of evaluation reports of programme implementation</b>
Quantification of process improvement (estimated increase/ reduction of process complexity in %):	No significant changes. <i>Net effect: 0%.</i>
Process:	<b>(5) Controls by designated authorities, detection of irregularities and financial corrections</b>
Sub-process and its main features:	<b>(5.1) Controls by the RA</b>
Quantification of process improvement (estimated increase/ reduction of process complexity in %):	Plus 20 % due to expansion of the on-the-spot controls in line with the requirements of implementing regulation on general principles of controls carried out by Responsible Authorities (on-the-spot controls). Minus 30% due to reduction of the level of administrative controls and automatization in MIGRA II. <i>Net effect: minus 10%.</i>
Sub-process and its main features:	<b>(5.2) Reimbursement of EU contribution and payments by the Commission</b>
Quantification of process improvement (estimated increase/ reduction of process complexity in %):	Minus 75% due to abolition of certification of expenditure (declaration of expenditure is no longer required) and simplification of orders for transfer of funds.

<b>complexity in %):</b>	<i>Net effect: minus 75%.</i>
<b>Sub-process and its main features:</b>	<b>(5.3) Detection of irregularities, reporting on irregularities, and financial corrections</b>
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	Minus 10% due to simplified reporting in MIGRA II. Minus 5% due to abolition of quarterly reporting by the RA. <i>Net effect: minus 15%.</i>
<b>Sub-process and its main features:</b>	<b>(5.4) Auditing</b>
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	Plus 10% due to inclusion of new policy areas – police cooperation (Criminal police directorate) and risk and crisis management (Ministry of defense). Changes are also predicted in terms of deadlines for audits (on the spot audits will be more intense). <i>Net effect: plus 10%.</i>
<b>Process:</b>	<b>(6) Overarching and other processes</b>
<b>Sub-process and its main features:</b>	<b>(6.1) Physical and electronic archiving and audit trail assurance</b>
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	Impossible to evaluate. <i>Net effect: 0%.</i>
<b>Sub-process and its main features:</b>	<b>(6.2) Development, setting-up, upgrading and management of MIGRA II IT system</b>
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	Plus 25% due to a more complex application and wider range of stakeholders involved in its development, setting-up, upgrading and management. <i>Net effect: plus 25%.</i>
<b>Sub-process and its main features:</b>	<b>(6.3) Inter-departmental coordination and cooperation with stakeholders</b>
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	No significant changes. <i>Net effect: 0%.</i>
<b>Sub-process and its main features:</b>	<b>(6.4) Information and publicity measures</b>
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	Minus 15% due to simplification of reporting and aggregation of all data in MIGRA II. <i>Net effect: minus 15%.</i>
<b>Sub-process and its main features:</b>	<b>(6.5) Measures for ensuring high ethical and integrity standards</b>
<b>Quantification of process improvement (estimated increase/ reduction of process complexity in %):</b>	No changes (process outputs are being prepared as a part of internal rules of the MoI). <i>Net effect: 0%.</i>

## **Appendix 6: Questionnaire on the Management and Control System for SOLID funds (stakeholder survey)**

*The questionnaire is designed for all civil servants directly involved in business processes of management and control of SOLID funds. On the basis of the results, the management and control system for AMIF and ISF funds will be redesigned. The findings will also be used in the master's thesis titled "Business Process Reengineering for improving the Management and Control of EU Home Affairs Funds in Slovenia for the Period 2014 to 2020" (author: Gregor Skender). The questionnaire should be filled-in in electronic format and sent to [gregor.skender@gov.si](mailto:gregor.skender@gov.si) no later than 16 January 2015.*

### **A) Questions related to the business processes**

#### **1. Please select your organization.**

- ☐ Ministry of the Interior – European Funds Service
- ☐ Ministry of the Interior – Public Procurement and Purchasing Service
- ☐ Ministry of the Interior – Budget and Finance Service
- ☐ Ministry of the Interior – Internal Administrative Affairs, Migration and Naturalization Directorate
- ☐ Police
- ☐ Ministry of Finance – Department for Management of EU Funds
- ☐ Ministry of Finance – Budget Supervision Office of the Republic of Slovenia
- ☐ Ministry of Justice
- ☐ Ministry of Foreign Affairs
- ☐ Other (organization: )

#### **2. How long have you been working in the field of EU home affairs funding?**

- ☐ Less than one year
- ☐ 1-3 years
- ☐ More than three years

#### **3. Which of the below-listed business processes are you actively involved in?**

*Designation of authorities (Responsible Authority, Certifying Authority and Audit Authority) and establishment of the Management and Control System (MCS)*

- ☐ [1] Designation of authorities (RA, CA, AA)
- ☐ [2] Establishment of the MCS (organizational structure, agreement on management and control, custodians, contact points, channels of communication, etc.)

*Programming and budget planning*

- ☐ [3] Multiannual programming
- ☐ [4] Annual programming
- ☐ [5] Budget planning for the implementation of annual programmes (planning of commitments on designated budget items)

*Project selection and programme implementation*

- ☐ [6] Selection and implementation of projects when the RA acts as an executing body – executing body mode (implementation of project by public sector organizations)
- ☐ [7] Selection and implementation of projects when the RA acts as an awarding body – awarding body mode (implementation of projects by external bidders, such as NGOs)

- ☐ [8] Financial management of programmes and payments to final beneficiaries (first, 100% administrative and financial controls, payments to final beneficiaries/contractors, preparation of applications for reimbursement)

*Monitoring, reporting, and evaluation of programme implementation*

- ☐ [9] Regular monitoring of project implementation by the delegated authorities/ associated bodies (preparation of progress/final reports on the implementation of projects)
- ☐ [10] Regular monitoring of funds by the RA and reporting to the EC (preparation of progress/final reports on the implementation of programmes)
- ☐ [11] Preparation of evaluation reports for the European Commission

*Controls by designated authorities, detection of irregularities and financial corrections*

- ☐ [12] Controls by the RA
- ☐ [13] Reimbursement of EU contribution, payments by the Commission and certification of expenditure (preparation of the declaration of expenditure)
- ☐ [14] Detection of irregularities, reporting on irregularities, and financial corrections (by the designated authorities/ delegated authorities/ associated bodies before/after reimbursement from the Union budget)
- ☐ [15] Auditing and participation in audit procedures

*Overarching and other processes*

- ☐ [16] Physical and electronic archiving and audit trail assurance
- ☐ [17] IT management of funds via MIGRA IT system (development and upgrading)
- ☐ [18] Inter-departmental coordination and cooperation with stakeholders (Interdepartmental Working Group, Monitoring Committee, partnership principle)
- ☐ [19] Information and publicity measures (information for potential final beneficiaries, information for final beneficiaries, information and publicity by the RA, reporting on information and publicity)

**4. Which of the listed business processes are the most crucial according to your opinion and why (instead of naming the process you can enter the number of the process)?**

**5. Which of the listed business processes are the most problematic according to your opinion and why (instead of naming the process you can enter the number of the process)?**

**6. Do you have any suggestions for improvement of the listed business processes (instead of naming the process you can enter the number of the process)?**

**7. Are you familiar with MIGRA IT application used for financial management of SOLID funds? If yes, do you have any suggestions for upgrading/improvement of the application?**

- ☐ Yes
- ☐ No

Suggestions for upgrading/improvement:

**B) Questions related to the work of the Project unit for internal security and migration funds performing the tasks of the Responsible Authority within the Ministry of the Interior**

**8. How often do you cooperate with the Project unit for internal security and migration funds**

- ☐ Once or several times a day  
☐ Once or several times a week  
☐ Once or several times a month  
☐ Once or several times a year  
☐ I do not cooperate with the Project unit for internal security and migration funds

**9. If you cooperate with the Project unit for internal security and migration funds, please rate the individual components of work of the Project unit (1 is the lowest and 5 the highest rating)**

	1	2	3	4	5
Timeliness of service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Expertise of service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Understandability of written instructions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kindness of civil servants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Availability for additional information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**10. Are you familiarized with the "EU Funding" website edited by the Project unit for internal security and migration funds?**

- ☐ Yes  
☐ No

**11. Have you visited the website? If yes, please rate the contents of the website (1 is the lowest and 5 the highest rating). Please write any suggestions for the improvement of the website.**

- ☐ Yes  
☐ No

	1	2	3	4	5
Contents of the website	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Suggestions for improvement of the website:



## Appendix 7: Results of the stakeholder survey

The survey, composed of two sections (section A on the business processes and section B on customer satisfaction), was sent to relevant stakeholders via email in January 2015. Replies from 23 respondents, i.e. staff working in the area of EU Home Affairs Funds, were returned. Certain questions in the survey are not related to this research but were sent out simultaneously for other purposes (questions 7, 8, 10 and 11).

### A) Questions related to the business processes

#### 1. Please select your organization.

Table 1. Responses to question 1

Ministry of the Interior – Internal Administrative Affairs, Migration and Naturalization Directorate	7 respondents (30%)
Ministry of the Interior – European Funds Service	5 respondents (22%)
Ministry of Justice	3 respondents (13%)
Ministry of the Interior – Public Procurement and Purchasing Service	3 respondents (13%)
Ministry of the Interior – Budget and Finance Service	2 respondents (9%)
Police	2 respondents (9%)
Ministry of Finance – Department for Management of EU Funds	1 respondent (4%)

#### 2. How long have you been working in the field of EU home affairs funding?

Table 2. Responses to question 2

More than three years	17 respondents (74%)
1-3 years	3 respondents (13%)
Less than one year	3 respondents (13%)

#### 3. Which of the below-listed business processes are you actively involved in?

Table 3. Responses to question 3

[16] Physical and electronic archiving and audit trail assurance	17 respondents
[9] Regular monitoring of project implementation by the delegated authorities/ associated bodies (preparation of progress/final reports on the implementation of projects)	13 respondents
[15] Auditing and participation in audit procedures	13 respondents
[6] Selection and implementation of projects when the RA acts as an executing body – executing body mode (implementation of project by public sector organizations)	12 respondents
[19] Information and publicity measures (information for potential final beneficiaries, information for final beneficiaries, information and publicity by the RA, reporting on information and publicity)	12 respondents
[2] Establishment of the MCS (organizational structure,	11 respondents

agreement on management and control, custodians, contact points, channels of communication, etc.)	
[4] Annual programming	11 respondents
[5] Budget planning for the implementation of annual programmes (planning of commitments on designated budget items)	11 respondents
[8] Financial management of programmes and payments to final beneficiaries (first, 100% administrative and financial controls, payments to final beneficiaries/contractors, preparation of applications for reimbursement)	11 respondents
[3] Multiannual programming	10 respondents
[7] Selection and implementation of projects when the RA acts as an awarding body – awarding body mode (implementation of projects by external bidders, such as NGOs)	10 respondents
[14] Detection of irregularities, reporting on irregularities, and financial corrections (by the designated authorities/ delegated authorities/ associated bodies before/after reimbursement from the Union budget)	10 respondents
[18] Inter-departmental coordination and cooperation with stakeholders (Interdepartmental Working Group, Monitoring Committee, partnership principle)	9 respondents
[12] Controls by the RA	8 respondents
[10] Regular monitoring of funds by the RA and reporting to the EC (preparation of progress/final reports on the implementation of programmes)	4 respondents
[11] Preparation of evaluation reports for the European Commission	3 respondents
[13] Reimbursement of EU contribution, payments by the Commission and certification of expenditure (preparation of the declaration of expenditure)	3 respondents
[17] IT management of funds via MIGRA IT system (development and upgrading)	2 respondents
[1] Designation of authorities (RA, CA, AA)	0 respondents

**4. Which of the listed business processes are the most crucial according to your opinion and why (instead of naming the process you can enter the number of the process)?**

Table 4. Responses to question 4

[4] Annual programming	13 respondents
[3] Multiannual programming	10 respondents
[8] Financial management of programmes and payments to final beneficiaries (first, 100% administrative and financial controls, payments to final beneficiaries/contractors, preparation of applications for reimbursement)	9 respondents
[5] Budget planning for the implementation of annual programmes (planning of commitments on designated budget items)	8 respondents
[2] Establishment of the MCS (organizational structure,	7 respondents

agreement on management and control, custodians, contact points, channels of communication, etc.)	
[14] Detection of irregularities, reporting on irregularities, and financial corrections (by the designated authorities/ delegated authorities/ associated bodies before/after reimbursement from the Union budget)	6 respondents
[6] Selection and implementation of projects when the RA acts as an executing body – executing body mode (implementation of project by public sector organizations)	5 respondents
[9] Regular monitoring of project implementation by the delegated authorities/ associated bodies (preparation of progress/final reports on the implementation of projects)	4 respondents
[10] Regular monitoring of funds by the RA and reporting to the EC (preparation of progress/final reports on the implementation of programmes)	4 respondents
[15] Auditing and participation in audit procedures	4 respondents
[7] Selection and implementation of projects when the RA acts as an awarding body – awarding body mode (implementation of projects by external bidders, such as NGOs)	3 respondents
[11] Preparation of evaluation reports for the European Commission	3 respondents
[13] Reimbursement of EU contribution, payments by the Commission and certification of expenditure (preparation of the declaration of expenditure)	2 respondents
[18] Inter-departmental coordination and cooperation with stakeholders (Interdepartmental Working Group, Monitoring Committee, partnership principle)	2 respondents
[19] Information and publicity measures (information for potential final beneficiaries, information for final beneficiaries, information and publicity by the RA, reporting on information and publicity)	2 respondents
[12] Controls by the RA	1 respondents
[16] Physical and electronic archiving and audit trail assurance	1 respondent
[1] Designation of authorities (RA, CA, AA)	0 respondents
[17] IT management of funds via MIGRA IT system (development and upgrading)	0 respondents

**5. Which of the listed business processes are the most problematic according to your opinion and why (instead of naming the process you can enter the number of the process)?**

Table 5. Responses to question 5

[5] Budget planning for the implementation of annual programmes (planning of commitments on designated budget items)	8 respondents
[8] Financial management of programmes and payments to final beneficiaries (first, 100% administrative and financial controls, payments to final beneficiaries/contractors, preparation of	7 respondents

applications for reimbursement)	
[3] Multiannual programming	5 respondents
[4] Annual programming	3 respondents
[18] Inter-departmental coordination and cooperation with stakeholders (Interdepartmental Working Group, Monitoring Committee, partnership principle)	3 respondents
[7] Selection and implementation of projects when the RA acts as an awarding body – awarding body mode (implementation of projects by external bidders, such as NGOs)	2 respondents
[9] Regular monitoring of project implementation by the delegated authorities/ associated bodies (preparation of progress/final reports on the implementation of projects)	2 respondents
[15] Auditing and participation in audit procedures	2 respondents
[2] Establishment of the MCS (organizational structure, agreement on management and control, custodians, contact points, channels of communication, etc.)	1 respondent
[6] Selection and implementation of projects when the RA acts as an executing body – executing body mode (implementation of project by public sector organizations)	1 respondent
[13] Reimbursement of EU contribution, payments by the Commission and certification of expenditure (preparation of the declaration of expenditure)	1 respondent
[14] Detection of irregularities, reporting on irregularities, and financial corrections (by the designated authorities/ delegated authorities/ associated bodies before/after reimbursement from the Union budget)	1 respondent
[16] Physical and electronic archiving and audit trail assurance	1 respondent
[1] Designation of authorities (RA, CA, AA)	0 respondents
[10] Regular monitoring of funds by the RA and reporting to the EC (preparation of progress/final reports on the implementation of programmes)	0 respondents
[11] Preparation of evaluation reports for the European Commission (0 respondents)	0 respondents
[12] Controls by the RA	0 respondents
[17] IT management of funds via MIGRA IT system (development and upgrading)	0 respondents
[19] Information and publicity measures (information for potential final beneficiaries, information for final beneficiaries, information and publicity by the RA, reporting on information and publicity)	0 respondents

**6. Do you have any suggestions for improvement of the listed business processes (instead of naming the process you can enter the number of the process)?**

- Complete mapping and reform of the entire MCS
- Cooperation of various services in the formation of common goals and strategies, implementation of these and financial planning
- Improved cooperation within a single authority and with other authorities
- Simplification of verifications by limiting eligibility controls to crucial persons (custodian, project manager and finance manager)

- Audits should focus more on efficient documentation circuit
- Better coordination between various bodies is required
- [7] improvement of internal procedures within the Public procurement and purchasing service of the MoI
- [8] applications for reimbursement should first be controlled by the contract custodian (contents), followed by financial-accounting controls. Other controls are redundant
- [2] abolition of associated bodies and introduction of delegated authorities eligible for technical assistance, thus facilitating the reimbursement of staff costs
- [3] single programme for the entire period
- [4] single programme/action plan for the entire period, deadlines aligned with budgetary timeline
- [5] budgetary negotiations should be centralized at the level of RA
- [6] only direct award for public authorities
- [8] electronic applications for reimbursement through MIGRA, prolonged deadlines for submission
- [9] simplified implementation reports
- [16] simplified 1-step archiving in SPIS4
- [17] access to MIGRA by all stakeholders, including for creation of applications for reimbursement
- [18] revival of the Interdepartmental Working Group, more use of correspondence sessions of the Monitoring Committee
- [19] simplified reporting
- [2] equal status of delegated authorities/ associated bodies within the MCS
- [5] more efficient budget negotiations with the Ministry of Finance to ensure Slovenian contribution
- [8] e-business
- [16] e-business
- [17] joint information system accessible by all stakeholders
- [17] comprehensive information system encompassing all business processes and storing all required documentation, thus facilitating the processes of monitoring, controls, reporting and evaluation
- [3] programmes should be as general as possible
- [5] priority budget allocations for EU co-funded projects
- [8] process of financial controls and preparation of applications for reimbursement should be combined and performed by a single person for a given context/project; this should be kept separate from the financial management of projects by project managers
- [7] due to excessive tendering/public call documentation and contracts, general eligibility rules should be prepared, describing eligible direct and indirect costs, categories of costs, rules on data entry in tables in tendering documents; thus these rules would no longer be included into the documentation, the scope of documentation would be reduced and procedures would be simplified
- [17] comprehensive e-business, entire documentation in electronic form
- [2] ensuring enough staff with adequate expertise at the level of delegated authorities/ associated bodies, specialization of staff
- [3] flexibility in the selection of projects, enabling replacement of infeasible projects with minimum administration, use of annexes only for such projects
- [8] high quality first administrative and financial control

**7. Are you familiar with MIGRA IT application used for financial management of SOLID funds? If yes, do you have any suggestions for upgrading/improvement of the application?**

Table 6. Responses to question 7

YES	14 respondents (61%)
NO	9 respondents (39%)

**B) Questions related to the work of the Project unit for internal security and migration funds performing the tasks of the Responsible Authority within the Ministry of the Interior**

**8. How often do you cooperate with the Project unit for internal security and migration funds?**

Table 7. Responses to question 8

Once or several times a day	4 respondents (17,5%)
Once or several times a week	6 respondents (26%)
Once or several times a month	4 respondents (17,5%)
Once or several times a year	3 respondents (13%)
I do not cooperate with the Project unit for internal security and migration funds	1 respondent (4%)
N/A	5 respondents (22%)

**9. If you cooperate with the Project unit for internal security and migration funds, please rate the individual components of work of the Project unit (1 is the lowest and 5 the highest rating)**

Table 8. Responses to question 9

Timeliness of service	4,18
Expertise of service	4,71
Understandability of written instructions	4,53
Kindness of civil servants	4,88
Availability for additional information	4,88

**10. Are you familiarized with the "EU Funding" website edited by the Project unit for internal security and migration funds?**

Table 9. Responses to question 10

YES	19 respondents (82%)
NO	2 respondents (9%)

N/A	2 respondents (9%)
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**11. Have you visited the website? If yes, please rate the contents of the website (1 is the lowest and 5 the highest rating). Please write any suggestions for the improvement of the website.**

Table 10. Responses to question 11

YES	16 respondents (70%)
NO	4 respondents (17%)
N/A	3 respondents (13%)

Contents of the website	4,25
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Suggestions for improvement of the website:

- Visibility on MoI front page (easier access to RA's web site)
- More information on actual projects
- More attractive contents, more good practice examples
- Information on concrete projects (e.g. best practice examples), photographic materials

## **Appendix 8: Interviews with executives and staff on the management and control system (MCS) of SOLID funds (structured personal interviews with executives/staff)**

1. Which organizational unit are you representing?
2. What is the vision (long-term perspective purpose and values of the system), mission (current view of purpose and values of the system) of SOLID funds' MCS? Which are the most important strategic objectives of entities within the SOLID funds' MCS (concrete, operational objectives, such as lower error rate, better absorption rate)?
3. Who are the key stakeholders, what are their key expectations?
4. Which of the below-listed business processes is your organizational unit directly involved in?

*Designation of authorities (Responsible Authority, Certifying Authority and Audit Authority) and establishment of the Management and Control System (MCS)*

- ☐ [1] Designation of authorities
- ☐ [2] Establishment of the MCS (organizational structure, contact points, channels of communication etc.)

*Programming and budget planning*

- ☐ [3] Multiannual programming
- ☐ [4] Annual programming
- ☐ [5] Budget planning for the implementation of annual programmes

*Project selection and programme implementation*

- ☐ [6] Selection and implementation of projects when the RA acts as an executing body – executing body mode (implementation of project by public sector organizations)
- ☐ [7] Selection and implementation of projects when the RA acts as an awarding body – awarding body mode (implementation of projects by external bidders, such as NGOs)
- ☐ [8] Financial management of programmes and payments to final beneficiaries

*Monitoring, reporting, and evaluation of programme implementation*

- ☐ [9] Regular monitoring of project implementation
- ☐ [10] Regular monitoring of funds by the RA and reporting to the EC
- ☐ [11] Preparation of evaluation reports

*Controls by designated authorities, detection of irregularities and financial corrections*

- ☐ [12] Controls by the RA
- ☐ [13] Reimbursement of EU contribution, payments by the Commission and certification of expenditure
- ☐ [14] Detection of irregularities, reporting on irregularities, and financial corrections
- ☐ [15] Auditing

*Overarching and other processes*

- ☐ [16] Physical and electronic archiving and audit trail assurance
- ☐ [17] IT management of funds via MIGRA IT system
- ☐ [18] Inter-departmental coordination and cooperation with stakeholders
- ☐ [19] Information and publicity measures



5. Please list the employees dealing with EU home affairs funds within your organization/organizational unit and estimate the share of work dedicated to the funds for each employee (full or part time). Also, please provide the data on the average gross monthly salary of staff dealing with EU home affairs funds within your organization/organizational unit. The average salary should involve the total, i.e. actual gross cost of the employer (including benefits, bonuses and awards). Data will also be used for the calculation of an average hourly rate for the use of simplified cost options in national eligibility rules.

*Example:*

<i>Organization</i>	<i>Employee name/number</i>	<i>Gross salary in 2014 (actual gross cost of the employer)</i>	<i>No. of months working in 2014</i>	<i>Average monthly salary in 2014</i>	<i>Share of working hours dedicated to the funds (%)</i>
[...]	[...]	[...]	[...]	[...]	[...]

**Please observe the schemes of business process and answer the following questions for each individual process**

6. Please indicate the total number of employees and average monthly working hours needed for each of the business processes your organizational unit is directly involved in. See attached schemes and enter hours needed for each consecutive phase of an individual process. If tasks are not occurring regularly, provide an estimate of average annual hours for the entire process (total cycle time).

*Example:*

<i>Process</i>	<i>Number of employees</i>	<i>Time</i>
<i>[Regular monitoring of project implementation]</i>	<i>2,5 employees</i>	<i>20 hrs</i>

7. Do you have any suggestions for improvement of the listed business processes?

## Appendix 9: Results of structured personal interviews with executives/staff

The interviews were focused on the assessment of the current business system. 30 executives and staff from the Ministry of Justice, Ministry of Finance, Ministry of Foreign Affairs, MoI and the Police participated in the interviews taking place from January to February 2015.

The data on salaries (question 5) encompasses both tasks related to the management and control of the funds, as well as tasks related to project management (this is due to the fact that the data gathered is intended also for other purposes other than this research). As clear delimitation of tasks of individual civil servants is cumbersome and impractical, we have included the data on average monthly salary of all civil servants dealing with EU Home Affairs Funds in the calculation of an average annual gross employment cost in 2014. Nevertheless, we have eliminated the salaries of those civil servants working strictly on project management from the calculation of the total annual labor cost based on the share of salaries dedicated to the MCS (red numbers in the column “Total annual labor cost”).

### 1. Which organizational unit are you representing?

Table 1. Responses to question 1

Organization	Interviewees	Date of interview
Ministry of Justice, Investments and Real Estate Directorate, Investments Section	Lucija Remenc, head of Section	13.1.2015
Ministry of Justice, Investments and Real Estate Directorate, Investments Section	Helena Kovačič	13.1.2015
Police, Uniformed Police Directorate	Marko Gašperlin	14.1.2015
Ministry of the Interior, Finance and Purchasing Office, Budget and Finance Service	Sandra Turk	14.1.2015
Ministry of the Interior, Internal Administrative Affairs, Migration and Naturalization Directorate	Nina Gregori, director	15.1.2015
Ministry of the Interior, Internal Administrative Affairs, Migration and Naturalization Directorate	Darja Pokrivač	15.1.2015
Ministry of the Interior, Internal Administrative Affairs, Migration and Naturalization Directorate	Urša Židan	15.1.2015
Ministry of the Interior, Internal Administrative Affairs, Migration and Naturalization Directorate	Sabina Hrovatin	15.1.2015
Ministry of the Interior, Internal Administrative Affairs, Migration and Naturalization Directorate	Igor Cetina	15.1.2015
Ministry of the Interior, European Funds Service, Financial Control of EU Funds Section	Olga Cedilnik, head of Section	16.1.2015
Ministry of the Interior, European Funds Service, Financial Control of EU Funds Section	Darija Gala	16.1.2015
Ministry of the Interior, European Funds Service, Financial Control of EU Funds Section	Simona Gerjevič	16.1.2015
Ministry of the Interior, European Funds Service, Financial Control of EU Funds Section	Robert Vaupotič	16.1.2015
Ministry of the Interior, European Funds Service, Financial Control of EU Funds Section	Eta Mirnik Hiti	16.1.2015
Ministry of the Interior, European Funds Service, Financial Control of EU Funds Section	Melita Godeša	16.1.2015
Ministry of the Interior, Budget and Finance Service	Anelka Judita Križaj, head of Service	19.1.2015
Ministry of Finance, Department for Management of EU Funds (Certifying Authority)	Mirjana Matić	26.1.2015

Ministry of Finance, Budget Supervision Office of the Republic of Slovenia (Audit Authority)	Božidar Hlebec	27.1.2015
Ministry of Finance, Budget Supervision Office of the Republic of Slovenia (Audit Authority)	Maja Švajger	27.1.2015
Ministry of the Interior, Public Procurement and Purchasing Service	Nataša Grgasovič, head of Service	28.1.2015
Ministry of the Interior, Public Procurement and Purchasing Service	Mojca Bregar	28.1.2015
Ministry of the Interior, Public Procurement and Purchasing Service	Urška Kralj-Špacapan	28.1.2015
Ministry of Foreign Affairs	Andrej Klanjšček	4.2.2015
Ministry of Foreign Affairs	Helena Močilnikar	4.2.2015
Ministry of Foreign Affairs	Martina Jaksetič	4.2.2015
Ministry of the Interior, European Funds Service, Project Unit for Internal Security and Migration Funds	Polona Čufer, head of Service	10.2.2015
Ministry of the Interior, European Funds Service, Project Unit for Internal Security and Migration Funds	Erik Kern, head of Project unit	10.2.2015
Ministry of the Interior, European Funds Service, Project Unit for Internal Security and Migration Funds	Simona Breščanski	10.2.2015
Ministry of the Interior, European Funds Service, Project Unit for Internal Security and Migration Funds	Maja Krušič	10.2.2015
Ministry of the Interior, European Funds Service, Project Unit for Internal Security and Migration Funds	Manca Čarman	10.2.2015

**2. What is the vision (long-term perspective purpose and values of the system), mission (current view of purpose and values of the system) of SOLID funds' MCS? Which are the most important strategic objectives of entities within the SOLID funds' MCS (concrete, operational objectives, such as lower error rate, better absorption rate)?**

**3. Who are the key stakeholders, what are their key expectations?**

Table 2. Responses to question 3

Ministry/ Organization	Vision	Mission	Strategic objectives	Key stakeholders
Ministry of Justice	Management of the system of funding (implementation of funds through systemic solutions and documents) and control as a separate function from management	> Establishment of a uniform and clear MCS > Establishment of a clear hierarchy of the legal basis	> Efficient control over the achievement of project goals > Avoiding duplication (of data entry, tasks, roles etc., e.g. in project applications and project reporting)	> Programme custodian > Contact person > Project manager > Services, competent for public procurement > Services, competent for HRM > Services, competent for budget planning > Services, competent for accounting

Police	Alignment of needs, planning, and implementation of projects	> Maximum possible absorption rate in accordance with actual needs of final beneficiaries > Reduction of administrative burden	> Establishing a central role of project managers > Establishing a punishment and reward system > Nomination of competent staff working with EU funds > Simplified system for the absorption of funds	> Expert services competent for different policy areas > NGOs > Designated authorities (RA, AA) > External contractors > NGOs and other non-profit organizations > Police (especially Border police division) > MoI Secretariat (support services)
Internal Administrative Affairs, Migration and Naturalization Directorate	Absorption of funds with the purpose of ensuring the rights rising from the status of persons (applicants for international protection, persons with international protection, foreigners)			
Financial Control of EU Funds Section	/	/	/	/
Budget and Finance Service	/	/	/	/
Ministry of Finance, Department for Management of EU Funds (Certifying Authority)	Reimbursement of funds from the EU into the national budget while assuring the correctness and regularity of the expenditure declared	> 100% absorption rate of EU funding	> Preparation of a declaration of expenditure, based on accurate accounting records > Swift reimbursement of all eligible expenditure from EU to the national budget	> RA > AA
Ministry of Finance, Budget Supervision Office of the Republic of Slovenia (Audit Authority)	Compliance of all expenditure from the Funds with the legal framework and programming documents	> Optimal planning of implementation (alignment of expenditure with actual needs and requirements)	> Effective and efficient controls of expenditure	> Delegated authorities/ associated bodies > RA > EC
Ministry of the Interior, Public Procurement and Purchasing Service	/	/	/	/
Ministry of Foreign Affairs	Maximum absorption of funds with a minimal error rate	> Minimization of administrative burden (especially simple procedures for submission of applications for reimbursement)	> Smooth cooperation with diplomatic and consular missions abroad > Alignment of procedures related to accounting documents from third countries with accounting standards	> RA > AA > Diplomatic and consular missions abroad

- > Ensuring staff specialized in EU funding (continuity, proper training,...)
- > Manageable deadlines

Ministry of the Interior, European Funds Service, Project Unit for Internal Security and Migration Funds	Ensuring optimal eligibility of project expenditure, minimum level of financial corrections and maximum (100%) absorption rate	> Realistic and feasible planning of programmes and projects	> Ensuring adequate co-financing resources	> Adequately trained staff and proper organizational structures at all levels of the system	> AA > CA > Delegated authorities/ associated bodies > NGOs > Other competent public authorities (members in the Monitoring Committee > Services, competent for public procurement > Services, competent for budget planning > Services, competent for accounting > European Commission
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**4. Which of the below-listed business processes is your organizational unit directly involved in?**

**6. Please indicate the total number of employees and average monthly working hours needed for each of the business processes your organizational unit is directly involved in. See attached schemes and enter hours needed for each consecutive phase of an individual process. If tasks are not occurring regularly, provide an estimate of average annual hours for the entire process (total cycle time).**

**7. Do you have any suggestions for improvement of the listed business processes?**

Table 3. Responses to question 7

Ministry/ Organization	Process	Invol- ed?	No. of employ- ees involved	Annual number of working hours	Suggestions for improvement
Ministry of Justice	(1.1)	No			
Police	(1.1)	No			
Internal Administrative Affairs, Migration and Naturalization Directorate	(1.1)	No			

Financial Control of EU Funds Section & Budget and Finance Service	(1.1)	No				
Ministry of Finance, Department for Management of EU Funds (Certifying Authority)	(1.1)	No				
Ministry of Finance, Budget Supervision Office of the Republic of Slovenia (Audit Authority)	(1.1)	No				
Ministry of the Interior, Public Procurement and Purchasing Service	(1.1)	No				
Ministry of Foreign Affairs	(1.1)	No				
Ministry of the Interior, European Funds Service, Project Unit for Internal Security and Migration Funds	(1.1)	Yes	2		16	
Ministry of Justice	(1.2)	Yes	2		192	<ul style="list-style-type: none"> <li>&gt; Abolition of internal manuals of procedures and adherence to existing internal regulations of various ministries</li> <li>&gt; Preparation of a uniform Manual of procedures for the entire MCS (possibly, the document could be named "rules" instead of "manual")</li> <li>&gt; Definition of the role of project managers in the basic MCS documents (sometimes their tasks are assumed by other staff or external providers, such as engineers)</li> <li>&gt; Decision on the level of roles of programme custodians (due to instability of the government, directors change frequently and thus stability of the MCS is also jeopardized)</li> <li>&gt; Particular attention should be given to the role of project management in a hierarchical organization (vertical vs. horizontal structure)</li> <li>&gt; The knowledge and knowhow of officials working with EU funds should play a more important role (e.g. officials performing controls of public procurement procedures should have passed a training on administrative procedure)</li> </ul>

Police	(1.2)	Yes	5	200	<ul style="list-style-type: none"> <li>&gt; Clearer definition of the roles of project manager (preferably in manuals/rules)</li> <li>&gt; More stress on the roles of project managers (they should be the focal point of the future system)</li> <li>&gt; Stimulation of staff working on EU projects (otherwise it is just seen as additional burden)</li> <li>&gt; Designation of staff working with EU funds (by name) in all competent services, regardless of the source of financing</li> </ul>
Internal Administrative Affairs, Migration and Naturalization Directorate	(1.2)	Yes	7	72	<ul style="list-style-type: none"> <li>&gt; Clearer definition of a final beneficiary (current system of delegated/designated authorities sometimes blurred the division between the final beneficiary - e.g. NGO - and delegated authority)</li> <li>&gt; Clearer definition of contract custodians (both substance and financial aspect - two different persons)</li> <li>&gt; Clearer definition of the role of project managers</li> <li>&gt; Clear delineation of tasks of programme custodian, contact person, project manager and contract custodian</li> </ul>
Financial Control of EU Funds Section & Budget and Finance Service	(1.2)	Yes	6	166	<ul style="list-style-type: none"> <li>&gt; The role of project managers should be clearly defined</li> <li>&gt; The positioning of the two sections within the European Funds Service (Financial Control of EU Funds Section and the Project Unit for Internal Security and Migration Funds) should be redefined</li> </ul>
Ministry of Finance, Department for Management of EU Funds (Certifying Authority)	(1.2)	Yes	2	112	<ul style="list-style-type: none"> <li>&gt; Internal manuals should be simplified and limited strictly to internal procedures (not the description of the entire system, which should be uniformly described in the manual of procedures)</li> <li>&gt; The level of signatories should be such that enables swift procedures</li> </ul>
Ministry of Finance, Budget Supervision Office of the Republic of Slovenia (Audit Authority)	(1.2)	Yes	2	112	<ul style="list-style-type: none"> <li>&gt; Internal manuals of procedures and operational agreements should include only internal procedures (not other issues already described in systemic acts, e.g. in the General Manual of Procedures).</li> </ul>
Ministry of the Interior, Public Procurement and Purchasing Service	(1.2)	Yes	4	104	<ul style="list-style-type: none"> <li>&gt; Internal manuals of procedures should prescribe more realistic deadlines (shorter, as to long deadlines disable effective controls within a timeframe given by the EC).</li> </ul>
Ministry of Foreign Affairs	(1.2)	Yes	2	168	

Ministry of the Interior, (1.2) European Funds Service, Project Unit for Internal Security and Migration Funds	Yes	2	632	<ul style="list-style-type: none"> <li>&gt; Reorganization of the MoI and placement of the RA (Project Unit for Internal Security and Migration Funds) under the auspices of the minister (i.e. minister's service).</li> <li>&gt; Introduction of a single, comprehensive manual of procedures for the entire MCS.</li> <li>&gt; Internal manuals of procedures should cover only specific procedures related to individual entities within the MCS (e.g. signatories, tasks of staff, documentation circuits).</li> <li>&gt; Lower level of signatories for systemic documents (e.g. decision on technical assistance is currently signed by the minister – this can easily be shifted to the programme manager or head of the RA).</li> <li>&gt; To ensure value for money, introduction of a minimal value of invoice (500 EUR), application for reimbursement (50.000 EUR), project (25.000 EUR) and rules on deviation from these rules.</li> <li>&gt; Functions of the programme manager and president of the monitoring committee should be merged.</li> <li>&gt; The MCS is unclear as it mixes the tasks of final beneficiaries with the tasks of the MCS bodies (e.g. preparation of applications for reimbursements, which also involve 100% controls)</li> <li>&gt; The delegation should strictly be related to public calls for proposals (within the MoI), the act of delegation should be related to a project group composed of all relevant experts from the ministry (policy, finance, public procurement, etc.)</li> <li>&gt; Trainings for programme custodians, contact points and project managers should be organized (in relation to the new generation of MIGRA IT system).</li> </ul>
Ministry of Justice (2.1)	Yes	2	40	
Police (2.1)	Yes	6	96	
Internal Administrative Affairs, Migration and Naturalization Directorate (2.1)	Yes	7	108	
Financial Control of EU Funds Section & Budget and Finance Service (2.1)	No			



Ministry of Finance, (2.1) Department for Management of EU Funds (Certifying Authority)	No				
Ministry of Finance, (2.1) Budget Supervision Office of the Republic of Slovenia (Audit Authority)	No				
Ministry of the Interior, (2.1) Public Procurement and Purchasing Service	No				
Ministry of Foreign (2.1) Affairs	Yes	4	0		> Impossible to assess the time needed for the preparation of multiannual programmes as the persons included in the process then were not present at the interview.
Ministry of the Interior, (2.1) European Funds Service, Project Unit for Internal Security and Migration Funds	Yes	1	2000		> This was a very demanding process, but is not recurring.
Ministry of Justice (2.2) Police	Yes	3	24		
	Yes	15	40		> Larger role of the project managers in annual planning (they have to monitor the implementation and align with actual needs)
Internal Administrative (2.2) Affairs, Migration and Naturalization Directorate	Yes	3	52		
Financial Control of EU (2.2) Funds Section & Budget and Finance Service	No				
Ministry of Finance, (2.2) Department for Management of EU Funds (Certifying Authority)	No				
Ministry of Finance, (2.2) Budget Supervision Office of the Republic of Slovenia (Audit Authority)	No				> Financial values of projects, indicator values should be more strictly planned (e.g. within a comprehensive action plan). On this basis, proposals for the acquisition of goods and/or services can be prepared and tendering procedures can follow swiftly.
Ministry of the Interior, (2.2) Public Procurement and Purchasing Service	No				> Better annual planning would enable better planning for the Public Procurement and Purchasing Service and thus quicker, more effective procedures.
Ministry of Foreign (2.2) Affairs	Yes	7	168		

Ministry of the Interior, European Funds Service, Project Unit for Internal Security and Migration Funds	(2.2)	Yes	2	656	<ul style="list-style-type: none"> <li>&gt; Unified system of project identification numbering (abolition of double numbering in terms of requests for reimbursement and claims for transfer of funds).</li> <li>&gt; Promotion of bigger, cyclical projects.</li> <li>&gt; Better planning (project contents and financing plan) would result in smoother implementation and reduction of revisions (of programmes or contracts for the implementation of projects).</li> <li>&gt; Back-up projects should be prepared in cases of non-implementation.</li> </ul>
Ministry of Justice	(2.3)	Yes	3	24	<ul style="list-style-type: none"> <li>&gt; Negotiations for assuring the appropriations in the national budget should be headed by the MoI (central authority for SOLID funds)</li> <li>&gt; Both budget items (EU and national contribution) should be treated equally throughout the programming period as these funds are earmarked</li> </ul>
Police	(2.3)	Yes	2	160	
Internal Administrative Affairs, Migration and Naturalization Directorate	(2.3)	No			
Financial Control of EU Funds Section & Budget and Finance Service	(2.3)	Yes	2	504	<ul style="list-style-type: none"> <li>&gt; The alignment of the budget planning and planning of national development programmes (i.e. NRP) is extremely difficult and complex. There should be as few NRP projects as possible, covering a list of content-related projects</li> <li>&gt; Entire budget planning for the MoI (including staff) should be moved to the Financial Control of EU Funds Section</li> </ul>
Ministry of Finance, Department for Management of EU Funds (Certifying Authority)	(2.3)	Yes	2	3	
Ministry of Finance, Budget Supervision Office of the Republic of Slovenia (Audit Authority)	(2.3)	Yes	2	3	
Ministry of the Interior, Public Procurement and Purchasing Service	(2.3)	No			
Ministry of Foreign Affairs	(2.3)	Yes	2	16	
Ministry of the Interior, European Funds Service, Project Unit for Internal Security and Migration Funds	(2.3)	Yes	2	40	<ul style="list-style-type: none"> <li>&gt; Budget planning should be closely related to programming documents (e.g. action plan).</li> </ul>

Ministry of Justice	(3.1)	Yes	3	32	<p>&gt; Abolition of constant follow-up and amendments to the contracts for the implementation of projects due to alignment with actual project costs (this can be consolidated in the final report)</p> <p>&gt; The role of project managers in terms of proper budget planning should be stressed more</p>
Police	(3.1)	Yes	15	78	<p>&gt; Annexes to contract for the implementation of the projects should be replaced with notifications on changes, if these changes are not significant</p> <p>&gt; Definition of a significant change should be established (e.g. in terms of a financial threshold)</p>
Internal Administrative Affairs, Migration and Naturalization Directorate	(3.1)	Yes	3	34	<p>&gt; More interconnection is needed between management of tendering procedures and project managing (during the implementation of the projects).</p>
Financial Control of EU Funds Section & Budget and Finance Service	(3.1)	No			
Ministry of Finance, Department for Management of EU Funds (Certifying Authority)	(3.1)	No			
Ministry of Finance, Budget Supervision Office of the Republic of Slovenia (Audit Authority)	(3.1)	No			<p>&gt; Contract signatories should be established in advance. As a general rule, signed contract should be respected and annexing should be avoided.</p> <p>&gt; Public tendering should be clearly distinguished from public calls for proposals.</p>
Ministry of the Interior, Public Procurement and Purchasing Service	(3.1)	No			<p>&gt; The Public Procurement and Purchasing Service is involved in the implementation of projects (not in MCS procedures) through preparation and implementation of tendering procedures and/or by appointing custodians for monitoring of procurement contract implementation.</p> <p>&gt; Validity of contracts should be 2-3 years (shorter contracts increase administrative burden). Validity of contracts should be aligned with duration of projects on the basis of annual programmes/action plans (better planning).</p> <p>&gt; National eligibility rules should be established for all projects, therefore this data will no longer be required in contracts for the implementation of projects. Information on eligibility should be promptly shared</p>

with all stakeholders (to be clear what is eligible for the financing from the funds).  
 > All data on procurement procedures could be entered directly in MIGRA by the competent service (no subsequent copying and distribution is then required).  
 > Although procurement procedures are part of project implementation, it is an administratively demanding task (9 persons involved, 3.800 working hours annually).

Ministry of Foreign Affairs	(3.1)	Yes	7	48	
Ministry of the Interior, European Funds Service, Project Unit for Internal Security and Migration Funds	(3.1)	Yes	1	840	> Introduction of e-checklists for tendering procedures (MIGRA). > Alignment of procurement procedures with project cycles. > Threshold for tolerable/significant deviation from the project financing plan should be established (e.g. no need for annexes to contracts for the implementation of the projects if the deviation is below 10% of project value, notification if it is between 10 and 20% or if it relates strictly to the change in value and not project contents, and requirement for annex to the contract if deviation is above 20%).
Ministry of Justice	(3.2)	No			
Police	(3.2)	Yes	5	187	
Internal Administrative Affairs, Migration and Naturalization Directorate	(3.2)	Yes	5	2800	
Financial Control of EU Funds Section & Budget and Finance Service	(3.2)	Yes	2	576	> Participation in the selection boards of public calls for proposals is of utmost importance
Ministry of Finance, Department for Management of EU Funds (Certifying Authority)	(3.2)	No			
Ministry of Finance, Budget Supervision Office of the Republic of Slovenia (Audit Authority)	(3.2)	No			> Price cannot be main criteria in calls for proposals, therefore measures of quality of project proposals should be established.

Ministry of the Interior, Public Procurement and Purchasing Service	(3.2)	Yes	4	1265	<ul style="list-style-type: none"> <li>&gt; Validity of contracts should be 2-3 years (shorter contracts increase administrative burden). Validity of contracts should be aligned with duration of projects on the basis of annual programmes/action plans (better planning).</li> <li>&gt; National eligibility rules should be established for all projects, therefore this data will no longer be required in contracts for the implementation of projects. Information on eligibility should be promptly shared with all stakeholders (to be clear what is eligible for the financing from the funds).</li> <li>&gt; All data on procedures of public calls for proposals could be entered directly in MIGRA by the competent service (no subsequent copying and distribution is then required).</li> </ul>
Ministry of Foreign Affairs	(3.2)	No			
Ministry of the Interior, European Funds Service, Project Unit for Internal Security and Migration Funds	(3.2)	Yes			<ul style="list-style-type: none"> <li>&gt; Introduction of e-checklists for public call procedures (MIGRA).</li> <li>&gt; Merely consultative role.</li> </ul>
Ministry of Justice	(3.3)	Yes	2	1440	<ul style="list-style-type: none"> <li>&gt; Clearer definition of controls prior to payment to final beneficiaries (when are check-lists due)</li> <li>&gt; Forms for applications for reimbursement should be simplified</li> <li>&gt; Applications for reimbursement should be prepared and submitted in e-form</li> </ul>
Police	(3.3)	Yes	2	1548	<ul style="list-style-type: none"> <li>&gt; The role of the project manager should be more clearly defined (the project manager has to review consent to the accounting documents)</li> </ul>
Internal Administrative Affairs, Migration and Naturalization Directorate	(3.3)	Yes	15	920	<ul style="list-style-type: none"> <li>&gt; The number of controls could be reduced (e.g. control by the contact person is not needed)</li> <li>&gt; Signatories of proposals for acquisition ("predlog za nabavo") and payment orders should be rethought (the service initiating the procedure cannot be the final signatory)</li> <li>&gt; First control by the delegated authority/ associated body enables hotfixes (one round only)</li> </ul>

Financial Control of EU Funds Section & Budget and Finance Service	(3.3)	Yes	6	9677	<p>&gt; Accounting controls should be performed before implementation control and financial control</p> <p>&gt; Entire financial management for the MoI should be transferred to the Financial Control of EU Funds Section (100% financial and eligibility controls, expenditure reports in MFERAC, budget planning,...)</p> <p>&gt; Internal rules on controls within the MoI should be simplified (shorter circuit, different authorizing officers for projects implemented by the delegated authorities/ associated bodies or NGOs, less controls - e.g. abolition of accounting control, etc.)</p> <p>&gt; All 100% controls should be made before payments to final beneficiaries from the national budget take place.</p>
Ministry of Finance, Department for Management of EU Funds (Certifying Authority)	(3.3)	Yes	2	48	<p>&gt; Training on controls for final beneficiaries and/or delegated authorities/ associated bodies should be organized.</p>
Ministry of Finance, Budget Supervision Office of the Republic of Slovenia (Audit Authority)	(3.3)	Yes	2	48	<p>&gt; Controls should be of high quality (this is more important than the number of internal controls by the final beneficiary and/or delegated authority/ associated body). Controls should be performed by qualified (specialized) personnel.</p> <p>&gt; Claims for payment (ZZI) are currently entered as a single invoice (all accompanying invoices and documentation is in attachment) which makes controls much more difficult, as expenditure is not broken down by budget heading and/or invoices. Claims should be entered into MIGRA directly by the final beneficiaries (NGOs). These should enter each individual expenditure/invoice with attachments, and MIGRA should combine these into a comprehensive claim for payment, which would constitute an incoming invoice for the Implementing body/Delegated authority. Thus, controls would be easier as public authorities would have access to all documentation.</p> <p>&gt; Level of quality of controls should outweigh the number of internal controls.</p> <p>&gt; List of invoices attached to the applications for reimbursements should be signed by a duly authorized person.</p>

Ministry of the Interior, Public Procurement and Purchasing Service	(3.3)	Yes	28	5634	<p>&gt; Controls of procedures of public calls for proposals are included in the figures under process 3.2.</p> <p>&gt; Contract custodians from the Public Procurement and Purchasing Service are involved in 100% administrative, financial, technical and eligibility controls, which administratively time-consuming</p> <p>&gt; The staff of the Public Procurement and Purchasing Service has to provide copies of procedures and contracts for the preparation of applications for reimbursement, which could be avoided, if these documents had earlier been uploaded to MIGRA IT system</p>
Ministry of Foreign Affairs	(3.3)	Yes	13	2128	<p>&gt; Controls prior to execution of payment to final beneficiaries are not always possible in case of MFA projects implemented at diplomatic and consular representations abroad. These representations use a separate a separate accounting system and the information reached the MFA after expenses have already incurred. There should be an exception to the rule of controls prior to disbursement of funds for such cases.</p> <p>&gt; The RA should check the possibility to enclose only the lists of relevant payment orders from the MFERAC accounting systems (so-called 'DPS sheets') and not individual payment orders. The execution of these has to be accompanied by confirmation of payment anyway.</p> <p>&gt; Individual attachments to the applications for reimbursements should have the possibility of adding comments (see suggestions under point 6.2).</p>
Ministry of the Interior, European Funds Service, Project Unit for Internal Security and Migration Funds	(3.3)	Yes	2	160	<p>&gt; Simplification of applications for reimbursement (automatic generation of all data in MIGRA).</p> <p>&gt; Introduction of e-checklists for administrative and financial controls before payment to final beneficiaries (MIGRA).</p>
Ministry of Justice	(4.1)	Yes	3	40	<p>&gt; Simplification of a reporting form in in the part related to public procurement and/or public calls</p>

Police	(4.1)	Yes	15	65	<p>&gt; Forms on implementation reports duplicate data from the applications for reimbursement, which is additional administrative burden (e.g. data on public procurement)</p> <p>&gt; Final reports on project implementation should focus on actual results and impact (what has been achieved, with what purpose)</p> <p>&gt; The forms for project proposals should be aligned with final reports in order to ensure consistency in data collection</p>
Internal Administrative Affairs, Migration and Naturalization Directorate	(4.1)	Yes	14	175	<p>&gt; It is extremely difficult to keep track of current spending of funds due to complexity of the system. Contact person should have access to MIGRA IT system and thus real-time access to current data</p> <p>&gt; The instructions on the preparation of final reports on the project implementation are unclear (unclear forms, categories of data, indicators on reporting etc.)</p>
Financial Control of EU Funds Section & Budget and Finance Service	(4.1)	Yes	1	40	
Ministry of Finance, Department for Management of EU Funds (Certifying Authority)	(4.1)	No			
Ministry of Finance, Budget Supervision Office of the Republic of Slovenia (Audit Authority)	(4.1)	No			<p>&gt; Project-level objectives and indicators should be established to enable monitoring of project implementation and subsequent evaluation of programme implementation.</p>
Ministry of the Interior, Public Procurement and Purchasing Service	(4.1)	No			
Ministry of Foreign Affairs	(4.1)	Yes	14	112	<p>&gt; Reporting on procurement procedures should be abolished, as it is an unnecessary administrative burden.</p>
Ministry of the Interior, European Funds Service, Project Unit for Internal Security and Migration Funds	(4.1)	No			<p>&gt; Only for technical assistance</p> <p>&gt; Data should be monitored in parallel with the preparation of applications for reimbursement.</p> <p>&gt; Project proposals should be aligned with final reports on the implementation of projects (same data categories).</p>
Ministry of Justice	(4.2)	No			
Police	(4.2)	No			
Internal Administrative Affairs, Migration and Naturalization Directorate	(4.2)	No			<p>&gt; Clearer rules on on-the-spot controls are needed to understand the purpose and scope of controls by the delegated authorities/associated bodies (controls of ongoing project</p>



implementation) and controls by the RA (ex post administrative and financial control)

Financial Control of EU Funds Section & Budget and Finance Service	(4.2)	No		
Ministry of Finance, Department for Management of EU Funds (Certifying Authority)	(4.2)	No		
Ministry of Finance, Budget Supervision Office of the Republic of Slovenia (Audit Authority)	(4.2)	No		
Ministry of the Interior, Public Procurement and Purchasing Service	(4.2)	No		
Ministry of Foreign Affairs	(4.2)	No		
Ministry of the Interior, European Funds Service, Project Unit for Internal Security and Migration Funds	(4.2)	Yes	4	480
Ministry of Justice	(4.3)	No		
Police	(4.3)	No		
Internal Administrative Affairs, Migration and Naturalization Directorate	(4.3)	No		
Financial Control of EU Funds Section & Budget and Finance Service	(4.3)	No		
Ministry of Finance, Department for Management of EU Funds (Certifying Authority)	(4.3)	No		
Ministry of Finance, Budget Supervision Office of the Republic of Slovenia (Audit Authority)	(4.3)	No		
Ministry of the Interior, Public Procurement and Purchasing Service	(4.3)	No		
Ministry of Foreign Affairs	(4.3)	No		
Ministry of the Interior, European Funds Service, Project Unit for Internal Security and Migration Funds	(4.3)	Yes	1	320
Ministry of Justice	(5.1)	Yes	2	8
Police	(5.1)	Yes	3	24
Internal Administrative Affairs, Migration and Naturalization Directorate	(5.1)	Yes	4	32

> Checklists for implementation reports should be introduced to enable checks by the RA.

Financial Control of EU Funds Section & Budget and Finance Service	(5.1)	Yes	2	2016	> Controls of applications for reimbursement should only be performed by the RA
Ministry of Finance, Department for Management of EU Funds (Certifying Authority)	(5.1)	No			
Ministry of Finance, Budget Supervision Office of the Republic of Slovenia (Audit Authority)	(5.1)	No			> The RA should implement controls on all documents that form the basis for payment (also administrative decisions). > On-the-spot controls should be reinforced (including on-the-spot controls during the implementation of projects, and immediately after the conclusion of a project, before reimbursement from the EU budget). The value of verified expenditure during on-the-spot controls should be made evident. > Controls should also encompass monitoring and control of indicator values.
Ministry of the Interior, Public Procurement and Purchasing Service	(5.1)	No			
Ministry of Foreign Affairs	(5.1)	No			> There were no on-the-spot controls by the RA, which will have to be changed in the future.
Ministry of the Interior, European Funds Service, Project Unit for Internal Security and Migration Funds	(5.1)	Yes	4	6480	> Suspension of signing of claims by the programme manager (state secretary) and transfer to head of the RA. > Simplification of claims for transfer of funds (automatic generation of all data in MIGRA). > Electronic claims for transfer of funds sent via MIGRA. > Abolishment of claims for transfer of funds due to abolishment of the CA and introduction of cumulative "orders for transfer of funds". > The RA should perform sample controls, based on a risk register (control of the first application for reimbursement on each project, other controls based on the register).
Ministry of Justice	(5.2)	No			
Police	(5.2)	No			
Internal Administrative Affairs, Migration and Naturalization Directorate	(5.2)	No			
Financial Control of EU Funds Section & Budget and Finance Service	(5.2)	No			
Ministry of Finance, Department for Management of EU Funds (Certifying Authority)	(5.2)	Yes	2	608	> Claims for transfer of funds will no longer be required. An order for transfer of funds from the EU to the national budget containing only the

cumulative amount is enough.

Ministry of Finance, (5.2) Budget Supervision Office of the Republic of Slovenia (Audit Authority)	No				> In relation to comment on Claims for payment under process 3.3, such solution would ease the checking of potential double-financing with other funds during certification (or other verification) procedures.
Ministry of the Interior, (5.2) Public Procurement and Purchasing Service	No				
Ministry of Foreign (5.2) Affairs	No				
Ministry of the Interior, (5.2) European Funds Service, Project Unit for Internal Security and Migration Funds	No				
Ministry of Justice (5.3)	Yes	2	116		> Introduction of system of personal responsibility for errors > Revision of deadlines for reply to audit findings and recovery orders (discrepancy, as there is shorter period for repayment than reply to the AA) > Direct entry of irregularities in MIGRA and consequently abolition of quarterly reporting on irregularities
Police (5.3)	Yes	2	12		> Insufficient controls by the delegated authority/ associated body in terms of the public procurement procedures and public calls for proposals > Abolishment of quarterly reports and direct entry into MIGRA > Thresholds for reporting should be established (both financial as well as procedural) > Reporting prior to payment to final beneficiaries should be abolished, as this is arranged during the consolidation of data with the beneficiary > Reporting on irregularities as it is could be abolished (only reporting on significant irregularities is really required)
Internal Administrative (5.3) Affairs, Migration and Naturalization Directorate	Yes	15	228		> Majority of irregularities is discovered prior to payment to final beneficiaries > The whole control process is very complex and burdensome (establishment of disputed and undisputed part of expenditure should be based on certain threshold criteria)
Financial Control of EU (5.3) Funds Section & Budget and Finance Service	Yes	2	18		

Ministry of Finance, (5.3) Department for Management of EU Funds (Certifying Authority)	Yes	2	20	
Ministry of Finance, (5.3) Budget Supervision Office of the Republic of Slovenia (Audit Authority)	No			> Regular reporting on irregularities via MIGRA (instead of quarterly reporting to the RA) should be explored. As alternative, MIGRA system could issue a quarterly reminder for reporting.
Ministry of the Interior, (5.3) Public Procurement and Purchasing Service	No			
Ministry of Foreign (5.3) Affairs	Yes	2	64	
Ministry of the Interior, (5.3) European Funds Service, Project Unit for Internal Security and Migration Funds	Yes	4	152	> Abolition of quarterly reporting on irregularities replaced with real time entry of data into MIGRA. > The CA monitors the execution of recovery orders for cases when irregularities have been detected after reimbursement from the Union budget (recovery monitoring is supported by MIGRA IT system). However, there is no tracking of expenditure transfer pending the notice by the RA when irregularities are detected before reimbursement from the Union budget. This could be improved (tracking in MIGRA). > MIGRA should automatically generate the Official notice on the requested corrections of the application for reimbursement.
Ministry of Justice (5.4)	Yes	3	216	
Police (5.4)	Yes	6	168	
Internal Administrative (5.4) Affairs, Migration and Naturalization Directorate	Yes	3	90	
Financial Control of EU (5.4) Funds Section & Budget and Finance Service	Yes	2	56	
Ministry of Finance, (5.4) Department for Management of EU Funds (Certifying Authority)	Yes	2	126	
Ministry of Finance, (5.4) Budget Supervision Office of the Republic of Slovenia (Audit Authority)	Yes	2	3080	> Tasks of the RA also encompass other internal administrative tasks (e.g. reporting on technical assistance, regular reporting on implementation of duties etc.).
Ministry of the Interior, (5.4) Public Procurement and Purchasing Service	Yes	8	96	> Audits should be entered into MIGRA and linked to corresponding projects/contracts (e.g. flagging). Thus, all authorities could keep track of audit coverage.
Ministry of Foreign (5.4) Affairs	Yes	8	60	

Ministry of the Interior, European Funds Service, Project Unit for Internal Security and Migration Funds	(5.4)	Yes	2	100	
Ministry of Justice	(6.1)	Yes	2	120	> Faster electronic archiving of e-mails (upgrading of SPIS4 application)
Police	(6.1)	Yes	2	3344	> Huge overload with work in MFERAC (corrections and analysis of financial data)
Internal Administrative Affairs, Migration and Naturalization Directorate	(6.1)	No			> Currently, not all document received by external contractors (NGOs) are stored in electronic archives, but only in physical form. This is due to excessive paper documentation, which cannot be scanned and archived by the main office (only invoices and accounting documents are scanned and archived, whilst excessive project documentation involving proof of payment, signature sheets, contracts etc. is kept only in paper form). This should be changed so that final beneficiaries submit the documentation in MIGRA IT system.
Financial Control of EU Funds Section & Budget and Finance Service	(6.1)	Yes	4	1613	> Documentation by external contractors (NGOs) is processed in paper form and only original documentation is accepted. This is not obligatory and should be abandoned (copies and scans are sufficient, whilst the final beneficiary has to hold the original documentation) > Electronic entry of all data by the final beneficiary in MIGRA IT system would reduce administrative burden significantly (e.g. NGO if an external contractor is implementing projects)
Ministry of Finance, Department for Management of EU Funds (Certifying Authority)	(6.1)	No			> All done by secretaries and competent services as part of their regular duties. Not significant in terms of MCS.
Ministry of Finance, Budget Supervision Office of the Republic of Slovenia (Audit Authority)	(6.1)	Yes	2	40	> Only entry into SFC2007 is done by the AA alone.
Ministry of the Interior, Public Procurement and Purchasing Service	(6.1)	No			> This is included under process 3.2 (management of public calls for proposals includes archiving of documents related to these procedures)

Ministry of Foreign Affairs	(6.1)	No			<ul style="list-style-type: none"> <li>&gt; Administrative tasks are impossible to evaluate comprehensively as they represent an integral part of individual business processes. Improvement of each business process improves also the administration in terms of archiving and audit trail assurance.</li> </ul>
Ministry of the Interior, European Funds Service, Project Unit for Internal Security and Migration Funds	(6.1)	Yes			<ul style="list-style-type: none"> <li>&gt; Irrelevant as a single process, as it is part of all other processes.</li> <li>&gt; Link or interface between the second generation of MIGRA IT system and MFERAC/SFC2014 should be established (exchange or exporting of data).</li> </ul>
Ministry of Justice	(6.2)	No			<ul style="list-style-type: none"> <li>&gt; Associated bodies should also be involved in development of MIGRA</li> </ul>
Police	(6.2)	No			<ul style="list-style-type: none"> <li>&gt; New functionalities enabling entry of acquisition proposals ("predlog za nabavo") and public procurement procedures (including information on the status) by competent services</li> <li>&gt; Interface with MFERAC accounting system, enabling export and import of invoices, contracts, material accounting data</li> </ul>
Internal Administrative Affairs, Migration and Naturalization Directorate	(6.2)	No			<ul style="list-style-type: none"> <li>&gt; Data entry should be put at the level of final beneficiaries (if NGOs are implementing projects, they should enter primary data such as project applications, monitoring data, reports, requests for payment etc.)</li> </ul>
Financial Control of EU Funds Section & Budget and Finance Service	(6.2)	No			
Ministry of Finance, Department for Management of EU Funds (Certifying Authority)	(6.2)	Yes	2	24	<ul style="list-style-type: none"> <li>&gt; Access to MIGRA should be granted from the level of final beneficiaries up.</li> <li>&gt; 100% e-business should be promoted (from project applications to final reports)</li> </ul>
Ministry of Finance, Budget Supervision Office of the Republic of Slovenia (Audit Authority)	(6.2)	No			<ul style="list-style-type: none"> <li>&gt; MIGRA should enable 100% electronic controls (e-checklists).</li> <li>&gt; AA should only have a 100% preview function in MIGRA (all reports should be entered by the AA).</li> </ul>
Ministry of the Interior, Public Procurement and Purchasing Service	(6.2)	No			

Ministry of Foreign Affairs	(6.2)	No			<ul style="list-style-type: none"> <li>&gt; MIGRA should enable comments at the level of individual accounting documents (e.g. payment orders) as the accounting system at diplomatic and consular missions (AIDA) is different from the system used at the level of ministries (MFERAC). When importing data from AIDA into MFERAC, the latter sometimes merges data and payment orders have to be accompanied with an adequate explanation.</li> <li>&gt; Access should be granted to the level of project managers and contract custodians.</li> </ul>
Ministry of the Interior, European Funds Service, Project Unit for Internal Security and Migration Funds	(6.2)	Yes	2	24	<ul style="list-style-type: none"> <li>&gt; Decentralization of MIGRA system to all stakeholders (including final beneficiaries).</li> <li>&gt; Transformation of MIGRA into a project management IT application.</li> <li>&gt; Integration of existing IT systems and solutions (MFERAC, SFC2014, SPIS4).</li> <li>&gt; Possibility of the use of e-signatures (SIGOV-CA) for MIGRA documents, e.g. checklists.</li> </ul>
Ministry of Justice	(6.3)	Yes	2	48	<ul style="list-style-type: none"> <li>&gt; Revival of the Interdepartmental Working Group</li> <li>&gt; More correspondence sessions for the Monitoring Committee</li> </ul>
Police	(6.3)	Yes	2	48	
Internal Administrative Affairs, Migration and Naturalization Directorate	(6.3)	Yes	3	12	
Financial Control of EU Funds Section & Budget and Finance Service	(6.3)	Yes	1	8	<ul style="list-style-type: none"> <li>&gt; The Interdepartmental Working Group could be abolished</li> </ul>
Ministry of Finance, Department for Management of EU Funds (Certifying Authority)	(6.3)	Yes	1	8	
Ministry of Finance, Budget Supervision Office of the Republic of Slovenia (Audit Authority)	(6.3)	Yes	2	16	<ul style="list-style-type: none"> <li>&gt; The interdepartmental Working Group should be revived (all documents should be prepared at this level and later only confirmed by the Monitoring Committee).</li> </ul>
Ministry of the Interior, Public Procurement and Purchasing Service	(6.3)	No			
Ministry of Foreign Affairs	(6.3)	Yes	2	16	
Ministry of the Interior, European Funds Service, Project Unit for Internal Security and Migration Funds	(6.3)	Yes	2	280	<ul style="list-style-type: none"> <li>&gt; Revival of the Interdepartmental Working Group.</li> <li>&gt; Representatives of the NGOs should be nominated to the Monitoring Committee in order to observe the partnership principle.</li> </ul>

Ministry of Justice	(6.4)	Yes	1	82	<ul style="list-style-type: none"> <li>&gt; More focus on information and publicity during implementation of projects</li> <li>&gt; Information and publicity measures by the associated body alone is time-consuming (it should be part of projects)</li> <li>&gt; Simplification of the entire process (less administration)</li> <li>&gt; Semi-annual reporting is not required, but could be done as a part of final project reports</li> </ul>
Police	(6.4)	Yes	15	16	
Internal Administrative Affairs, Migration and Naturalization Directorate	(6.4)	Yes	15	100	
Financial Control of EU Funds Section & Budget and Finance Service	(6.4)	No			
Ministry of Finance, Department for Management of EU Funds (Certifying Authority)	(6.4)	No			
Ministry of Finance, Budget Supervision Office of the Republic of Slovenia (Audit Authority)	(6.4)	No			<ul style="list-style-type: none"> <li>&gt; Information on all implemented project with basic data (beneficiary, short project summary, amounts, results) would be published online.</li> <li>&gt; Access to the RA website within the MoI webpage should be simplified.</li> <li>&gt; Link to current tendering procedures and public calls for proposals should be clearly visible.</li> <li>&gt; Clear instructions on the use of emblems, financing data should be established along with corresponding templates.</li> </ul>
Ministry of the Interior, Public Procurement and Purchasing Service	(6.4)	No			
Ministry of Foreign Affairs	(6.4)	Yes	1	72	
Ministry of the Interior, European Funds Service, Project Unit for Internal Security and Migration Funds	(6.4)	Yes	1	320	<ul style="list-style-type: none"> <li>&gt; Simplification of reporting on information and publicity measures (project-level reporting upon completion of a project, electronic reporting in MIGRA).</li> <li>&gt; An EU logo with a link to the RA web portal should be put on the front page of the website.</li> </ul>

54364

**5. Please list the employees dealing with EU home affairs funds within your organization/organizational unit and estimate the share of work dedicated to the funds for each employee (full or part time). Also, please provide the data on the average gross monthly salary of staff dealing with EU home affairs funds within your organization/organizational unit. The average salary should involve the total, i.e. actual gross cost of the employer (including benefits, bonuses and awards). Data will also be used for the calculation of an average hourly rate for the use of simplified cost options in national eligibility rules.**



Table 4. Responses to question 5

<b>Organization</b>	<b>Employee No</b>	<b>Gross salary in 2014 (actual gross cost of the employer)</b>	<b>No. of months working in 2014</b>	<b>Average monthly salary in 2014</b>	<b>Share of working hours dedicated to the funds (%)</b>	<b>Total annual labor cost (shares of salaries dedicated to the MCS of the funds)</b>
MoI - Internal Administrative Affairs, Migration and Naturalization Directorate	1	56.764,70 €	12	4.730,39 €	20,00%	11.352,94 €
MoI - Internal Administrative Affairs, Migration and Naturalization Directorate	2	55.012,18 €	12	4.584,35 €	20,00%	11.002,44 €
MoI - Internal Administrative Affairs, Migration and Naturalization Directorate	3	33.274,69 €	12	2.772,89 €	66,00%	21.961,30 €
MoI - Internal Administrative Affairs, Migration and Naturalization Directorate	4	26.951,02 €	12	2.245,92 €	25,00%	6.737,76 €
MoI - Internal Administrative Affairs, Migration and Naturalization Directorate	5	36.362,46 €	12	3.030,21 €	33,00%	11.999,61 €
MoI - Internal Administrative Affairs, Migration and Naturalization Directorate	6	44.077,48 €	12	3.673,12 €	10,00%	<b>0,00 €</b>
MoI - Internal Administrative Affairs, Migration and Naturalization Directorate	7	20.318,22 €	12	1.693,19 €	75,00%	15.238,67 €
MoI - Internal Administrative Affairs, Migration and Naturalization Directorate	8	27.591,58 €	12	2.299,30 €	50,00%	13.795,79 €
MoI - Internal Administrative Affairs, Migration and Naturalization Directorate	9	31.683,24 €	12	2.640,27 €	10,00%	3.168,32 €
MoI - Internal Administrative Affairs, Migration and Naturalization Directorate	10	26.531,49 €	12	2.210,96 €	10,00%	2.653,15 €

MoI - Internal Administrative Affairs, Migration and Naturalization Directorate	11	24.621,60 €	12	2.051,80 €	20,00%	4.924,32 €
MoI - Internal Administrative Affairs, Migration and Naturalization Directorate	12	29.270,75 €	12	2.439,23 €	20,00%	5.854,15 €
MoI - Internal Administrative Affairs, Migration and Naturalization Directorate	13	29.784,32 €	12	2.482,03 €	20,00%	5.956,86 €
MoI - Internal Administrative Affairs, Migration and Naturalization Directorate	14	26.332,70 €	12	2.194,39 €	20,00%	5.266,54 €
MoI - Internal Administrative Affairs, Migration and Naturalization Directorate	15	44.603,07 €	12	3.716,92 €	20,00%	8.920,61 €
Ministry of Justice	16	20.906,52 €	9	1.742,21 €	100,00%	20.906,52 €
Ministry of Justice	17	12.695,80 €	6	1.057,98 €	50,00%	6.347,90 €
Ministry of Justice	18	26.449,12 €	12	2.204,09 €	50,00%	13.224,56 €
Ministry of Justice	19	46.040,08 €	12	3.836,67 €	50,00%	23.020,04 €
Ministry of Justice	20	53.507,40 €	12	4.458,95 €	25,00%	13.376,85 €
Ministry of Justice	21	26.240,08 €	12	2.186,67 €	25,00%	6.560,02 €
Ministry of Justice	22	38.449,84 €	12	3.204,15 €	25,00%	9.612,46 €
Ministry of Foreign Affairs	23	18.919,78 €	12	1.576,65 €	65,00%	12.297,86 €
Ministry of Foreign Affairs	24	15.313,50 €	12	1.276,13 €	10,00%	1.531,35 €
Ministry of Foreign Affairs	25	37.497,48 €	12	3.124,79 €	2,00%	749,95 €
Ministry of Foreign Affairs	26	21.010,13 €	12	1.750,84 €	2,00%	420,20 €
Ministry of Foreign Affairs	27	40.851,27 €	12	3.402,61 €	5,00%	2.042,56 €
Ministry of Foreign Affairs	28	43.860,69 €	12	3.655,06 €	5,00%	2.193,03 €
Ministry of Foreign Affairs	29	35.968,65 €	12	2.997,39 €	35,00%	12.589,03 €
Ministry of Foreign Affairs	30	44.774,47 €	12	3.731,21 €	60,00%	0,00 €
Ministry of Foreign Affairs	31	39.009,13 €	12	3.250,76 €	30,00%	11.702,74 €
Ministry of Foreign Affairs	32	39.021,94 €	12	3.251,83 €	30,00%	11.706,58 €
Ministry of Foreign Affairs	33	18.026,93 €	12	1.502,24 €	5,00%	901,35 €
Police	34	71.382,23 €	12	5.948,52 €	10,00%	7.138,22 €
Police	35	56.666,93 €	12	4.722,24 €	5,00%	2.833,35 €

Police	36	50.769,94 €	12	4.230,83 €	1,00%	507,70 €
Police	37	50.635,14 €	12	4.219,60 €	15,00%	7.595,27 €
Police	38	46.918,97 €	12	3.909,91 €	5,00%	2.345,95 €
Police	39	24.415,50 €	12	2.034,63 €	100,00%	24.415,50 €
Police	40	21.460,14 €	12	1.788,35 €	90,00%	19.314,13 €
Police	41	38.538,62 €	12	3.211,55 €	35,00%	0,00 €
Police	42	51.202,08 €	12	4.266,84 €	5,00%	0,00 €
Police	43	43.264,86 €	12	3.605,41 €	80,00%	0,00 €
Police	44	48.248,94 €	12	4.020,75 €	15,00%	0,00 €
Police	45	44.675,28 €	12	3.722,94 €	5,00%	0,00 €
Police	46	29.609,66 €	12	2.467,47 €	10,00%	0,00 €
Police	47	38.902,63 €	12	3.241,89 €	10,00%	0,00 €
Police	48	39.194,35 €	12	3.266,20 €	5,00%	0,00 €
Police	49	47.952,39 €	12	3.996,03 €	15,00%	0,00 €
Police	50	45.029,14 €	12	3.752,43 €	1,00%	0,00 €
Police	51	51.257,42 €	12	4.271,45 €	10,00%	0,00 €
Police	52	51.238,76 €	12	4.269,90 €	1,00%	0,00 €
Police	53	52.661,68 €	12	4.388,47 €	10,00%	0,00 €
Police	54	41.829,21 €	12	3.485,77 €	5,00%	0,00 €
Police	55	46.716,30 €	12	3.893,03 €	15,00%	0,00 €
Police	56	41.463,81 €	12	3.455,32 €	20,00%	0,00 €
Police	57	17.857,49 €	12	1.488,12 €	5,00%	0,00 €
Police	58	41.122,31 €	12	3.426,86 €	5,00%	0,00 €
Police	59	51.825,08 €	12	4.318,76 €	2,00%	0,00 €
Police	60	34.494,75 €	12	2.874,56 €	1,00%	0,00 €
Police	61	43.739,77 €	12	3.644,98 €	1,00%	0,00 €
Police	62	41.449,29 €	12	3.454,11 €	1,00%	0,00 €
Police	63	21.640,21 €	12	1.803,35 €	1,00%	0,00 €
Police	64	43.976,40 €	12	3.664,70 €	1,00%	0,00 €
Police	65	14.920,12 €	5	2.984,02 €	1,00%	0,00 €
Police	66	49.008,96 €	12	4.084,08 €	1,00%	0,00 €
Police	67	40.763,15 €	12	3.396,93 €	5,00%	2.038,16 €
Police	68	27.996,16 €	12	2.333,01 €	10,00%	2.799,62 €
Police	69	28.234,63 €	12	2.352,89 €	10,00%	2.823,46 €
Police	70	55.667,15 €	12	4.638,93 €	15,00%	8.350,07 €
Police	71	31.250,68 €	12	2.604,22 €	20,00%	6.250,14 €
Police	72	51.204,41 €	12	4.267,03 €	15,00%	7.680,66 €
Police	73	38.056,28 €	12	3.171,36 €	15,00%	5.708,44 €
Police	74	35.609,34 €	12	2.967,45 €	10,00%	3.560,93 €
Police	75	33.040,02 €	12	2.753,34 €	10,00%	3.304,00 €
Police	76	24.985,35 €	12	2.082,11 €	5,00%	1.249,27 €
Police	77	31.398,44 €	12	2.616,54 €	5,00%	1.569,92 €
Police	78	32.533,53 €	12	2.711,13 €	5,00%	1.626,68 €
Police	79	27.099,97 €	12	2.258,33 €	10,00%	2.710,00 €
Police	80	23.259,79 €	12	1.938,32 €	5,00%	1.162,99 €

Police	81	28.283,81 €	12	2.356,98 €	5,00%	1.414,19 €
MoI - European Funds Service	82	45.051,82 €	12	3.754,32 €	60,00%	27.031,09 €
MoI - European Funds Service	83	34.787,95 €	12	2.899,00 €	100,00%	34.787,95 €
MoI - European Funds Service	84	7.807,99 €	3,82	2.043,98 €	100,00%	7.807,99 €
MoI - European Funds Service	85	10.945,45 €	5	2.189,09 €	100,00%	10.945,45 €
MoI - European Funds Service	86	12.770,96 €	4,78	2.671,75 €	100,00%	12.770,96 €
MoI - European Funds Service	87	24.148,23 €	12	2.012,35 €	100,00%	24.148,23 €
MoI - European Funds Service	88	10.977,85 €	5	2.195,57 €	100,00%	10.977,85 €
MoI - European Funds Service	89	9.724,60 €	4,37	2.225,31 €	100,00%	9.724,60 €
MoI - European Funds Service	90	48.532,75 €	12	4.044,40 €	100,00%	48.532,75 €
MoI - European Funds Service	91	32.538,16 €	12	2.711,51 €	100,00%	32.538,16 €
MoI - European Funds Service	92	27.366,96 €	12	2.280,58 €	100,00%	27.366,96 €
MoI - European Funds Service	93	27.874,92 €	12	2.322,91 €	100,00%	27.874,92 €
MoI - European Funds Service	94	28.030,18 €	12	2.335,85 €	100,00%	28.030,18 €
MoI - European Funds Service	95	30.741,69 €	12	2.561,81 €	100,00%	30.741,69 €
MoI – Public Procurement and Purchasing Service	96	28.621,77 €	12	2.385,15 €	100,00%	28.621,77 €
MoI – Public Procurement and Purchasing Service	97	28.103,56 €	12	2.341,96 €	60,00%	16.862,14 €
MoI – Public Procurement and Purchasing Service	98	26.720,73 €	12	2.226,73 €	50,00%	13.360,37 €
MoI – Public Procurement and Purchasing Service	99	20.033,94 €	12	1.669,50 €	40,00%	8.013,58 €
MoI – Public Procurement and Purchasing Service	100	27.413,11 €	12	2.284,43 €	40,00%	10.965,24 €
MoI – Public Procurement and Purchasing Service	101	22.434,34 €	10,5	2.136,60 €	30,00%	6.730,30 €
MoI – Public Procurement and Purchasing Service	102	27.192,03 €	12	2.266,00 €	30,00%	8.157,61 €
MoI – Public Procurement and Purchasing Service	103	25.709,19 €	12	2.142,43 €	30,00%	7.712,76 €
MoI – Public Procurement and Purchasing Service	104	12.944,69 €	10,09	1.282,67 €	40,00%	5.177,88 €
MoI – Public Procurement and Purchasing Service	105	25.194,19 €	12	2.099,52 €	30,00%	7.558,26 €

MoI – Public Procurement and Purchasing Service	106	22.023,66 €	12	1.835,31 €	30,00%	6.607,10 €
Ministry of Finance – Department for Management of EU Funds	107	44.778,55 €	12	3.731,54 €	50%	22.389,28 €
Ministry of Finance – Department for Management of EU Funds	108	38.746,94 €	12	3.228,91 €	50%	19.373,47 €
Ministry of Finance – Budget Supervision Office of the Republic of Slovenia	109	42.294,30 €	12	3.524,53 €	90%	38.064,87 €
Ministry of Finance – Budget Supervision Office of the Republic of Slovenia	110	30.657,09 €	12	2.554,76 €	100%	30.657,09 €
<b>Average monthly gross employment cost in 2014:</b>				<b>2.939,05 €</b>	<b>Sum:</b>	<b>957.944,58 €</b>
<b>Average annual gross employment cost in 2014 ( = average monthly gross employment cost in 2014 X 12 months):</b>				<b>35.268,60 €</b>		

## Appendix 10: Results of the performance measurement

The results of the performance measurement are based indicators established and data gathered during our research. The calculations are performed on the basis of support data in tables 1-5 and also Annexes 2, 4, 5, 7, and 9.

Table 1. Calculations

A: Performance indicator	B: Measure breakdown	C: Measurement unit	D: MFF 07-13	E: Annual number of working hours MFF 07-13 (Annex 9)	F: Weighting factor on the frequency of occurrence MFF 07-13 (Annex 2)	G: Quantification of process improvement (estimated increase/reduction of process complexity in %) (Annex 5)	H: MFF 14-20	I: Annual number of working hours MFF 14-20 (E*G)	J: Weighting factor on the frequency of occurrence MFF 14-20 (Annex 4)	K: Improvement absolute (D-H)	L: Improvement in % (K/D)	M: Comments
Process FTE in 2014	Sub-process 1.1	FTE	0	16	0,29	1	0	16	0,29	0	0%	No improvement.
	Sub-process 1.2	FTE	1,02	1758	1	0,95	0,97	1670,1	1	0,05	4,90%	
	Sub-process 2.1	FTE	0,38	2244	0,29	1,1	0,42	2468,4	0,29	-0,04	-10,53%	Slight deterioration, but relatively high - by 10,53%
	Sub-process 2.2	FTE	0,55	940	1	0,75	0,41	705	1	0,14	25,45%	
	Sub-process 2.3	FTE	0,44	750	1	1,05	0,46	787,5	1	-0,02	-4,55%	
	Sub-process 3.1	FTE	0,6	1032	1	0,9	0,54	928,8	1	0,06	10,00%	
	Sub-process 3.2	FTE	2,81	4828	1	0,9	2,53	4345,2	1	0,28	9,96%	
	Sub-process 3.3	FTE	12,56	21603	1	0,8	10,05	17282,4	1	2,51	19,98%	Biggest absolute improvement, relatively by 19,98%.
	Sub-process 4.1	FTE	0,25	432	1	0,85	0,21	367,2	1	0,04	16,00%	
	Sub-process 4.2	FTE	0,28	480	1	0,85	0,24	408	1	0,04	14,29%	
	Sub-process 4.3	FTE	0,08	320	0,43	1	0,05	320	0,29	0,03	37,50%	Slight improvement, but relatively high - by 37,5%
	Sub-process 5.1	FTE	4,98	8560	1	0,9	4,48	7704	1	0,5	10,04%	Significant absolute improvement, relatively by 10,04%.
	Sub-process 5.2	FTE	0,35	608	1	0,25	0,09	152	1	0,26	74,29%	Slight improvement (but relatively highest -

												74,29%)
	Sub-process 5.3	FTE	0,35	610	1	0,85	0,3	518,5	1	0,05	14,29%	
	Sub-process 5.4	FTE	2,32	3992	1	1,1	2,55	4391,2	1	-0,23	-9,91%	Biggest absolute deterioration, relatively by 9,91%.
	Sub-process 6.1	FTE	0	5117	0	1	0	5117	0	0	0%	Irrelevant process.
	Sub-process 6.2	FTE	0,03	48	1	1,25	0,03	60	1	0	0,00%	
	Sub-process 6.3	FTE	0,25	436	1	1	0,25	436	1	0	0,00%	
	Sub-process 6.4	FTE	0,34	590	1	0,85	0,29	501,5	1	0,05	14,71%	
	Sub-process 6.5	FTE	0	0	0	1	0	0	1	0	0%	No improvement.
Total FTE in 2014	Total FTE (FTET)	FTE	27,59	N/A	N/A	N/A	23,87	N/A	N/A	3,72	13,48%	
Process annual labor cost in 2014	Sub-process 1.1	EUR	95,17 €	16	0,29	1	95,17 €	16	0,29	0,00 €	0,00%	No improvement.
	Sub-process 1.2	EUR	36.056,58 €	1758	1	0,95	34.253,75 €	1670,1	1	1.802,83 €	5,00%	
	Sub-process 2.1	EUR	13.347,09 €	2244	0,29	1,1	14.681,80 €	2468,4	0,29	-1.334,71 €	-10,00%	Slight deterioration, but relatively high - by 10,00%
	Sub-process 2.2	EUR	19.279,40 €	940	1	0,75	14.459,55 €	705	1	4.819,85 €	25,00%	
	Sub-process 2.3	EUR	15.382,50 €	750	1	1,05	16.151,63 €	787,5	1	-769,13 €	-5,00%	
	Sub-process 3.1	EUR	21.166,32 €	1032	1	0,9	19.049,69 €	928,8	1	2.116,63 €	10,00%	
	Sub-process 3.2	EUR	99.022,28 €	4828	1	0,9	89.120,05 €	4345,2	1	9.902,23 €	10,00%	
	Sub-process 3.3	EUR	443.077,53 €	21603	1	0,8	354.462,02 €	17282,4	1	88.615,51 €	20,00%	Biggest absolute improvement, relatively by 20,00%.
	Sub-process 4.1	EUR	8.860,32 €	432	1	0,85	7.531,27 €	367,2	1	1.329,05 €	15,00%	
	Sub-process 4.2	EUR	9.844,80 €	480	1	0,85	8.368,08 €	408	1	1.476,72 €	15,00%	
	Sub-process 4.3	EUR	2.822,18 €	320	0,43	1	1.903,33 €	320	0,29	918,85 €	32,56%	Slight improvement, bur relatively high (by 32,56%)
	Sub-process 5.1	EUR	175.565,60 €	8560	1	0,9	158.009,04 €	7704	1	17.556,56 €	10,00%	Significant absolute improvement, relatively by 10,00%.
	Sub-process 5.2	EUR	12.470,08 €	608	1	0,25	3.117,52 €	152	1	9.352,56 €	75,00%	Slight improvement, bur relatively highest (by 75,00%)
	Sub-process 5.3	EUR	12.511,10 €	610	1	0,85	10.634,44 €	518,5	1	1.876,66 €	15,00%	
	Sub-process 5.4	EUR	81.875,92 €	3992	1	1,1	90.063,51 €	4391,2	1	-8.187,59 €	-10,00%	Biggest absolute deterioration, relatively by 10,00%.
	Sub-process 6.1	EUR	0,00 €	5117	0	1	0,00 €	5117	0	0,00 €	0%	Irrelevant process.

	Sub-process 6.2	EUR	984,48 €	48	1	1,25	1.230,60 €	60	1	-246,12 €	-25,00%	Slight deterioration, but relatively highest - by 25,00%.
	Sub-process 6.3	EUR	8.942,36 €	436	1	1	8.942,36 €	436	1	0,00 €	0,00%	
	Sub-process 6.4	EUR	12.100,90 €	590	1	0,85	10.285,77 €	501,5	1	1.815,13 €	15,00%	
	Sub-process 6.5	EUR	0,00 €	0	0	1	0,00 €	0	1	0,00 €	0%	No improvement.
Total annual labor cost in 2014		EUR	973.404,61 €	N/A	N/A	N/A	842.359,58 €	N/A	N/A	131.045,03 €	13,46%	
Total labor productivity in 2014		mio EUR/FTE	3.092.974,32 €	N/A	N/A	N/A	2.903.554,13 €	N/A	N/A	-189.420,20 €	-6,12%	Deterioration as the total amount allocated to national programmes has decreased from € 85,335,161.56 under MFF 07-13 to € 69,307,837.00 under MFF 14-20 (reduction by € 16,027,324.56 or 19 %).
Size of administrative/support functions in 2014		%	10,00%	N/A	N/A	N/A	11,00%	N/A	N/A	-1,00%	-10,00%	Deterioration as the total amount allocated to national programmes has decreased from € 85,335,161.56 under MFF 07-13 to € 69,307,837.00 under MFF 14-20 (reduction by € 16,027,324.56 or 19 %).
Error rate	Error rate 1: error rate before reimbursement (i.e. the share of irregularities discovered by the RA within the total amount of all claims for reimbursements received)	%	0,77%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Improvement of measure can only be measured at a later date.
	Error rate 2: error rate after reimbursement (i.e. the share of all recoveries of EU contribution within the total amount of EU contribution reimbursed by the CA)	%	0,21%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Improvement of measure can only be measured at a later date.



Cycle time 1 (RA): from completion of the claim for reimbursement by competent designated authorities, delegated authorities and associated bodies, to receipt of the claim for transfer of funds by the CA (Cycle 1.1+1.2+1.3+1.4+1.5)	days elapsed	79,73	N/A	N/A	N/A	71,61	N/A	N/A	8,12	10,18%	Claim for transfer of funds under MFF 07-13 is actually an order for transfer of funds under MFF 14-20.
Cycle 1.1 (sub-process 3.3): from completion of the claim for reimbursement by competent designated authorities, delegated authorities and associated bodies to receipt of the claim for reimbursement by the RA	days elapsed	1,44	N/A	N/A	0,8	1,15	N/A	N/A	0,29	20,14%	
Cycle 1.2 (sub-process 5.1): from receipt of the claim for reimbursement by the RA to import of the claim for reimbursement in MIGRA by the RA	days elapsed	15,78	N/A	N/A	0,9	14,2	N/A	N/A	1,58	10,01%	
Cycle 1.3 (sub-process 5.1): from import of the claim for reimbursement by the RA in MIGRA by RA to start of control of the claim for reimbursement by the RA	days elapsed	32,14	N/A	N/A	0,9	28,93	N/A	N/A	3,21	9,99%	
Cycle 1.4 (sub-process 5.1): from start of control of the claim for reimbursement by the RA to generation of the claim for transfer of funds by the RA and transfer to the CA	days elapsed	13,86	N/A	N/A	0,9	12,47	N/A	N/A	1,39	10,03%	Claim for transfer of funds under MFF 07-13 is actually an order for transfer of funds under MFF 14-20.
Cycle 1.5 (sub-process 5.1): from generation of the claim for transfer of funds by the RA and transfer to the CA to receipt of the claim for transfer of funds by the CA	days elapsed	16,51	N/A	N/A	0,9	14,86	N/A	N/A	1,65	9,99%	Claim for transfer of funds under MFF 07-13 is actually an order for transfer of funds under MFF 14-20.
Cycle time 2 (CA): from receipt of the claim for transfer of funds by the CA to transaction/transfer of funds by the CA (Cycle 2.1+2.2+2.3)	days elapsed	22,5	N/A	N/A	N/A	5,63	N/A	N/A	16,87	74,98%	Claim for transfer of funds under MFF 07-13 is actually an order for transfer of funds under MFF 14-20.
Cycle 2.1 (sub-process 5.2): from receipt of the claim for transfer of funds by the CA to start of control of the claim for transfer of funds by the CA	days elapsed	8,27	N/A	N/A	0,25	2,07	N/A	N/A	6,2	74,97%	Claim for transfer of funds under MFF 07-13 is actually an order for transfer of funds under MFF 14-20.
Cycle 2.2 (sub-process 5.2): from start of control of the claim for transfer of funds by the CA to authorization of the claim for transfer of funds by CA	days elapsed	10,45	N/A	N/A	0,25	2,61	N/A	N/A	7,84	75,02%	Claim for transfer of funds under MFF 07-13 is actually an order for transfer of funds under MFF 14-20.

<i>Cycle 2.3 (sub-process 5.2): from authorization of the claim for transfer of funds by CA to transaction/transfer of funds by the CA</i>		<i>days elapsed</i>	3,78	N/A	N/A	0,25	0,95	N/A	N/A	2,83	74,87%	Claim for transfer of funds under MFF 07-13 is actually an order for transfer of funds under MFF 14-20.
Customer satisfaction	Timeliness of service	scale 1-5	4,18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Claim for transfer of funds under MFF 07-13 is actually an order for transfer of funds under MFF 14-20.
	Expertise of service	scale 1-5	4,71	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Claim for transfer of funds under MFF 07-13 is actually an order for transfer of funds under MFF 14-20.
	Understandability of written instructions	scale 1-5	4,53	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Improvement of measure can only be measured at a later date.
	Kindness of civil servants	scale 1-5	4,88	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Improvement of measure can only be measured at a later date.
	Availability for additional information	scale 1-5	4,88	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Improvement of measure can only be measured at a later date.

Table 2. Support table – Annual number of working hours broken down by sub-processes (on the basis of data in Annex 9)

Process	Annual number of working hours
(1.1) Designation of authorities	16
(1.2) Establishment of the MCS	1758
(2.1) Multiannual programming	2244
(2.2) Annual programming	940
(2.3) Budget planning	750
(3.1) Selection and implementation of projects when the RA acts as an executing body – executing body mode	1032
(3.2) Selection and implementation of projects when the RA acts as an awarding body – awarding body mode	4828
(3.3) Financial management of programmes and payments to final beneficiaries	21603
(4.1) Regular monitoring of project implementation	432
(4.2) Regular monitoring of funds by the RA and reporting to the EC	480
(4.3) Preparation of evaluation reports	320
(5.1) Controls by the RA	8560
(5.2) Reimbursement of EU contribution, payments by the Commission and certification of expenditure	608
(5.3) Detection of irregularities, reporting on irregularities, and financial corrections	610
(5.4) Auditing	3992
(6.1) Physical and electronic archiving and audit trail assurance	5117
(6.2) IT management of funds via MIGRA IT system	48
(6.3) Inter-departmental coordination and cooperation with stakeholders	436
(6.4) Information and publicity measures	590
<b>SUM:</b>	<b>54364</b>

Table 3. Support table – System data on cycle time calculation (criteria for data collection: Claim for reimbursement received by RA = 1.1.2014-31.12.2014)

Claim for reimbursement ID	Project ID	Claim for reimbursement completed	Claim for reimbursement received by RA	Cycle 1.1: Claim for reimbursement completed - Claim for reimbursement received by RA	Import of claim for reimbursement in MIGRA by RA	Cycle 1.2: Claim for reimbursement received by the RA - Import of claim for reimbursement in MIGRA by RA	Start of control of claim for reimbursement by RA	Cycle 1.3: Import of claim for reimbursement in MIGRA by RA - Start of control of claim for reimbursement by RA	Generation of Claim for transfer of funds by RA and transfer to CA	Cycle 1.4: Start of control of claim for reimbursement by RA - Generation of Claim for transfer of funds by RA and transfer to CA	Claim for transfer of funds received by CA	Cycle 1.5: Generation of Claim for transfer of funds by the RA and transfer to CA - Claim for transfer of funds received by CA	Start of control of Claim for transfer of funds by CA	Cycle 2.1: Claim for transfer of funds received by CA - Start of control of Claim for transfer of funds by CA	Authorization of Claim for transfer of funds by CA	Authorization of Claim for transfer of funds by CA	Date of transaction/transfer of funds by CA	Cycle 2.3: Authorization of Claim for transfer of funds by CA - Date of transaction/transfer of funds by CA
977	266	2.1.2014	7.1.2014	5,00	21.1.2014	14,00	5.3.2014	43,00	14.4.2014	40,00	5.5.2014	21,00	7.5.2014	2,00	9.5.2014	2,00	14.5.2014	5,00
973	355	8.1.2014	9.1.2014	1,00	15.1.2014	6,00	16.1.2014	1,00	16.1.2014	0,00	30.1.2014	14,00	31.1.2014	1,00	4.2.2014	4,00	12.2.2014	8,00
975	354	10.1.2014	13.1.2014	3,00	20.1.2014	7,00	20.1.2014	0,00	22.1.2014	2,00	31.1.2014	9,00	4.2.2014	4,00	5.2.2014	1,00	11.2.2014	6,00
971	251	8.1.2014	13.1.2014	5,00	15.1.2014	2,00	29.5.2014	134,00	29.5.2014	0,00	10.6.2014	12,00	11.6.2014	1,00	30.6.2014	19,00	26.6.2014	-4,00
992	269	20.1.2014	22.1.2014	2,00	18.2.2014	27,00	29.4.2014	70,00	3.6.2014	35,00	16.6.2014	13,00	23.6.2014	7,00	2.7.2014	9,00	1.7.2014	-1,00
1035	269	17.1.2014	22.1.2014	5,00	29.4.2014	97,00	29.4.2014	0,00	29.4.2014	0,00	16.5.2014	17,00	19.5.2014	3,00	21.5.2014	2,00	28.5.2014	7,00
1002	279	22.1.2014	24.1.2014	2,00	7.3.2014	42,00	7.5.2014	61,00	15.5.2014	8,00	26.5.2014	11,00	2.6.2014	7,00	5.6.2014	3,00	10.6.2014	5,00
980	223	24.1.2014	24.1.2014	0,00	4.2.2014	11,00	4.2.2014	0,00	6.2.2014	2,00	20.2.2014	14,00	25.2.2014	5,00	5.3.2014	8,00	12.3.2014	7,00
989	269	24.1.2014	29.1.2014	5,00	18.2.2014	20,00	12.3.2014	22,00	12.3.2014	0,00	1.4.2014	20,00	1.4.2014	0,00	3.4.2014	2,00	9.4.2014	6,00
991	269	28.1.2014	31.1.2014	3,00	18.2.2014	18,00	14.3.2014	24,00	14.3.2014	0,00	1.4.2014	18,00	8.4.2014	7,00	16.4.2014	8,00	22.4.2014	6,00
981	210	4.2.2014	4.2.2014	0,00	4.2.2014	0,00	10.2.2014	6,00	10.2.2014	0,00	20.2.2014	10,00	25.2.2014	5,00	5.3.2014	8,00	12.3.2014	7,00
982	211	7.2.2014	7.2.2014	0,00	7.2.2014	0,00	7.2.2014	0,00	12.2.2014	5,00	20.2.2014	8,00	25.2.2014	5,00	5.3.2014	8,00	12.3.2014	7,00
985	223	7.2.2014	7.2.2014	0,00	12.2.2014	5,00	12.2.2014	0,00	12.2.2014	0,00	20.2.2014	8,00	25.2.2014	5,00	5.3.2014	8,00	12.3.2014	7,00
984	355	6.2.2014	7.2.2014	1,00	11.2.2014	4,00	11.2.2014	0,00	24.2.2014	13,00	13.3.2014	17,00	14.3.2014	1,00	17.3.2014	3,00	24.3.2014	7,00
987	244	12.2.2014	12.2.2014	0,00	12.2.2014	0,00	12.2.2014	0,00	12.2.2014	0,00	20.2.2014	8,00	25.2.2014	5,00	5.3.2014	8,00	12.3.2014	7,00
1260	399	11.2.2014	12.2.2014	1,00	17.2.2015	370,00	17.2.2015	0,00	17.2.2015	0,00	2.3.2015	13,00	2.3.2015	0,00	9.3.2015	7,00	12.3.2015	3,00
990	315	13.2.2014	13.2.2014	0,00	18.2.2014	5,00	9.6.2014	111,00	22.8.2014	74,00	8.9.2014	17,00	11.9.2014	3,00	15.9.2014	4,00	19.9.2014	4,00
988	210	17.2.2014	17.2.2014	0,00	17.2.2014	0,00	17.2.2014	0,00	18.2.2014	1,00	13.3.2014	23,00	14.3.2014	1,00	17.3.2014	3,00	24.3.2014	7,00
996	223	19.2.2014	19.2.2014	0,00	20.2.2014	1,00	20.2.2014	0,00	28.2.2014	8,00	17.3.2014	17,00	17.3.2014	0,00	19.3.2014	2,00	24.3.2014	5,00
1005	344	26.2.2014	26.2.2014	0,00	13.3.2014	15,00	25.4.2014	43,00	15.5.2014	20,00	22.5.2014	7,00	17.6.2014	26,00	17.6.2014	0,00	23.6.2014	6,00
1012	250	24.2.2014	27.2.2014	3,00	14.3.2014	15,00	19.3.2014	5,00	19.3.2014	0,00	28.3.2014	9,00	1.4.2014	4,00	3.4.2014	2,00	10.4.2014	7,00
1000	211	26.2.2014	27.2.2014	1,00	28.2.2014	1,00	28.2.2014	0,00	28.2.2014	0,00	13.3.2014	13,00	13.3.2014	0,00	19.3.2014	6,00	24.3.2014	5,00
1072	250	25.2.2014	27.2.2014	2,00	29.5.2014	91,00	30.5.2014	1,00	30.5.2014	0,00	11.6.2014	12,00	10.7.2014	29,00	14.7.2014	4,00	16.7.2014	2,00
1073	319	25.2.2014	27.2.2014	2,00	29.5.2014	91,00	30.5.2014	1,00	30.5.2014	0,00	16.6.2014	17,00	17.6.2014	1,00	30.6.2014	13,00	27.6.2014	-3,00
1074	251	25.2.2014	27.2.2014	2,00	29.5.2014	91,00	30.5.2014	1,00	30.5.2014	0,00	11.6.2014	12,00	2.7.2014	21,00	10.7.2014	8,00	15.7.2014	5,00

999	244	26.2.2014	28.2.2014	2,00	28.2.2014	0,00	28.2.2014	0,00	28.2.2014	0,00	14.3.2014	14,00	14.3.2014	0,00	19.3.2014	5,00	24.3.2014	5,00
1001	354	27.2.2014	28.2.2014	1,00	28.2.2014	0,00	28.2.2014	0,00	28.2.2014	0,00	13.3.2014	13,00	14.3.2014	1,00	18.3.2014	4,00	25.3.2014	7,00
1006	291	4.3.2014	4.3.2014	0,00	13.3.2014	9,00	5.5.2014	53,00	15.5.2014	10,00	26.5.2014	11,00	2.6.2014	7,00	3.6.2014	1,00	9.6.2014	6,00
1003	285	27.2.2014	5.3.2014	6,00	7.3.2014	2,00	18.4.2014	42,00	15.5.2014	27,00	26.5.2014	11,00	2.6.2014	7,00	3.6.2014	1,00	9.6.2014	6,00
1025	319	3.3.2014	6.3.2014	3,00	10.4.2014	35,00	10.4.2014	0,00	10.4.2014	0,00	22.4.2014	12,00	6.5.2014	14,00	9.5.2014	3,00	13.5.2014	4,00
1016	278	10.3.2014	10.3.2014	0,00	17.3.2014	7,00	5.5.2014	49,00	15.5.2014	10,00	26.5.2014	11,00	4.6.2014	9,00	5.6.2014	1,00	10.6.2014	5,00
1018	250	5.3.2014	11.3.2014	6,00	18.3.2014	7,00	18.3.2014	0,00	18.3.2014	0,00	28.3.2014	10,00	28.3.2014	0,00	3.4.2014	6,00	9.4.2014	6,00
1010	250	5.3.2014	11.3.2014	6,00	14.3.2014	3,00	17.3.2014	3,00	18.3.2014	1,00	28.3.2014	10,00	31.3.2014	3,00	3.4.2014	3,00	9.4.2014	6,00
1019	250	5.3.2014	11.3.2014	6,00	18.3.2014	7,00	18.3.2014	0,00	18.3.2014	0,00	28.3.2014	10,00	1.4.2014	4,00	3.4.2014	2,00	10.4.2014	7,00
1004	275	10.3.2014	12.3.2014	2,00	12.3.2014	0,00	13.3.2014	1,00	13.3.2014	0,00	1.4.2014	19,00	1.4.2014	0,00	3.4.2014	2,00	10.4.2014	7,00
1015	250	12.3.2014	13.3.2014	1,00	17.3.2014	4,00	18.3.2014	1,00	19.3.2014	1,00	28.3.2014	9,00	1.4.2014	4,00	3.4.2014	2,00	10.4.2014	7,00
1017	370	12.3.2014	13.3.2014	1,00	17.3.2014	4,00	27.5.2014	71,00	25.7.2014	59,00	6.8.2014	12,00	6.8.2014	0,00	8.8.2014	2,00	21.8.2014	13,00
1020	255	14.3.2014	14.3.2014	0,00	24.3.2014	10,00	4.4.2014	11,00	9.4.2014	5,00	16.4.2014	7,00	5.5.2014	19,00	6.5.2014	1,00	13.5.2014	7,00
1021	258	20.3.2014	20.3.2014	0,00	24.3.2014	4,00	8.4.2014	15,00	25.4.2014	17,00	5.5.2014	10,00	6.5.2014	1,00	6.5.2014	0,00	13.5.2014	7,00
1138	315	20.3.2014	20.3.2014	0,00	8.9.2014	172,00	8.9.2014	0,00	10.9.2014	2,00	24.9.2014	14,00	2.10.2014	8,00	7.10.2014	5,00	8.10.2014	1,00
1023	390	18.3.2014	21.3.2014	3,00	24.3.2014	3,00	17.10.2014	207,00	21.10.2014	4,00	4.11.2014	14,00	6.11.2014	2,00	6.11.2014	0,00	13.11.2014	7,00
1024	390	21.3.2014	24.3.2014	3,00	25.3.2014	1,00	29.9.2014	188,00	21.10.2014	22,00	4.11.2014	14,00	4.11.2014	0,00	6.11.2014	2,00	13.11.2014	7,00
1031	347	3.4.2014	3.4.2014	0,00	16.4.2014	13,00	6.5.2014	20,00	15.5.2014	9,00	26.5.2014	11,00	26.5.2014	0,00	3.6.2014	8,00	9.6.2014	6,00
1051	250	3.4.2014	4.4.2014	1,00	23.5.2014	49,00	23.5.2014	0,00	23.5.2014	0,00	10.6.2014	18,00	11.6.2014	1,00	16.6.2014	5,00	23.6.2014	7,00
1028	370	3.4.2014	4.4.2014	1,00	10.4.2014	6,00	23.5.2014	43,00	23.5.2014	0,00	10.6.2014	18,00	11.6.2014	1,00	18.6.2014	7,00	24.6.2014	6,00
1034	295	7.4.2014	7.4.2014	0,00	28.4.2014	21,00	28.4.2014	0,00	15.5.2014	17,00	22.5.2014	7,00	10.6.2014	19,00	11.6.2014	1,00	18.6.2014	7,00
1026	267	31.3.2014	8.4.2014	8,00	10.4.2014	2,00	17.10.2014	190,00	20.11.2014	34,00	9.12.2014	19,00	11.12.2014	2,00	17.12.2014	6,00	23.12.2014	6,00
1029	315	10.4.2014	10.4.2014	0,00	14.4.2014	4,00	10.9.2014	149,00	25.9.2014	15,00	13.10.2014	18,00	21.10.2014	8,00	24.10.2014	3,00	29.10.2014	5,00
1043	320	11.4.2014	14.4.2014	3,00	7.5.2014	23,00	8.5.2014	1,00	15.5.2014	7,00	22.5.2014	7,00	19.6.2014	28,00	3.7.2014	14,00	2.7.2014	-1,00
1050	275	11.4.2014	14.4.2014	3,00	21.5.2014	37,00	15.9.2014	117,00	4.12.2014	80,00	28.1.2015	55,00	28.1.2015	0,00	28.1.2015	0,00	16.1.2015	-12,00
1078	283	18.4.2014	18.4.2014	0,00	9.6.2014	52,00	9.6.2014	0,00	10.6.2014	1,00	17.6.2014	7,00	23.6.2014	6,00	3.7.2014	10,00	2.7.2014	-1,00
1037	252	22.4.2014	22.4.2014	0,00	6.5.2014	14,00	21.8.2014	107,00	21.8.2014	0,00	9.9.2014	19,00	11.9.2014	2,00	15.9.2014	4,00	22.9.2014	7,00
1040	254	6.5.2014	23.4.2014	-13,00	6.5.2014	13,00	23.6.2014	48,00	11.7.2014	18,00	1.8.2014	21,00	6.8.2014	5,00	24.9.2014	49,00	30.9.2014	6,00
1036	276	24.4.2014	24.4.2014	0,00	29.4.2014	5,00	29.4.2014	0,00	10.6.2014	42,00	17.6.2014	7,00	23.6.2014	6,00	3.7.2014	10,00	2.7.2014	-1,00
1042	270	24.4.2014	28.4.2014	4,00	6.5.2014	8,00	8.5.2014	2,00	3.6.2014	26,00	16.6.2014	13,00	17.6.2014	1,00	30.6.2014	13,00	27.6.2014	-3,00
1039	260	15.4.2014	6.5.2014	21,00	6.5.2014	0,00	11.6.2014	36,00	11.6.2014	0,00	23.6.2014	12,00	23.6.2014	0,00	10.7.2014	17,00	15.7.2014	5,00
1041	262	23.4.2014	6.5.2014	13,00	6.5.2014	0,00	23.6.2014	48,00	24.6.2014	1,00	1.8.2014	38,00	6.8.2014	5,00	8.8.2014	2,00	21.8.2014	13,00
1086	257	8.5.2014	8.5.2014	0,00	17.7.2014	70,00	17.7.2014	0,00	18.7.2014	1,00	1.8.2014	14,00	7.8.2014	6,00	11.8.2014	4,00	18.8.2014	7,00
1046	275	8.5.2014	9.5.2014	1,00	15.5.2014	6,00	15.9.2014	123,00	23.12.2014	99,00	28.1.2015	36,00	28.1.2015	0,00	28.1.2015	0,00	15.1.2015	-13,00
1045	272	12.5.2014	12.5.2014	0,00	15.5.2014	3,00	24.7.2014	70,00	18.8.2014	25,00	8.9.2014	21,00	9.9.2014	1,00	15.9.2014	6,00	19.9.2014	4,00
1048	315	12.5.2014	12.5.2014	0,00	15.5.2014	3,00	23.9.2014	131,00	9.10.2014	16,00	24.10.2014	15,00	5.11.2014	12,00	6.11.2014	1,00	13.11.2014	7,00
1047	315	12.5.2014	12.5.2014	0,00	15.5.2014	3,00	17.9.2014	125,00	10.10.2014	23,00	24.10.2014	14,00	5.11.2014	12,00	6.11.2014	1,00	13.11.2014	7,00
1049	256	13.5.2014	13.5.2014	0,00	21.5.2014	8,00	11.7.2014	51,00	16.7.2014	5,00	1.8.2014	16,00	7.8.2014	6,00	11.8.2014	4,00	18.8.2014	7,00

1067	287	23.5.2014	23.5.2014	0,00	29.5.2014	6,00	29.5.2014	0,00	10.6.2014	12,00	17.6.2014	7,00	2.7.2014	15,00	10.7.2014	8,00	15.7.2014	5,00
1052	394	21.5.2014	23.5.2014	2,00	23.5.2014	0,00	27.10.2014	157,00	30.10.2014	3,00	10.11.2014	11,00	1.12.2014	21,00	3.12.2014	2,00	8.12.2014	5,00
1058	261	13.5.2014	26.5.2014	13,00	26.5.2014	0,00	23.7.2014	58,00	23.7.2014	0,00	6.8.2014	14,00	25.8.2014	19,00	28.8.2014	3,00	4.9.2014	7,00
1057	376	13.5.2014	26.5.2014	13,00	26.5.2014	0,00	26.5.2014	0,00	26.5.2014	0,00	10.6.2014	15,00	11.6.2014	1,00	17.6.2014	6,00	26.6.2014	9,00
1076	284	29.5.2014	29.5.2014	0,00	5.6.2014	7,00	5.6.2014	0,00	10.6.2014	5,00	17.6.2014	7,00	2.7.2014	15,00	10.7.2014	8,00	15.7.2014	5,00
1079	270	30.5.2014	3.6.2014	4,00	10.6.2014	7,00	2.10.2014	114,00	3.10.2014	1,00	20.10.2014	17,00	21.10.2014	1,00	27.10.2014	6,00	3.11.2014	7,00
1077	272	5.6.2014	5.6.2014	0,00	9.6.2014	4,00	28.7.2014	49,00	17.9.2014	51,00	22.9.2014	5,00	1.10.2014	9,00	2.10.2014	1,00	6.10.2014	4,00
1080	319	4.6.2014	5.6.2014	1,00	10.6.2014	5,00	22.10.2014	134,00	22.10.2014	0,00	6.11.2014	15,00	6.11.2014	0,00	10.11.2014	4,00	17.11.2014	7,00
1081	299	9.6.2014	9.6.2014	0,00	19.6.2014	10,00	19.6.2014	0,00	16.10.2014	119,00	24.10.2014	8,00	19.12.2014	56,00	23.12.2014	4,00	29.12.2014	6,00
1082	295	9.6.2014	9.6.2014	0,00	20.6.2014	11,00	20.6.2014	0,00	10.9.2014	82,00	24.9.2014	14,00	3.10.2014	9,00	16.12.2014	74,00	19.12.2014	3,00
1095	275	10.6.2014	11.6.2014	1,00	25.7.2014	44,00	23.12.2014	151,00	23.12.2014	0,00	28.1.2015	36,00	28.1.2015	0,00	28.1.2015	0,00	15.1.2015	-13,00
1091	267	11.6.2014	12.6.2014	1,00	25.7.2014	43,00	22.10.2014	89,00	22.10.2014	0,00	5.11.2014	14,00	5.11.2014	0,00	6.11.2014	1,00	13.11.2014	7,00
1092	394	11.6.2014	12.6.2014	1,00	25.7.2014	43,00	22.10.2014	89,00	22.10.2014	0,00	4.11.2014	13,00	24.11.2014	20,00	25.11.2014	1,00	28.11.2014	3,00
1083	348	16.6.2014	16.6.2014	0,00	24.6.2014	8,00	24.6.2014	0,00	24.7.2014	30,00	6.8.2014	13,00	2.10.2014	57,00	16.12.2014	75,00	19.12.2014	3,00
1098	315	17.6.2014	17.6.2014	0,00	25.7.2014	38,00	26.9.2014	63,00	9.10.2014	13,00	24.10.2014	15,00	5.11.2014	12,00	6.11.2014	1,00	13.11.2014	7,00
1099	315	17.6.2014	17.6.2014	0,00	25.7.2014	38,00	26.9.2014	63,00	30.9.2014	4,00	13.10.2014	13,00	21.10.2014	8,00	24.10.2014	3,00	29.10.2014	5,00
1111	271	18.6.2014	18.6.2014	0,00	28.7.2014	40,00	27.8.2014	30,00	3.9.2014	7,00	23.9.2014	20,00	23.9.2014	0,00	24.9.2014	1,00	30.9.2014	6,00
1110	271	18.6.2014	18.6.2014	0,00	28.7.2014	40,00	5.8.2014	8,00	3.9.2014	29,00	23.9.2014	20,00	23.9.2014	0,00	24.9.2014	1,00	30.9.2014	6,00
1107	269	12.6.2014	19.6.2014	7,00	28.7.2014	39,00	28.7.2014	0,00	18.8.2014	21,00	9.9.2014	22,00	21.10.2014	42,00	21.10.2014	0,00	28.10.2014	7,00
1090	390	18.6.2014	20.6.2014	2,00	25.7.2014	35,00	2.10.2014	69,00	7.10.2014	5,00	4.11.2014	28,00	5.11.2014	1,00	6.11.2014	1,00	13.11.2014	7,00
1089	269	23.6.2014	26.6.2014	3,00	25.7.2014	29,00	28.7.2014	3,00	26.9.2014	60,00	13.10.2014	17,00	10.11.2014	28,00	12.11.2014	2,00	17.11.2014	5,00
1100	315	26.6.2014	26.6.2014	0,00	25.7.2014	29,00	1.10.2014	68,00	17.10.2014	16,00	24.10.2014	7,00	5.11.2014	12,00	6.11.2014	1,00	13.11.2014	7,00
1109	386	26.6.2014	26.6.2014	0,00	28.7.2014	32,00	5.8.2014	8,00	7.8.2014	2,00	9.9.2014	33,00	15.9.2014	6,00	16.9.2014	1,00	23.9.2014	7,00
1084	290	27.6.2014	27.6.2014	0,00	3.7.2014	6,00	3.7.2014	0,00	24.7.2014	21,00	6.8.2014	13,00	29.8.2014	23,00	17.12.2014	110,00	23.12.2014	6,00
1085	287	27.6.2014	27.6.2014	0,00	3.7.2014	6,00	3.7.2014	0,00	24.7.2014	21,00	6.8.2014	13,00	16.10.2014	71,00	16.12.2014	61,00	19.12.2014	3,00
1096	394	4.7.2014	8.7.2014	4,00	25.7.2014	17,00	12.11.2014	110,00	3.12.2014	21,00	22.12.2014	19,00	4.2.2015	44,00	9.2.2015	5,00	12.2.2015	3,00
1115	323	9.7.2014	9.7.2014	0,00	1.8.2014	23,00	1.8.2014	0,00	21.10.2014	81,00	4.11.2014	14,00	10.11.2014	6,00	10.11.2014	0,00	14.11.2014	4,00
1094	275	9.7.2014	10.7.2014	1,00	25.7.2014	15,00	23.12.2014	151,00	23.12.2014	0,00	28.1.2015	36,00	28.1.2015	0,00	28.1.2015	0,00	15.1.2015	-13,00
1101	308	11.7.2014	11.7.2014	0,00	25.7.2014	14,00	3.10.2014	70,00	20.10.2014	17,00	3.11.2014	14,00	3.11.2014	0,00	4.11.2014	1,00	11.11.2014	7,00
1104	310	11.7.2014	11.7.2014	0,00	25.7.2014	14,00	13.10.2014	80,00	13.10.2014	0,00	3.11.2014	21,00	3.11.2014	0,00	4.11.2014	1,00	11.11.2014	7,00
1105	311	11.7.2014	11.7.2014	0,00	25.7.2014	14,00	13.10.2014	80,00	14.10.2014	1,00	3.11.2014	20,00	3.11.2014	0,00	4.11.2014	1,00	11.11.2014	7,00
1102	312	11.7.2014	11.7.2014	0,00	25.7.2014	14,00	9.10.2014	76,00	13.10.2014	4,00	3.11.2014	21,00	3.11.2014	0,00	4.11.2014	1,00	11.11.2014	7,00
1103	315	11.7.2014	11.7.2014	0,00	25.7.2014	14,00	10.10.2014	77,00	13.10.2014	3,00	24.10.2014	11,00	5.11.2014	12,00	6.11.2014	1,00	13.11.2014	7,00
1106	316	11.7.2014	11.7.2014	0,00	25.7.2014	14,00	30.9.2014	67,00	30.9.2014	0,00	13.10.2014	13,00	13.10.2014	0,00	21.10.2014	8,00	27.10.2014	6,00
1112	288	14.7.2014	14.7.2014	0,00	29.7.2014	15,00	29.7.2014	0,00	17.9.2014	50,00	24.9.2014	7,00	30.9.2014	6,00	17.12.2014	78,00	23.12.2014	6,00
1108	390	15.7.2014	15.7.2014	0,00	28.7.2014	13,00	6.11.2014	101,00	21.11.2014	15,00	9.12.2014	18,00	11.12.2014	2,00	17.12.2014	6,00	23.12.2014	6,00
1097	399	14.7.2014	16.7.2014	2,00	25.7.2014	9,00	23.12.2014	151,00	26.1.2015	34,00	11.2.2015	16,00	26.2.2015	15,00	2.3.2015	4,00	6.3.2015	4,00
1088	390	17.7.2014	18.7.2014	1,00	25.7.2014	7,00	30.9.2014	67,00	3.11.2014	34,00	19.11.2014	16,00	19.11.2014	0,00	21.11.2014	2,00	28.11.2014	7,00

1087	390	17.7.2014	18.7.2014	1,00	25.7.2014	7,00	6.10.2014	73,00	6.11.2014	31,00	21.11.2014	15,00	1.12.2014	10,00	3.12.2014	2,00	8.12.2014	5,00
1114	285	21.7.2014	21.7.2014	0,00	30.7.2014	9,00	30.7.2014	0,00	17.10.2014	79,00	3.11.2014	17,00	3.11.2014	0,00	17.12.2014	44,00	23.12.2014	6,00
1113	291	21.7.2014	21.7.2014	0,00	30.7.2014	9,00	30.7.2014	0,00	17.9.2014	49,00	24.9.2014	7,00	30.9.2014	6,00	17.12.2014	78,00	23.12.2014	6,00
1116	289	30.7.2014	30.7.2014	0,00	1.8.2014	2,00	1.8.2014	0,00	17.9.2014	47,00	24.9.2014	7,00	30.9.2014	6,00	30.12.2014	91,00	23.12.2014	-7,00
1117	320	30.7.2014	30.7.2014	0,00	6.8.2014	7,00	6.8.2014	0,00	17.9.2014	42,00	23.9.2014	6,00	23.9.2014	0,00	2.10.2014	9,00	9.10.2014	7,00
1135	275	7.8.2014	11.8.2014	4,00	29.8.2014	18,00	23.12.2014	116,00	23.12.2014	0,00	28.1.2015	36,00	28.1.2015	0,00	28.1.2015	0,00	16.1.2015	-12,00
1134	270	12.8.2014	12.8.2014	0,00	29.8.2014	17,00	2.10.2014	34,00	7.10.2014	5,00	20.10.2014	13,00	21.10.2014	1,00	27.10.2014	6,00	3.11.2014	7,00
1123	251	11.8.2014	14.8.2014	3,00	28.8.2014	14,00	23.10.2014	56,00	24.10.2014	1,00	6.11.2014	13,00	6.11.2014	0,00	10.11.2014	4,00	17.11.2014	7,00
1124	251	11.8.2014	14.8.2014	3,00	28.8.2014	14,00	24.10.2014	57,00	24.10.2014	0,00	6.11.2014	13,00	6.11.2014	0,00	10.11.2014	4,00	17.11.2014	7,00
1121	319	11.8.2014	14.8.2014	3,00	28.8.2014	14,00	23.10.2014	56,00	23.10.2014	0,00	6.11.2014	14,00	6.11.2014	0,00	10.11.2014	4,00	17.11.2014	7,00
1122	319	11.8.2014	14.8.2014	3,00	28.8.2014	14,00	23.10.2014	56,00	23.10.2014	0,00	6.11.2014	14,00	6.11.2014	0,00	10.11.2014	4,00	17.11.2014	7,00
1125	250	11.8.2014	14.8.2014	3,00	28.8.2014	14,00	24.10.2014	57,00	24.10.2014	0,00	6.11.2014	13,00	25.11.2014	19,00	2.12.2014	7,00	28.11.2014	-4,00
1126	250	11.8.2014	14.8.2014	3,00	28.8.2014	14,00	24.10.2014	57,00	24.10.2014	0,00	6.11.2014	13,00	25.11.2014	19,00	2.12.2014	7,00	28.11.2014	-4,00
1127	250	11.8.2014	14.8.2014	3,00	28.8.2014	14,00	24.10.2014	57,00	24.10.2014	0,00	6.11.2014	13,00	25.11.2014	19,00	2.12.2014	7,00	28.11.2014	-4,00
1128	250	11.8.2014	14.8.2014	3,00	28.8.2014	14,00	24.10.2014	57,00	24.10.2014	0,00	6.11.2014	13,00	25.11.2014	19,00	2.12.2014	7,00	28.11.2014	-4,00
1118	257	14.8.2014	14.8.2014	0,00	25.8.2014	11,00	4.9.2014	10,00	8.9.2014	4,00	22.9.2014	14,00	1.10.2014	9,00	21.10.2014	20,00	27.10.2014	6,00
1131	316	18.8.2014	18.8.2014	0,00	29.8.2014	11,00	2.10.2014	34,00	2.10.2014	0,00	20.10.2014	18,00	21.10.2014	1,00	24.10.2014	3,00	29.10.2014	5,00
1132	311	18.8.2014	18.8.2014	0,00	29.8.2014	11,00	17.10.2014	49,00	17.10.2014	0,00	4.11.2014	18,00	10.11.2014	6,00	12.11.2014	2,00	17.11.2014	5,00
1129	308	18.8.2014	18.8.2014	0,00	28.8.2014	10,00	15.10.2014	48,00	20.10.2014	5,00	4.11.2014	15,00	10.11.2014	6,00	11.11.2014	1,00	17.11.2014	6,00
1133	332	18.8.2014	18.8.2014	0,00	29.8.2014	11,00	8.10.2014	40,00	9.10.2014	1,00	20.10.2014	11,00	21.10.2014	1,00	24.10.2014	3,00	29.10.2014	5,00
1130	312	18.8.2014	18.8.2014	0,00	28.8.2014	10,00	16.10.2014	49,00	30.10.2014	14,00	3.11.2014	4,00	3.11.2014	0,00	4.11.2014	1,00	11.11.2014	7,00
1119	253	14.8.2014	19.8.2014	5,00	25.8.2014	6,00	25.8.2014	0,00	9.9.2014	15,00	11.9.2014	2,00	11.9.2014	0,00	18.9.2014	7,00	19.9.2014	1,00
1120	373	14.8.2014	19.8.2014	5,00	25.8.2014	6,00	26.8.2014	1,00	27.8.2014	1,00	11.9.2014	15,00	11.9.2014	0,00	24.9.2014	13,00	29.9.2014	5,00
1137	352	28.8.2014	28.8.2014	0,00	5.9.2014	8,00	5.9.2014	0,00	17.9.2014	12,00	24.9.2014	7,00	20.10.2014	26,00	16.12.2014	57,00	19.12.2014	3,00
1144	307	28.8.2014	28.8.2014	0,00	16.9.2014	19,00	20.10.2014	34,00	22.10.2014	2,00	4.11.2014	13,00	10.11.2014	6,00	18.11.2014	8,00	17.11.2014	-1,00
1136	286	1.9.2014	1.9.2014	0,00	4.9.2014	3,00	4.9.2014	0,00	17.9.2014	13,00	24.9.2014	7,00	20.10.2014	26,00	16.12.2014	57,00	19.12.2014	3,00
1161	250	1.9.2014	2.9.2014	1,00	24.9.2014	22,00	28.10.2014	34,00	28.10.2014	0,00	10.11.2014	13,00	10.11.2014	0,00	11.11.2014	1,00	18.11.2014	7,00
1162	250	1.9.2014	2.9.2014	1,00	24.9.2014	22,00	28.10.2014	34,00	28.10.2014	0,00	10.11.2014	13,00	10.11.2014	0,00	11.11.2014	1,00	18.11.2014	7,00
1163	250	1.9.2014	2.9.2014	1,00	24.9.2014	22,00	28.10.2014	34,00	28.10.2014	0,00	10.11.2014	13,00	10.11.2014	0,00	11.11.2014	1,00	18.11.2014	7,00
1164	250	1.9.2014	2.9.2014	1,00	24.9.2014	22,00	28.10.2014	34,00	28.10.2014	0,00	10.11.2014	13,00	10.11.2014	0,00	11.11.2014	1,00	18.11.2014	7,00
1165	250	1.9.2014	2.9.2014	1,00	24.9.2014	22,00	28.10.2014	34,00	28.10.2014	0,00	10.11.2014	13,00	10.11.2014	0,00	11.11.2014	1,00	18.11.2014	7,00
1166	250	1.9.2014	2.9.2014	1,00	24.9.2014	22,00	29.10.2014	35,00	29.10.2014	0,00	10.11.2014	12,00	10.11.2014	0,00	11.11.2014	1,00	18.11.2014	7,00
1150	265	3.9.2014	3.9.2014	0,00	24.9.2014	21,00	24.9.2014	0,00	25.9.2014	1,00	10.10.2014	15,00	21.10.2014	11,00	27.10.2014	6,00	3.11.2014	7,00
1143	390	2.9.2014	4.9.2014	2,00	16.9.2014	12,00	4.2.2015	141,00	1.4.2015	56,00	13.4.2015	12,00	na		na		na	
1140	387	9.9.2014	9.9.2014	0,00	16.9.2014	7,00	21.10.2014	35,00	21.10.2014	0,00	4.11.2014	14,00	4.11.2014	0,00	5.11.2014	1,00	13.11.2014	8,00
1141	258	9.9.2014	9.9.2014	0,00	16.9.2014	7,00	21.10.2014	35,00	21.10.2014	0,00	4.11.2014	14,00	4.11.2014	0,00	5.11.2014	1,00	13.11.2014	8,00
1153	262	11.9.2014	11.9.2014	0,00	24.9.2014	13,00	26.9.2014	2,00	29.9.2014	3,00	10.10.2014	11,00	21.10.2014	11,00	27.10.2014	6,00	3.11.2014	7,00
1155	256	11.9.2014	11.9.2014	0,00	24.9.2014	13,00	30.9.2014	6,00	30.9.2014	0,00	10.10.2014	10,00	21.10.2014	11,00	27.10.2014	6,00	3.11.2014	7,00

1154	254	11.9.2014	11.9.2014	0,00	24.9.2014	13,00	29.9.2014	5,00	8.10.2014	9,00	20.10.2014	12,00	4.11.2014	15,00	6.11.2014	2,00	13.11.2014	7,00
1139	290	12.9.2014	12.9.2014	0,00	16.9.2014	4,00	16.9.2014	0,00	2.10.2014	16,00	24.10.2014	22,00	19.12.2014	56,00	23.12.2014	4,00	29.12.2014	6,00
1145	297	12.9.2014	12.9.2014	0,00	16.9.2014	4,00	16.9.2014	0,00	13.10.2014	27,00	24.10.2014	11,00	19.12.2014	56,00	23.12.2014	4,00	29.12.2014	6,00
1142	396	12.9.2014	12.9.2014	0,00	16.9.2014	4,00	21.10.2014	35,00	30.10.2014	9,00	10.11.2014	11,00	1.12.2014	21,00	3.12.2014	2,00	8.12.2014	5,00
1147	281	17.9.2014	17.9.2014	0,00	19.9.2014	2,00	19.9.2014	0,00	21.10.2014	32,00	4.11.2014	14,00	7.11.2014	3,00	10.11.2014	3,00	14.11.2014	4,00
1148	272	22.9.2014	22.9.2014	0,00	23.9.2014	1,00	22.10.2014	29,00	22.10.2014	0,00	4.11.2014	13,00	24.11.2014	20,00	25.11.2014	1,00	28.11.2014	3,00
1151	390	11.8.2014	23.9.2014	43,00	24.9.2014	1,00	9.10.2014	15,00	9.10.2014	0,00	4.11.2014	26,00	5.11.2014	1,00	6.11.2014	1,00	13.11.2014	7,00
1152	390	12.9.2014	23.9.2014	11,00	24.9.2014	1,00	30.9.2014	6,00	13.10.2014	13,00	4.11.2014	22,00	5.11.2014	1,00	6.11.2014	1,00	13.11.2014	7,00
1174	372	24.9.2014	24.9.2014	0,00	14.10.2014	20,00	21.10.2014	7,00	21.10.2014	0,00	4.11.2014	14,00	4.11.2014	0,00	5.11.2014	1,00	13.11.2014	8,00
1170	279	29.9.2014	29.9.2014	0,00	3.10.2014	4,00	3.10.2014	0,00	21.10.2014	18,00	4.11.2014	14,00	4.11.2014	0,00	5.11.2014	1,00	13.11.2014	8,00
1171	284	29.9.2014	29.9.2014	0,00	6.10.2014	7,00	6.10.2014	0,00	21.10.2014	15,00	4.11.2014	14,00	19.12.2014	45,00	23.12.2014	4,00	29.12.2014	6,00
1168	373	1.10.2014	1.10.2014	0,00	1.10.2014	0,00	1.10.2014	0,00	1.10.2014	0,00	10.10.2014	9,00	21.10.2014	11,00	21.10.2014	0,00	28.10.2014	7,00
1172	276	3.10.2014	3.10.2014	0,00	9.10.2014	6,00	9.10.2014	0,00	21.10.2014	12,00	4.11.2014	14,00	10.11.2014	6,00	10.11.2014	0,00	14.11.2014	4,00
1176	406	6.10.2014	6.10.2014	0,00	14.10.2014	8,00	21.10.2014	7,00	21.10.2014	0,00	4.11.2014	14,00	4.11.2014	0,00	5.11.2014	1,00	13.11.2014	8,00
1177	387	6.10.2014	6.10.2014	0,00	14.10.2014	8,00	20.10.2014	6,00	21.10.2014	1,00	4.11.2014	14,00	4.11.2014	0,00	5.11.2014	1,00	13.11.2014	8,00
1175	285	7.10.2014	7.10.2014	0,00	14.10.2014	7,00	14.10.2014	0,00	20.10.2014	6,00	4.11.2014	15,00	4.11.2014	0,00	17.12.2014	43,00	23.12.2014	6,00
1173	298	7.10.2014	7.10.2014	0,00	13.10.2014	6,00	13.10.2014	0,00	21.10.2014	8,00	4.11.2014	14,00	5.11.2014	1,00	17.12.2014	42,00	23.12.2014	6,00
1178	374	9.10.2014	9.10.2014	0,00	14.10.2014	5,00	24.10.2014	10,00	6.11.2014	13,00	21.11.2014	15,00	1.12.2014	10,00	3.12.2014	2,00	8.12.2014	5,00
1181	277	15.10.2014	15.10.2014	0,00	21.10.2014	6,00	21.10.2014	0,00	27.10.2014	6,00	10.11.2014	14,00	10.11.2014	0,00	11.11.2014	1,00	19.11.2014	8,00
1179	287	15.10.2014	15.10.2014	0,00	17.10.2014	2,00	17.10.2014	0,00	20.10.2014	3,00	4.11.2014	15,00	19.12.2014	45,00	23.12.2014	4,00	29.12.2014	6,00
1180	332	17.10.2014	17.10.2014	0,00	21.10.2014	4,00	22.10.2014	1,00	23.10.2014	1,00	6.11.2014	14,00	10.11.2014	4,00	11.11.2014	1,00	17.11.2014	6,00
1182	280	20.10.2014	20.10.2014	0,00	23.10.2014	3,00	23.10.2014	0,00	27.10.2014	4,00	10.11.2014	14,00	10.11.2014	0,00	11.11.2014	1,00	19.11.2014	8,00
1185	291	20.10.2014	20.10.2014	0,00	27.10.2014	7,00	27.10.2014	0,00	4.12.2014	38,00	22.12.2014	18,00	22.12.2014	0,00	2.2.2015	42,00	15.1.2015	-18,00
1184	332	21.10.2014	21.10.2014	0,00	24.10.2014	3,00	11.11.2014	18,00	22.12.2014	41,00	28.1.2015	37,00	28.1.2015	0,00	30.1.2015	2,00	6.2.2015	7,00
1190	291	23.10.2014	23.10.2014	0,00	4.11.2014	12,00	4.11.2014	0,00	3.12.2014	29,00	22.12.2014	19,00	22.12.2014	0,00	28.1.2015	37,00	na	
1183	373	24.10.2014	24.10.2014	0,00	24.10.2014	0,00	24.10.2014	0,00	24.10.2014	0,00	6.11.2014	13,00	24.11.2014	18,00	25.11.2014	1,00	28.11.2014	3,00
1191	286	28.10.2014	28.10.2014	0,00	5.11.2014	8,00	5.11.2014	0,00	22.1.2015	78,00	28.1.2015	6,00	30.1.2015	2,00	26.2.2015	27,00	na	
1186	373	29.10.2014	29.10.2014	0,00	30.10.2014	1,00	30.10.2014	0,00	30.10.2014	0,00	10.11.2014	11,00	24.11.2014	14,00	25.11.2014	1,00	28.11.2014	3,00
1187	374	29.10.2014	29.10.2014	0,00	30.10.2014	1,00	18.11.2014	19,00	24.11.2014	6,00	10.12.2014	16,00	10.12.2014	0,00	12.12.2014	2,00	17.12.2014	5,00
1188	374	29.10.2014	29.10.2014	0,00	30.10.2014	1,00	24.11.2014	25,00	27.11.2014	3,00	10.12.2014	13,00	10.12.2014	0,00	12.12.2014	2,00	17.12.2014	5,00
1189	374	29.10.2014	29.10.2014	0,00	30.10.2014	1,00	11.11.2014	12,00	11.12.2014	30,00	28.1.2015	48,00	28.1.2015	0,00	30.1.2015	2,00	6.2.2015	7,00
1195	324	6.11.2014	6.11.2014	0,00	11.11.2014	5,00	11.11.2014	0,00	5.12.2014	24,00	22.12.2014	17,00	22.12.2014	0,00	28.1.2015	37,00	19.1.2015	-9,00
1194	276	6.11.2014	6.11.2014	0,00	10.11.2014	4,00	10.11.2014	0,00	22.1.2015	73,00	28.1.2015	6,00	24.2.2015	27,00	9.3.2015	13,00	5.3.2015	-4,00
1192	374	7.11.2014	7.11.2014	0,00	10.11.2014	3,00	25.11.2014	15,00	28.1.2015	64,00	24.2.2015	27,00	31.3.2015	35,00	8.4.2015	8,00	14.4.2015	6,00
1202	374	7.11.2014	7.11.2014	0,00	26.11.2014	19,00	8.12.2014	12,00	22.12.2014	14,00	28.1.2015	37,00	28.1.2015	0,00	28.1.2015	0,00	19.1.2015	-9,00
1193	374	7.11.2014	7.11.2014	0,00	10.11.2014	3,00	16.12.2014	36,00	19.12.2014	3,00	28.1.2015	40,00	28.1.2015	0,00	28.1.2015	0,00	19.1.2015	-9,00
1204	412	11.11.2014	11.11.2014	0,00	26.11.2014	15,00	15.12.2014	19,00	15.12.2014	0,00	28.1.2015	44,00	28.1.2015	0,00	30.1.2015	2,00	6.2.2015	7,00
1203	338	11.11.2014	11.11.2014	0,00	26.11.2014	15,00	15.12.2014	19,00	16.12.2014	1,00	28.1.2015	43,00	28.1.2015	0,00	28.1.2015	0,00	16.1.2015	-12,00



1205	328	11.11.2014	11.11.2014	0,00	26.11.2014	15,00	16.12.2014	20,00	16.12.2014	0,00	na		na		na		na	
1206	335	11.11.2014	11.11.2014	0,00	26.11.2014	15,00	17.12.2014	21,00	17.12.2014	0,00	28.1.2015	42,00	28.1.2015	0,00	28.1.2015	0,00	16.1.2015	-12,00
1208	332	11.11.2014	11.11.2014	0,00	26.11.2014	15,00	17.2.2015	83,00	18.2.2015	1,00	2.3.2015	12,00	20.3.2015	18,00	26.3.2015	6,00	30.3.2015	4,00
1207	334	11.11.2014	11.11.2014	0,00	26.11.2014	15,00	17.2.2015	83,00	19.2.2015	2,00	27.2.2015	8,00	2.3.2015	3,00	3.3.2015	1,00	10.3.2015	7,00
1262	370	6.11.2014	11.11.2014	5,00	20.2.2015	101,00	24.2.2015	4,00	26.2.2015	2,00	6.3.2015	8,00	6.3.2015	0,00	18.3.2015	12,00	9.3.2015	-9,00
1210	329	11.11.2014	11.11.2014	0,00	3.12.2014	22,00	17.12.2014	14,00	21.1.2015	35,00	28.1.2015	7,00	4.2.2015	7,00	9.2.2015	5,00	12.2.2015	3,00
1198	289	12.11.2014	12.11.2014	0,00	21.11.2014	9,00	21.11.2014	0,00	5.12.2014	14,00	30.12.2014	25,00	31.12.2014	1,00	26.2.2015	57,00	na	
1197	283	17.11.2014	17.11.2014	0,00	17.11.2014	0,00	17.11.2014	0,00	8.12.2014	21,00	22.12.2014	14,00	28.1.2015	37,00	28.1.2015	0,00	19.1.2015	-9,00
1199	283	18.11.2014	18.11.2014	0,00	21.11.2014	3,00	21.11.2014	0,00	3.12.2014	12,00	22.12.2014	19,00	28.1.2015	37,00	28.1.2015	0,00	19.1.2015	-9,00
1200	299	18.11.2014	18.11.2014	0,00	21.11.2014	3,00	21.11.2014	0,00	4.12.2014	13,00	30.12.2014	26,00	31.12.2014	1,00	26.2.2015	57,00	na	
1201	316	18.11.2014	18.11.2014	0,00	24.11.2014	6,00	24.11.2014	0,00	4.12.2014	10,00	30.12.2014	26,00	31.12.2014	1,00	29.1.2015	29,00	14.1.2015	-15,00
1248	319	18.11.2014	18.11.2014	0,00	22.1.2015	65,00	22.1.2015	0,00	22.1.2015	0,00	24.2.2015	33,00	24.2.2015	0,00	26.2.2015	2,00	5.3.2015	7,00
1249	250	18.11.2014	18.11.2014	0,00	22.1.2015	65,00	22.1.2015	0,00	23.1.2015	1,00	24.2.2015	32,00	24.2.2015	0,00	1.4.2015	36,00	7.4.2015	6,00
1250	251	18.11.2014	18.11.2014	0,00	22.1.2015	65,00	22.1.2015	0,00	23.1.2015	1,00	24.2.2015	32,00	26.2.2015	2,00	6.3.2015	8,00	10.3.2015	4,00
1255	370	18.11.2014	18.11.2014	0,00	22.1.2015	65,00	22.1.2015	0,00	23.1.2015	1,00	24.2.2015	32,00	26.2.2015	2,00	8.4.2015	41,00	14.4.2015	6,00
1254	371	18.11.2014	18.11.2014	0,00	22.1.2015	65,00	22.1.2015	0,00	23.1.2015	1,00	24.2.2015	32,00	1.4.2015	36,00	8.4.2015	7,00	14.4.2015	6,00
1220	394	28.11.2014	28.11.2014	0,00	10.12.2014	12,00	17.2.2015	69,00	26.2.2015	9,00	18.3.2015	20,00	1.4.2015	14,00	7.4.2015	6,00	14.4.2015	7,00
1211	374	2.12.2014	2.12.2014	0,00	3.12.2014	1,00	11.2.2015	70,00	26.3.2015	43,00	13.4.2015	18,00	22.4.2015	9,00	na		na	
1213	390	2.12.2014	2.12.2014	0,00	9.12.2014	7,00	27.1.2015	49,00	28.1.2015	1,00	24.2.2015	27,00	26.2.2015	2,00	3.3.2015	5,00	10.3.2015	7,00
1212	390	2.12.2014	2.12.2014	0,00	9.12.2014	7,00	15.12.2014	6,00	21.1.2015	37,00	28.1.2015	7,00	9.3.2015	40,00	10.3.2015	1,00	13.3.2015	3,00
1209	331	27.11.2014	4.12.2014	7,00	3.12.2014	-1,00	8.12.2014	5,00	3.4.2015	116,00	15.4.2015	12,00	15.4.2015	0,00	20.4.2015	5,00	na	
1229	332	5.12.2014	5.12.2014	0,00	11.12.2014	6,00	11.12.2014	0,00	11.12.2014	0,00	30.12.2014	19,00	31.12.2014	1,00	9.2.2015	40,00	9.2.2015	0,00
1227	332	5.12.2014	5.12.2014	0,00	11.12.2014	6,00	11.12.2014	0,00	11.12.2014	0,00	30.12.2014	19,00	31.12.2014	1,00	9.2.2015	40,00	9.2.2015	0,00
1226	332	5.12.2014	5.12.2014	0,00	11.12.2014	6,00	11.12.2014	0,00	11.12.2014	0,00	30.12.2014	19,00	31.12.2014	1,00	9.2.2015	40,00	9.2.2015	0,00
1228	332	5.12.2014	5.12.2014	0,00	11.12.2014	6,00	11.12.2014	0,00	11.12.2014	0,00	30.12.2014	19,00	5.1.2015	6,00	9.2.2015	35,00	9.2.2015	0,00
1222	332	5.12.2014	5.12.2014	0,00	10.12.2014	5,00	10.12.2014	0,00	11.12.2014	1,00	30.12.2014	19,00	5.1.2015	6,00	9.2.2015	35,00	9.2.2015	0,00
1230	284	9.12.2014	9.12.2014	0,00	11.12.2014	2,00	11.12.2014	0,00	15.12.2014	4,00	28.1.2015	44,00	30.1.2015	2,00	26.2.2015	27,00	na	
1232	269	9.12.2014	12.12.2014	3,00	18.12.2014	6,00	22.12.2014	4,00	23.12.2014	1,00	28.1.2015	36,00	4.2.2015	7,00	9.2.2015	5,00	12.2.2015	3,00
1233	267	8.12.2014	12.12.2014	4,00	18.12.2014	6,00	23.12.2014	5,00	23.12.2014	0,00	28.1.2015	36,00	4.2.2015	7,00	9.2.2015	5,00	12.2.2015	3,00
1239	275	16.12.2014	16.12.2014	0,00	23.12.2014	7,00	21.1.2015	29,00	21.1.2015	0,00	11.2.2015	21,00	26.2.2015	15,00	2.3.2015	4,00	6.3.2015	4,00
1237	390	16.12.2014	16.12.2014	0,00	22.12.2014	6,00	21.1.2015	30,00	21.1.2015	0,00	28.1.2015	7,00	4.2.2015	7,00	10.3.2015	34,00	13.3.2015	3,00
1054	370	13.12.2014	16.12.2014	3,00	23.5.2014	-207,00	26.5.2014	3,00	26.5.2014	0,00	10.6.2014	15,00	16.6.2014	6,00	18.6.2014	2,00	24.6.2014	6,00
1240	399	16.12.2014	18.12.2014	2,00	23.12.2014	5,00	5.1.2015	13,00	21.1.2015	16,00	28.1.2015	7,00	4.2.2015	7,00	19.2.2015	15,00	20.2.2015	1,00
1235	374	18.12.2014	18.12.2014	0,00	18.12.2014	0,00	24.2.2015	68,00	21.4.2015	56,00	na		na		na		na	
1238	287	19.12.2014	20.12.2014	1,00	23.12.2014	3,00	23.12.2014	0,00	21.1.2015	29,00	28.1.2015	7,00	30.1.2015	2,00	26.2.2015	27,00	na	
1236	400	22.12.2014	22.12.2014	0,00	22.12.2014	0,00	22.12.2014	0,00	23.12.2014	1,00	28.1.2015	36,00	28.1.2015	0,00	28.1.2015	0,00	16.1.2015	-12,00
			AVG:	1,44	AVG:	15,78	AVG:	32,14	AVG:	13,86	AVG:	16,51	AVG:	8,27	AVG:	10,45	AVG:	3,78

Table 4. Support table – System data on claims for reimbursement since the start of the programming period 2007-2013 until 13 July 2015

A: Total claim amount	B: Total approved by the RA	C: Amount of claim for transfer of funds (EU contribution)	D: Total recoveries	E: Recoveries (EU contribution)
53.045.151,81 €	52.636.042,76 €	40.187.205,49 €	112.247,49 €	84.185,58 €
Error rate 1: error rate before reimbursement (i.e. difference between the total amount of all claims for reimbursements received by the RA and the total amount of claims for reimbursement approved by the RA expressed as a percentage since the beginning of the programming period): (A-B)/A			0,77%	

Table 5. Support table – System data on claims for transfer of funds since the start of the programming period 2007-2013 until 13 July 2015

A: Total amount of claim for transfer of funds	B: Amount of claim for transfer of funds (EU contribution)	C: Actual reimbursement of EU contribution (amount of payment order)	D: Total recoveries	E: Recoveries (EU contribution)
52.635.802,77 €	40.187.205,49 €	40.167.315,15 €	112.247,49 €	84.185,58 €
Error rate 2: error rate after reimbursement (i.e. the share of all recoveries of EU contribution within the total amount of EU contribution reimbursed by the CA): E/C			0,21%	

## **Appendix 11: Acronyms, abbreviations and short phrases**

**AA** – Audit Authority

**AFCOS** – Anti-fraud coordination service (an operationally independent national authority responsible for protecting the EU's financial interests from fraud)

**AMIF** – Asylum, Migration and Integration Fund

**BPR** – Business Process Reengineering

**CA** – Certifying Authority

**Competent authorities** – Responsible Authority, Audit Authority and any delegated authorities in the 2014-2020 financing period

**DAC** – Delegated authority for projects implemented through public calls for proposals (Delegated Authority – Calls)

**DAF** – Delegated authority for the transfer of funds between the Union and national budget (Delegated Authority – Funds)

**Designated authorities** – Responsible Authority, Certifying Authority and Audit Authority in the 2007-2013 financing period

**EBF** – External Borders Fund

**EBF Decision** – Decision of the European Parliament and of the Council No 574/2007/EC

**EC** – European Commission

**EIF** – European Fund for the Integration of third-country nationals

**EIF Decision** – Council decision No 2007/435/EC

**ERF** – European Refugee Fund

**ERF Decision** – Decisions of the European Parliament and of the Council No 573/2007/EC and 458/2010/EU

**ESIF** – European Structural and Investment Funds

**Final beneficiaries** – Public entities or private persons operating under a non-profit principle, responsible for the implementation of projects or programmes financed from the funds and at the same time the final recipients of the funds

**FTE** – Full Time Equivalent

**Funds** – External Borders Fund, European Refugee Fund, European Fund for the Integration of third-country nationals, European Return Fund, Asylum, Migration and Integration Fund, and Internal Security Fund

**Horizontal regulation** – Regulation (EU) No 514/2014 of the European Parliament and of the Council

**Interdepartmental Working Group** – Interdepartmental working group for coordination and operational coordination of the implementation of projects financed from funds in the area of internal security and migration

**ISF** – Internal Security Fund

**MA** – Managing Authority for European Structural and Investment Funds

**MCS** – Management and Control System

**MFF** – Multiannual Financial Framework

**MFF 07-13** – Multiannual Financial Framework 2007-2013

**MFF 14-22** – Multiannual Financial Framework 2014-2020

**MIGRA** – IT system for financial management of EU Home Affairs Funds in the 2007-2014 period

**MIGRA II** – IT system for project and financial management of EU Home Affairs Funds in the 2014-2020 period

**MoI** – Ministry of the Interior of the Republic of Slovenia

**Monitoring Committee** – Monitoring Committee for internal security and migration funds

**MS** – Member state

**NPM** – New Public Management

**N/A** – Not applicable

**PEFB** – Public entity acting as a final beneficiary

**Project unit** – Project unit for internal security and migration funds

**RA** – Responsible Authority

**RF** – European Return Fund

**RF Decision** – Decision of the European parliament and of the Council No 575/2007/EC

**SFC2007** – Electronic system for fund management in the European Union in the period 2007-2013 (i.e. secure electronic data exchange system between the Commission and member states)

**SFC2014** – Electronic system for fund management in the European Union in the period 2014-2020 (i.e. secure electronic data exchange system between the Commission and member states)

**SOLID** – General programme “Solidarity and Management of Migration Flows”