

## CONFIDENTIAL

## IDENTIFICATION OF COMMUNICATION

Section A: to be completed by DTI

Member State:	UNITED KINGDOM	Date Sent:	
Case No:		Quarter:	
Administrative department in Member State:	Regional:	DWP	
	National:	DTI	

Section B: to be completed by Government Office

Name of Reporting Officer:			
GO Irregularity Report No:		Position Within GO:	
a) Date first reported:		Government Office:	
b) Date of update to information previously reported:		c) Date of update to conclude irregularity:	
Is this Irreg report:	NEW <input type="checkbox"/> AN UPDATE <input type="checkbox"/>		
Does this Irreg report CONCLUDE the irregularity (ie are irregular funds out of claims to EC)	YES <input type="checkbox"/> NO <input type="checkbox"/>		

## DETAILS OF IRREGULARITY

## 1 Description of operation

1.1 Community Support Framework (only select this if the irregularity is for Objective 3)	(blank)
1.2 Name of Programme	(blank)
1.3 EC decision No and Date: (DTI to complete)	
1.4 Member State's ref No: (DTI to complete)	
1.5 ARINCO No:	(blank)

Organisation Name:	
Type of organisation (CFE, VS, LA, etc)	
Title of Project	
Dossier Number	
Measure (e.g. 3.2.2)	

## 2 Provision infringed

2.1 Community Regulation:	1262/1999 ESF
2.2 National Regulation:	the terms and conditions of the offer letter

## 3 Information leading to suspicion of irregularity:

3.1 Source of first information leading to suspicion of irregularity (tick box)			
Inspection:	<input type="checkbox"/>	Other Audit Visit:	<input type="checkbox"/>
Article 4 Monitoring:	<input type="checkbox"/>	Informant:	<input type="checkbox"/>
Contract Management:	<input type="checkbox"/>	More... (select from drop down list):	
Audit Certification:	<input type="checkbox"/>	(blank)	
Other (give brief details):			
Date of information leading to first suspicion of irregularity:			

**4 Manner in which the irregularity was confirmed**

If the irregularity was *confirmed* in a manner different to how it was first suspected (as described in Section 3) then give brief details below:

Details:

**5 Type of irregularity (tick all that apply)**

101/104 Absence of accounts	<input type="checkbox"/>	602 Operation prohibited during the measure	<input type="checkbox"/>
102 Incorrect forms	<input type="checkbox"/>	605 Absence of declaration or late return	<input type="checkbox"/>
103 Falsified Accounts	<input type="checkbox"/>	606 Incompatible cumulation of aid	<input type="checkbox"/>
199 Other cases of irregular accounts	<input type="checkbox"/>	607 Absence of evidence required	<input type="checkbox"/>
207 Request for aid incomplete/ incorrect	<input type="checkbox"/>	608 Refusal of control	<input type="checkbox"/>
208 Request for aid falsified	<input type="checkbox"/>	609 Refusal of Payment	<input type="checkbox"/>
209 Request for aid false	<input type="checkbox"/>	611 Several requests for the same information	<input type="checkbox"/>
210 Supporting documents missing/ incomplete	<input type="checkbox"/>	612 Failure to respect other regs/contract conditions	<input type="checkbox"/>
211 Incorrect supporting documents	<input type="checkbox"/>	614 Infringement of rules concerning public works	<input type="checkbox"/>
212 False supporting documents	<input type="checkbox"/>	699 Other irregularities concerning the right to aid	<input type="checkbox"/>
213 Falsified supporting documents	<input type="checkbox"/>	810 Action not carried out	<input type="checkbox"/>
299 Other cases of irregular documents	<input type="checkbox"/>	811 Action not completed	<input type="checkbox"/>
324 Measure not eligible for aid	<input type="checkbox"/>	812 Action not carried out in accordance with rules	<input type="checkbox"/>
325 Ineligible expenditure	<input type="checkbox"/>	822 Expenditure not related to period in which action was carried out	<input type="checkbox"/>
401 Incorrect identity	<input type="checkbox"/>	823 Expenditure not legitimate	<input type="checkbox"/>
402 Non-existent operation	<input type="checkbox"/>	831 Overfinancing [including double counting]	<input type="checkbox"/>
403 Misdescription of use	<input type="checkbox"/>	832 Insufficient match funding – public or private	<input type="checkbox"/>
405 Irregular sale/reduction, including liquidation	<input type="checkbox"/>	840 Revenue not declared	<input type="checkbox"/>
407 Failure to respect quotas, thresholds	<input type="checkbox"/>	999 Other irregularities – please specify below	<input type="checkbox"/>
408 Operator/Beneficiary not of required quality	<input type="checkbox"/>		
491 Other irregularities by the beneficiary	<input type="checkbox"/>		
499 Poor financial control	<input type="checkbox"/>		
601 Failure to respect deadlines	<input type="checkbox"/>		

Other (please specify)

**5.1 Practices employed in committing the irregularity**

*Provide a brief description of the practices employed in committing the irregularity*

<b>5.2</b> Are these practices considered new?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
<b>5.3</b> If Yes, has notification been sent under Article 4 of EC Regulation 1681/94 or 1831/94?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/> Not Known: <input type="checkbox"/>
<b>5.4</b> Is fraud suspected?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>

**6 Are other Member States involved?** Yes:  No:

<b>6.1</b> If Yes, has notification been sent under Article 4 of EC Regulation 1681/94 or 1831/94?	No: <input type="checkbox"/>	Not known: <input type="checkbox"/>	Yes: <input type="checkbox"/>
If yes, date & references:			

**7 Period of the irregularity**

<b>7.1</b> Dates on, or between, which the irregularity took place:	to
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**8 Authorities or bodies**

<b>8.1</b> Authorities or bodies which drew up the official report on the irregularity:	DWP
<b>8.2</b> Authorities or bodies responsible for administrative or judicial follow up:	DWP

**9 Date on which the irregularity report was drawn up:**

**10 Name and address of natural and legal persons involved**

**10.1** Natural Person representing the organisation (*only complete if essential to reporting of irregularity*)

Name:	N/A for ESF
Organisation Address (inc postcode):	N/A for ESF
Function	N/A for ESF

**10.2** Legal Entity (the organisation) (*complete with details of organisation*)

Organisation Name:	
Organisation Address (inc postcode):	

**FINANCIAL ASPECTS** – *Note the values in the following finance sections should be converted from sterling to Euros using the appropriate exchanges rates in line with the instructions issued in Annex G of Action Note 142/07.*

**11 Total amount and distribution between sources of financing**

	£	€
<b>11.1</b> Total Amount of Operation (must equal <b>11.2 + 11.3</b> )	£	€
<b>11.2</b> ESF Element	£	€
<b>11.3</b> Match Funding Element (total <b>11.3.1+11.3.2</b> )	£	€
<b>11.3.1</b> Public Match Funding	£	€
<b>11.3.2</b> Private Match Funding	£	€

**12 Nature and amount of the expenditure found to be irregular**

*Of the funding actually paid to the project, this is the breakdown of the irregular amounts to be corrected. Conversion from Sterling to Euros must be the EC monthly rate in force when the Paying Authority made the payment ie when the grant was paid to the project. Where an irregularity occurs over more than one paid claim then the Exchange Rates relevant to each claim must be used.*

*Note: If a project is totally withdrawn, either before or post PCR, the amount to be entered here is the amount declared in the claims to EC. This amount can be accessed via the Actual Declaration by Dossier report on PPDB. If you have problems accessing this report or the required information please contact the Paying Authority in ESFD.*

<b>12</b> Nature of irregular expenditure (ie staff costs, other costs, match funding)		
	£	€
<b>12.1</b> Irregular Total Expenditure (this must equal <b>12.2 + 12.3</b> )	£	€
<b>12.2</b> Irregular ESF	£	€
<b>12.3</b> Irregular Match Funding (total <b>12.3.1+12.3.2</b> )	£	€
<b>12.3.1</b> Irregular Public Match Funding	£	€
<b>12.3.2</b> Irregular Private Match Funding	£	€
Are the entries in section 12 ESTIMATES?	YES: <input type="checkbox"/>	NO: <input type="checkbox"/>

**13 Amount of funding which would have been wrongly paid had the irregularity not been discovered**

*This is the total amount affected by the irregularity (refer to Action Note 142/07 paras 23-25). In summary:*

- De minimis cases
  - *Where the actual irregularity drawn down incorrectly in EC Claims is below €10,000 grant and there are no further claims received then no SFIR is required.*
  - *Where the actual irregularity drawn down incorrectly in EC Claims is below €10,000 grant but further claims have been received (but not paid) if the irreg also occurs in the unpaid claims, then an SFIR should be completed and the irregular amount in both paid and unpaid claims entered here. This is the potential irregularity. The actual amount of the irreg should be entered at section 12.*
- Reportable cases –
  - *Where the actual irregularity drawn down incorrectly in EC Claims is >€10,000 grant then an SFIR is required. The actual amount of the irreg should be entered at section 12.*
  - *Where further claims have been received (but not paid) if the irreg also occurs in the unpaid claims, the irregular amount in both paid and unpaid claims should be entered here. This is the potential irreg.*

- Systemic error
  - Where an irregularity is proven to be systemic and is likely to be repeated over the lifetime of the project the potential irregularity should be calculated for claims not yet received in addition to claims received and the total amount of the irregularity entered here. This is the potential irregularity.
  - Where an irregularity is proven to be systemic and affects other projects run by that organisation the impact of the error should be calculated for the other projects and SFIRs completed for each individual project.

*Note: For unpaid amounts the latest EC monthly conversion rate is used at the time of the report being drawn up.*

	£	€
<b>13.1</b> Total Expenditure (= 13.2 + 13.3)	£	€
<b>13.2</b> ESF Element	£	€
<b>13.3</b> Match Funding (total 13.3.1+13.3.2)	£	€
<b>13.3.1</b> Public Match Funding	£	€
<b>13.3.2</b> Private Match Funding	£	€

**14 Financial consequences**

*This is the difference between 12 and 13. Note that 12 and 13 will be the same where the error does not impact on any unpaid claims or those not yet received. In these cases there will be no potential irregularities and the values in this section will be 0.*

	£	€
<b>14.1</b> Amount of irregular expenditure (TDE) not yet paid (= 13.1 – 12.1)	£	€
<b>14.2</b> Amount of ESF not yet paid (=13.2-12.2)	£	€
<b>14.3</b> Amount of Match Funding not yet paid (= 13.3 – 12.3) (total match = 14.3.1+14.3.2)	£	€
<b>14.3.1</b> Public Match Funding	£	€
<b>14.3.2</b> Private Match Funding	£	€
<b>14.2</b> Has further payment been suspended.	YES: <input type="checkbox"/>	NO: <input type="checkbox"/>
If NO, why not?		

**15 Possibility of recovery**

Potential for recovery of ESF funds reported at 12.2:	Good <input type="checkbox"/> Possible N/A      Unlikely N/A <b>Note - For ESF this will always be 'good' from EC perspective (see Annex B guidance note)</b>
Reasoning:	

**16 Irregular amount recovered (cumulative):**

*Once the irregular funds are out of claims to EC (either by recovery or withdrawal) this section should be completed indicating that the irregularity is concluded from the EC perspective. The irreg is concluded by recovery if irregular funds are clawed back from future project claims (project still ongoing). The irregularity is concluded by withdrawal if the irregularity occurs post PCR or if the project is withdrawn totally before PCR stage. The correction is made either by importing a revised PCR or total withdrawal of the project. Withdrawal of some or all of the ineligible expenditure results in the debt transferring to DWP.*

*Note: Conversion from Sterling to Euros in this section should be done on the Annex G:*

- *for recoveries - at the EC monthly exchange rate in force when the next interim claim (net of the irregular grant) was authorised on PPDB*
- *for partial withdrawals (via revised PCR) - at the EC monthly exchange rate in force when the revised PCR was authorised on PPDB*
- *for total withdrawals, whether pre or post PCR - the euro value will be the amount drawn down in the last Statement of Expenditure to EC ie same as section 12.*

	£	€
<b>16.1</b> Total Declared Expenditure	£	€
<b>16.2</b> ESF amount	£	€
<b>16.3</b> Match funding amount (total <b>16.3.1+16.3.2</b> )	£	€
<b>16.3.1</b> Public Match Funding	£	€
<b>16.3.2</b> Private Match Funding	£	€

**17 Irregular amount remaining to be recovered:**

*This is the amount remaining to be recovered to EC. This can be all or part if the recovery via clawback is being done in instalments.*

	£	€
<b>17.1</b> Total Declared Expenditure	£	€
<b>17.2</b> ESF Amount	£	€
<b>17.3</b> Match funding amount (total <b>17.3.1+17.3.2</b> )	£	€
<b>17.3.1</b> Public Match Funding	£	€
<b>17.3.2</b> Private Match Funding	£	€

**18 Date of special report in accordance with Article 5(2) of Regulation (EC)N°1681/94 or with Regulation (EC)N°1831/94: (to be completed by VA Team):**

**STAGE OF PROCEDURES**

**19 Action by Member State**

*This is any action taken under National Legislation to safeguard the recovery of irregular payments*

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**20 Administrative proceedings**

*Please indicate any action taken concerning the irregularity Note this section must be completed to inform OLAF that the irreg is concluded and how. If this is not completed then the case will stay open on OLAF records. Once section 16 is completed under 'other action taken' write, " the irregularity is concluded by (Recovery or Withdrawal – enter whichever is appropriate) and the ineligible expenditure has been removed from EC Claims. The grant released as a result of this action has been recycled in the programme for use by other projects" Also enter the date the recovery or withdrawal occurred.*

Refund of irregular funds being pursued: <input type="checkbox"/> Off-setting against other payments: <input type="checkbox"/> Case forwarded to other authorities: <input type="checkbox"/>	Other action taken:
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If fraud is suspected, has the case been referred to: the Police: <input type="checkbox"/> DWP VA Team for SIU referral: <input type="checkbox"/>	Provide a brief description of the background to the referral:
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**21 Judicial proceedings**

*If the case has become the subject of criminal proceedings then give details here.*

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**22 Abandonment of recovery proceedings:**

Have recovery proceedings been abandoned? Yes  No

If Yes then select a reason why: (blank)

<b>22.1</b> Was the Commission notified before the decision to abandon the recovery procedure was taken?
No: <input type="checkbox"/> Yes: <input type="checkbox"/> If yes, then please give reference numbers:

**23 Have criminal procedures been abandoned?**

There have been no criminal proceedings: <input type="checkbox"/>	No: <input type="checkbox"/>	Not known: <input type="checkbox"/>	Yes: <input type="checkbox"/>
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*Sections 24, 25 and 26 to be completed by Verification & Audit Team and DTI*

**24 Termination of procedures**

<b>24.1</b> Has the Commission been notified of administrative or judicial decisions or the main points thereof, concerning termination of proceedings in accordance with Article 5(1) of Regulation 1681/94 or with Regulation 1831/94:
No: <input type="checkbox"/> Yes: <input type="checkbox"/> If yes, then please give reference numbers:

**25 Penalties imposed (administrative and/or judicial):**

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**26 If Article 3(3) of Regulation 1681/94 or of Regulation 1831/94 applies:**

<b>26.1</b> to which of the above questions does it apply?:	
<b>26.2</b> has authorisation of the competent court or tribunal been applied for?:	

**27 Any additional observations:**

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