



Irregularity Reporting

User manual for Irregularity Authorities and Fund Operators

March 2020 – V1.0

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1. Introduction

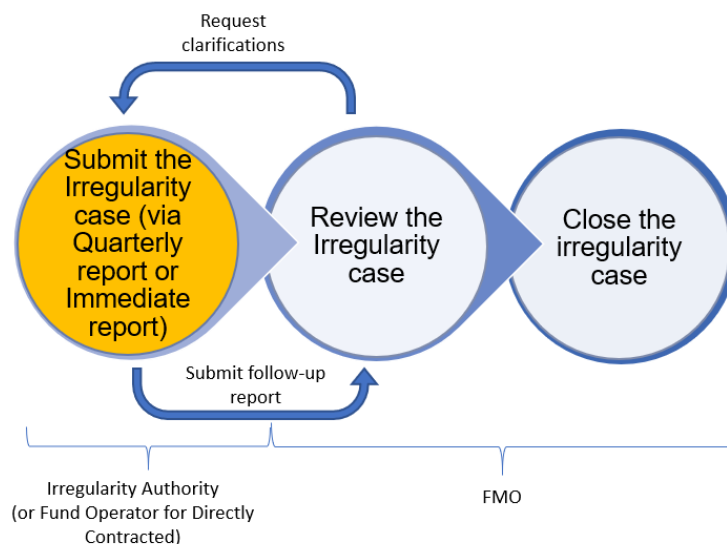
The below document is a user manual that shows how to navigate GrACE pages in order to report irregularities, including the submission of quarterly irregularity reports and reporting of immediate irregularities.

This user manual is intended for:

- Irregularity Authorities
- Fund Operators

Important: All references to Irregularity Authority from this manual also apply to the Fund Operators in their capacity to report on irregularities related to their Programme. Any references to Regulations shall be understood as the corresponding provisions in the respective Programme Implementation Agreements with Fund Operators.

The following workflow is established for submitting the quarterly reports on irregularities and when reporting an immediate irregularity:



The submission of quarterly reports, including follow-up reporting, is further explained in the section 2 of this manual. The reporting of an immediate irregularity is further explained in section 3 of this manual.

The GrACE page for registering irregularities is based on the template provided as Annex 9 to Regulations¹ however there are minimal technical adjustments due to data collection via the information system. Reference to Annex 9 is made in this user manual as appropriate for guidance.

You are no longer required to fill in the templates provided as Annex 9 to the Regulations. The information on the irregularities (both initial and follow-up reports) is provided directly into the system. If you, for internal purposes, need a signed version of the reports prepared in the system, these can be downloaded and printed via the Preview tab, please see sections 0 and 2.7 in this user manual.

For further technical help or support, please contact grace.support@efta.int

¹ <https://eeagrants.org/resources/regulation-implementation-eea-grants-2014-2021-annex-9-template-irregularities-reports>

2. Quarterly Reports

2.1. Introduction

The Irregularity Authority will submit quarterly reports to FMO according to the following schedule:

- Q1 for the period Jan-March, to be reported by 31 May
- Q2 for the period April -June, to be reported by 31 Aug
- Q3 for the period July-Sept, to be reported by 30 Nov
- Q4 for the period Oct-Dec, to be reported by 28 Feb following year.

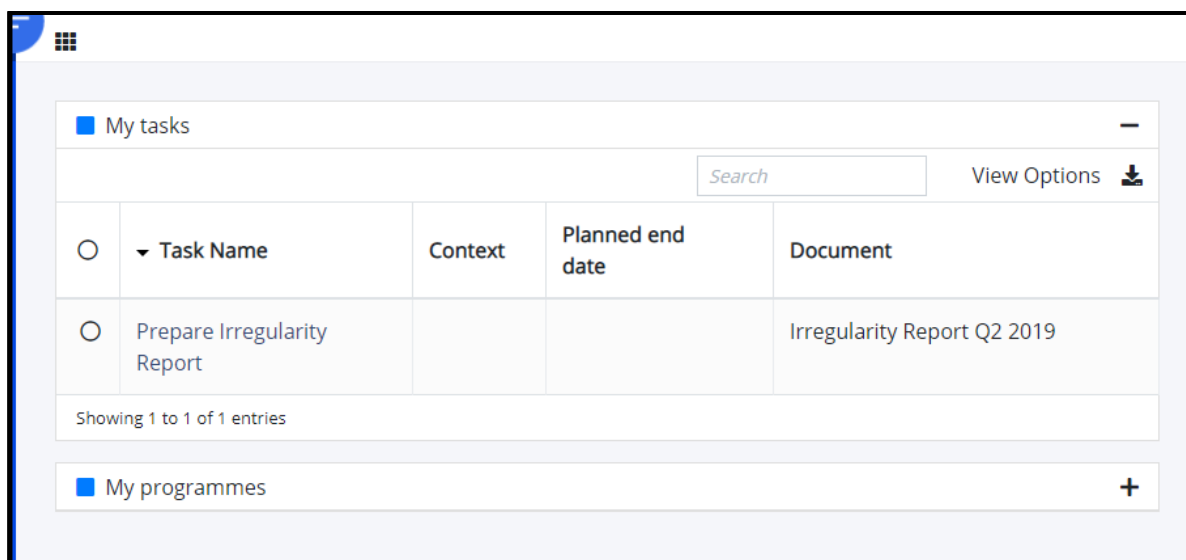
The quarterly reports will contain:

- Irregularity cases occurring during this interval
- Follow-up on the previously reported irregularities
- (if the case) information that no cases occurred during this interval

2.2. The Quarterly Irregularity Report task

The tasks for the preparation of the Irregularity reports are created automatically for each quarter and they are available under the **My tasks** section for the user with Irregularity Authority role, located on the top left side of your GrACE dashboard.

If there are multiple users in your organisation, the task will be in **My Tasks** section for the user registered as primary contact in GrACE for your organisation.



If there are multiple users in your organisation, the task will be in **My Team(s) Tasks** section for the registered users which are not the primary contact in GrACE for your organisation

My team(s) tasks				
				Search
<input type="radio"/>	Task Name	Context	Planned end date	Document
<input type="radio"/>				
<input type="radio"/>				
<input type="radio"/>	Prepare Irregularity Report		08.01.2020	Irregularity Report Q3 2019

You can take over the task from a colleague from the organisation registered as Irregularity Authority: select the task from My Team(s) Tasks and click **Take Over**

My team(s) tasks				
				Search
Click on Take over to reassign the task to yourself				
Acquire				Take over
<input type="radio"/>	Task Name	Context	Planned end date	Document
<input type="radio"/>				
<input type="radio"/>				
<input checked="" type="radio"/>	Prepare Irregularity Report		08.01.2020	Irregularity Report Q3 2019

You can reassign the task to someone else from the organisation registered as Irregularity Authority: select the task from My Task and click **Reassign**

My tasks				
				Search
Reassign Release				
<input checked="" type="radio"/>	Task Name	Context	Document	
<input checked="" type="radio"/>	Prepare Irregularity Report		Irregularity Report Q3 2019	

Warning: In case there are no users registered for your organisation, the task will not be assigned to anyone. Please contact grace.support@efta.int providing the contact details of the person which will submit the Irregularity reports.

Click on the task name **Prepare Irregularity Report** in order to open the task

After opening the task, you can view and edit the report. In order to fill-in the report, you will edit the **Structured Data** tab

Task : Prepare Irregularity Report

In progress

Details

Comments (0)

Workflow

Prepare Irregularity Report by Irregularities Authority

Assignee

User Irregularity Authority (Irregularities Authority)

Task description

The current task allows the Irregularity Authority to fill in the Irregularity Report

Main document

Irregularity Report Q2 2019

30.08.2019

Secondary documents

None

Other documents

None

Actions

Select

Write your comments here...

Submit

Document : Irregularity Report Q2 2019

Preview

Structured Data

General Data

Edit

Reporting period	Type	Reported date	New irregularity to be reported?
Q2 2019	Quarterly	30.08.2019	Yes

New irregularity cases

2.3. If there are no irregularities to be included in the report

By default, the answer to the question **New irregularities to be reported?** will appear as Yes on your screen. In case there are no new irregularity cases to be reported, click **Edit** in the **General data** section and edit this field to **No**, then click **Save**. You can then proceed to the step 2.5 of this guide.

General Data

Edit

Reporting period	Type	Reported date	New irregularity to be reported?
Q2 2019	Quarterly	30.08.2019	No

Cancel

Save

2.4. Adding a new irregularity case to the report

In case there are new irregularity cases to be added to the current quarterly report, you will register them one by one by clicking on **Add new irregularity** button:

New irregularity cases

Add new irregularity

Case ID	Reporting Level	Reported for	Status
No entries found			

The following form will open on your screen:

Add irregularity case

Country	Reporting Period Q3 2019	* Case type Select	* Case opened 28.01.2020
* Reporting Level Country	* Programme Select	* Project Select	* Reported by Select

Budget heading
N/A

* Nature of irregularity
Select

Description of irregularity, including legal provisions that have been infringed and manner in which the irregularity was detected

☐ Audited by Beneficiary State Authority
 ☐ Audited by FMO

* Remedies
Not Required

☐ Media coverage
☐ Any complaints
☐ The irregular amount been recovered/deducted from a payment to the recipient of the funds

Cancel Save

For each case you will register:

- **Case type:** Suspected/Actual
- **Case Opened:** by default, this is the date when the irregularity is registered in GrACE
- **Reporting level:** Country/Programme/Project/Bilateral Fund
- **Programme:** Register the programme to which the Irregularity case refers to, in case the level chosen before was Programme. If the reporting level is Country, the field will be prefilled with the Technical Assistance from GrACE. If the reporting level is Bilateral Fund, the field will be prefilled with the Bilateral fund from GrACE. The Programme Grant, programme co-financing and programme eligible expenditure ('Total) for the selected programme will appear on the screen.
- **Project:** Project to which the Irregularity refers to, in case the level chosen before was Project. You will select a project from the list of projects previously submitted to GrACE.

Important: Note that in order to submit an Irregularity case related to a project, the Project level information for the respective project needs to be previously submitted in GrACE

- **Reported by:** register the entity/authority that detected the case from the drop-down list. In case you don't find the relevant entity/authority in the drop-down list, select Other and register the entity/authority in the text box that appeared below.
- **Nature of irregularity:** choose one option from the drop-down list: Fraud/Corruption /Conflict of interest /Deviation from Programme Agreement /Deviation from project contract /Deviation from public procurement rules/principles /Error in financial report
- **Description of irregularity, including legal provisions that have been infringed and manner in which the irregularity was detected:** Please fill-in this textbox based on the template provided in the Annex 9 of the Regulations² (sections 6.1, 6.2, 6.4, 6.5 from Report on new irregularities), making sure the description contains the following:
 - (6.1) Description of the irregularity detected
 - (6.2) Legal provisions that have been infringed
 - (6.4) Period during which, or the moment at which, the irregularity was committed
 - (6.5) Manner in which the irregularity was detected, including the date and source of the first information leading to suspicion that an irregularity was in evidence, and investigations made after the irregularity was detected
- **Audited by Beneficiary State Authority/Fund Operator:** checkmark if Yes
- **Audited by FMO:** checkmark if Yes
- **Remedies:** Not required/Required/Decision pending

If you selected remedies **Required** and the **Reporting Level** is Programme/Country/Bilateral Fund, the following checkboxes will appear below. You can select only one type of remedy:

* Remedies

Required

☒ Reduction of programme grant amount
 ☐ Cancellation of entire programme grant
 ☐ Other remedies

Amount of financial correction	€	40,000
Norway Grants		€ 34,000.00
Programme co-financing		€ 6,000.00

☐ Reallocation to other programme

- **Reduction of programme grant amount:** This option should only be chosen in case of a financial correction made for a systemic irregularity or an irregularity related to the management or control systems within a programme (Article 13.2.4 of the Regulation).
- **Cancellation of entire programme grant**
- **Other remedies:**
 - Please select Other remedies (and include the description) for other financial corrections at programme level/country/bilateral fund not falling under Article 13.2.4 of the Regulation as these

² <https://eeagrants.org/resources/regulation-implementation-eea-grants-2014-2021-annex-9-template-irregularities-reports>

may be reused within the same budget heading for costs other than those that were subject of the correction (Art 13.2.3)

- The textbox **Other remedies description** will appear below once **Other remedies** checkbox was selected. This textbox should include reference to the Interim Financial Report(s) in which the ineligible cost was reflected.

If you selected remedies **Required** and the **Reporting level** of the irregularity is Project, the following checkboxes will appear below. You can select only one type of remedy:

* Remedies

Required

☐ Reduction of project grant amount ☒ Cancellation of entire project grant ☐ Other remedies

Amount of financial correction € 10,000

Project grant	Norway Grants	€ 7,461.30
	Project co-financing	€ 1,222
Programme co-financing		€ 1,316.70

☐ Reallocation to other project(s) under the programme

- **Reduction of project grant amount:** This option shall be chosen in case of financial corrections made to projects in line with Article 12.1 of the Regulation. The project grant amount must be reduced because irregular amounts can't be reused in the same project. The amount may be reused under the programme for other projects. If this is the case, please tick the box **Reallocation to other project(s) under the programme** below
- **Cancellation of entire project grant:** as above in case an entire project is terminated due to the irregularity
- **Other remedies:** to be used for remedies not mentioned above

The next fields will appear on matter the reporting level selected before:

- **Amount of financial correction:** you are asked to register this amount only if you selected **Reduction of programme/project grant amount** or **Cancellation of entire programme/project grant** above.
 - For country/programme/bilateral fund level irregularities: Please provide the total amount of the financial correcting (total value of the irregularity). The system will calculate on the screen the proportion of this amount from programme grant and programme co-financing.
 - For project level irregularities: Please provide the total amount of the financial correcting (total value of the irregularity). The system will calculate the EEA/Norway Grants and programme level co-financing. You will be asked to register Project co-financing related to the financial correction. The system will reduce accordingly the part related to the programme.
- **Reallocation to other programme (if irregularity level is country/programme/bilateral Fund) or to other project(s) under the programme (if irregularity level is project) :** This field will appear once you selected a remedy type, you will use the checkmark in case the amount is subject to reallocation to another programme/project.

Important: reallocation to other programmes are subject to approval by the donors. Reallocations to other project do not need approval for the donors provided that the reallocation is in line with Programme agreement.

- **Description of remedies taken, including justification and legal basis for any financial correction applied; any procedures initiated and the stage reached in this procedure, including the stage of recovery:** This

textbox will appear only if you selected Remedies=Required before. Please fill-in this textbox in line with the template provided as Annex 9 of the Regulations (sections 6.3, 6.7, 6.9, 6.10, 6.12 from Report on new irregularities), by making sure the description of the remedies contains the following:

- (6.3) Amount of the expenditure wrongfully incurred due to the irregularity, or in cases where no payments have been made, the amounts which would have been wrongly paid had the irregularity not been discovered
- (6.7) Financial consequences of the irregularity including suspension of payments and the possibilities for recovery
- (6.9) Identity of the natural and/or legal persons involved (except in cases where such information is of no relevance in combating the irregularity on account of the character of the irregularity concerned)
- (6.10) Any procedures, including criminal investigation initiated because of the irregularity and the stage reached in this procedure, including the stage of recovery
- (6.12) Measures taken to remedy the irregularity detected, and measures taken or envisaged to prevent the recurrence of the case of irregularity already detected
- **Media coverage:** if you check this box, a textbox will appear where you will register the information related to the coverage of the irregularity in the media. This textbox corresponds to point section 6.11 from Annex 9 irregularity template, Report on new irregularities
- **Any complaints:** if you check this box, a textbox will appear where you will register the information related to any complaints involving the suspected irregularity. This textbox corresponds to section 6.7 from Annex 9 irregularity template, Report on new irregularities
- **The irregular amount been recovered/deducted from a payment to the recipient of the funds:** if you check this box, you will be asked to register below the Date of the recovery of funds

2.5. Adding follow-up information to previously reported cases

If there are open cases at the time when the report is created, the system will list them under the section **Follow-up reports**

You are required to fill information for each of the open cases listed in this section.

Select a case and click **Edit**

New irregularity cases

Add new irregularity

Case ID	Reporting Level	Reported for
No entries found		

Follow-up reports

View Edit

Filled in?	Case ID	Reporting level	Reported for
<input checked="" type="checkbox"/> Yes	2	Programme	

For each open case, each the system will display 3 tabs:

- **Follow-up data:** this tab needs to be filled-in for the submission of the quarterly report
- **Initial report case:** this tab displays the information submitted in the initial report
- **Follow-up reports:** this tab displays any previously submitted follow-ups that were sent on this case.

Important: The information displayed in the Initial report and previously submitted Follow-up reports are read-only. Only the Follow-up data tab needs to be filled-in for the submission of the quarterly report.

When registering the **Follow-up data** tab for each case listed in the Follow-up reports section:

- In case there is no progress information to report to the FMO on this case, please tick **There is no progress to be reported for the current Irregularity case** and **Save**

Follow-up report

Follow-up data Initial report case Follow-up reports

There is no progress to be reported for the current Irregularity case

☒

Cancel Save

- In case there is information to be sent to the FMO in the current quarterly report, please untick the box **There is no progress to be reported for the current Irregularity case**. A series of textboxes will appear below.

Follow-up report

Follow-up data Initial report case Follow-up reports

There is no progress to be reported for the current Irregularity case

☐

Description of irregularity, including legal provisions that have been infringed and manner in which the irregularity was detected - development since previous report

Description of remedies taken, including justification and legal basis for any financial correction applied; any procedures initiated and the stage reached in this procedure, including the stage of recovery. Explain and justify if no remedies are required - development since previous report

☒ Media coverage

Information as to coverage on the irregularity in the media

☒ Any complaints

Complaints involving suspected irregularities

Warning: Please do not repeat the initial information provided for the case in the textboxes Follow-up data tab. As shown above, the previously registered information can be consulted in the Initial report case tab, prepopulated from the initial registration.

- **Description of irregularity, including legal provisions that have been infringed and manner in which the irregularity was detected – development since previous report:** Please fill-in this textbox in line with the

template provided as Annex 9 of the Regulations³ (sections 6.1, 6.4, 6.6, 6.8 from Report on measures taken regarding already reported irregularities), making sure the description contains the following:

- (6.1) Description of developments regarding the already reported irregularity
- (6.4) Judicial and administrative procedures initiated with a view to recover sums wrongly paid and to impose sanctions
- (6.6) Administrative or judicial decisions, or the main points thereof, concerning the termination of recovery procedures and/or procedures for imposing sanctions
- (6.8) Other information (including information that was not available when submitting earlier reports on the irregularity)
- **Description of remedies taken, including justification and legal basis for any financial correction applied; any procedures initiated and the stage reached in this procedure, including the stage of recovery – development since previous report.** Please fill-in this textbox in line with the template provided as Annex 9 of the Regulations (sections 6.2, 6.3, 6.5, 6.7) from Report on measures taken regarding already reported irregularities, by making sure the description of the remedies contains the following:
 - (6.2) Amount of the expenditure wrongfully incurred due to the irregularity, or in cases where no payments have been made, the amounts which would have been wrongly paid had the irregularity not been discovered
 - (6.3) Financial consequences of the irregularity including suspension of payments and the possibilities for recovery
 - (6.5) Identity of the natural and/or legal persons involved (except in cases where such information is of no relevance in combating the irregularity on account of the character of the irregularity concerned)
 - (6.7) Any procedures, including criminal investigation initiated because of the irregularity and the stage reached in this procedure, including the stage of recovery
- **Media coverage:** if you check this box, a textbox will appear where you will register the information related to the coverage of the irregularity in the media.
- **Any complaints:** if you check this box, a textbox will appear where you will register the information related to any complaints involving the suspected irregularity. This textbox corresponds to section 7 from Annex 9 irregularity template, Report on measures taken regarding already reported irregularities

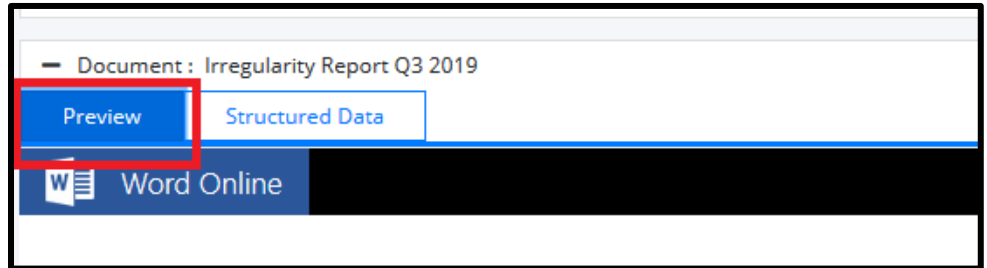
After registering the fields above, you click **Save** to save the follow-up report for this Irregularity case.


³ <https://eeagrants.org/resources/regulation-implementation-eea-grants-2014-2021-annex-9-template-irregularities-reports>

2.6. Preview and download the Quarterly Irregularity report

Before submitting the report, you can check the preview of the document created using the information you previously registered in the Structured data tab.

You can do that by checking the **Preview** tab.



Here you can also download a hard copy for signature, if required by your organisation. You can download the document created by selecting this symbol .

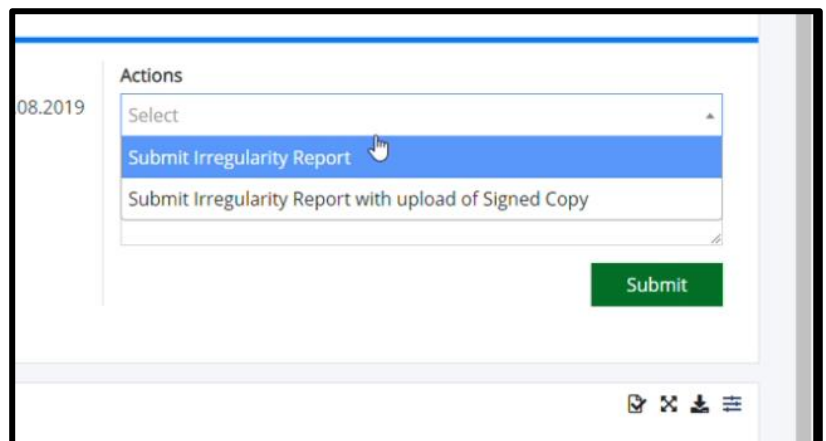


2.7. Submit the Quarterly Irregularity report

In order to Submit the Report, please use the Actions section on the top right of the Task screen.

There are 2 alternative actions available:

1. Submit Irregularity Report: when selecting this action, the report is directly submitted to FMO
2. Submit Irregularity Report with upload of Signed Copy: when selecting this action, you will have the possibility to upload a signed copy of the Report (e.g. a pdf scan of the signed document) and then finalise the submission. Please note that the FMO does not require a signed copy of the report.



After selecting the desired action, please click on the green **Submit** button

3. Immediate submission of an irregularity case

3.1. Introduction

The Irregularity Authority and the Fund Operator can submit information about an immediate regularity case at any point.

3.2. Create Immediate irregularity task

Under the menu Irregularities/Cases, you will find a list of previously reported cases (if any). On top of the list, you will notice the button **Submit immediate irregularity**. In order to start the submission of an immediate irregularity, you will click on it.

The screenshot shows the 'User Irregularity Authority' dashboard. On the left is a navigation menu with options: Dashboards, Grants, Irregularities (highlighted), Reports, and Cases. The main area has a search bar for 'Search Irregularity Cases' with a 'Search' button and a 'Search Options' link. Below the search bar is a 'Submit immediate irregularity' button and a 'View Options' link. A table of irregularity cases is displayed with columns: Case id, Reporting level, Reported for, Irregularity type, Case type, Period, Status, Submission date, and Last updated date. The table shows one entry. At the bottom, it says 'Showing 1 to 1 of 1 entries'.

The following screen will open, where you will select your country and click **Submit**.

The screenshot shows the 'Submit immediate irregularity' form. It has a title bar 'Irregularity Cases' and a search bar. The form has three fields: 'Type' (set to 'Immediate'), '* Country' (a dropdown menu), and '* Workflow' (set to 'Prepare Irregularity Report by Irregularities Authority'). There are 'Cancel' and 'Submit' buttons at the bottom right.

For the Fund Operators only, on the same screen you will also select the programme:

The screenshot shows the 'Submit immediate irregularity' form for the Fund Operator. It has a title bar 'Irregularity Cases' and a search bar. The form has four fields: 'Type' (set to 'Immediate'), '* Country' (a dropdown menu), '* Programme' (a dropdown menu), and '* Workflow' (set to 'Prepare Immediate Irregularity by Fund Operator'). There are 'Cancel' and 'Submit' buttons at the bottom right.

Now the task **Prepare Immediate Irregularity** will be created which you can start fill-in.

3.3. Fill-in the immediate irregularity task

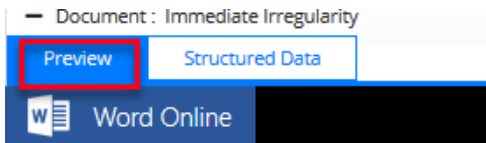
In the Prepare Immediate Irregularity task, you click on **Add new Irregularity** from Structured data tab in order to start fill-in the information about the immediate irregularity case.

Adding a new irregularity will open the Irregularity case form, previously described in the section **2.4 Adding a new irregularity case to the report** in this user manual.

Important: Please consult section 2.4 for detailed information on how to fill-in the Irregularity case form.

After fill-in the information about the irregularity case, press **Save** in order to save the information

3.4. Preview and download the immediate irregularity document



Similar to the section 2.6 Preview and download the Quarterly Irregularity report from this user manual, you can check the Preview tab in order to see the document created using the information registered in the Structured data tab.

Here you can download a hard copy of the report created. Please consult section 02.7 for more details.

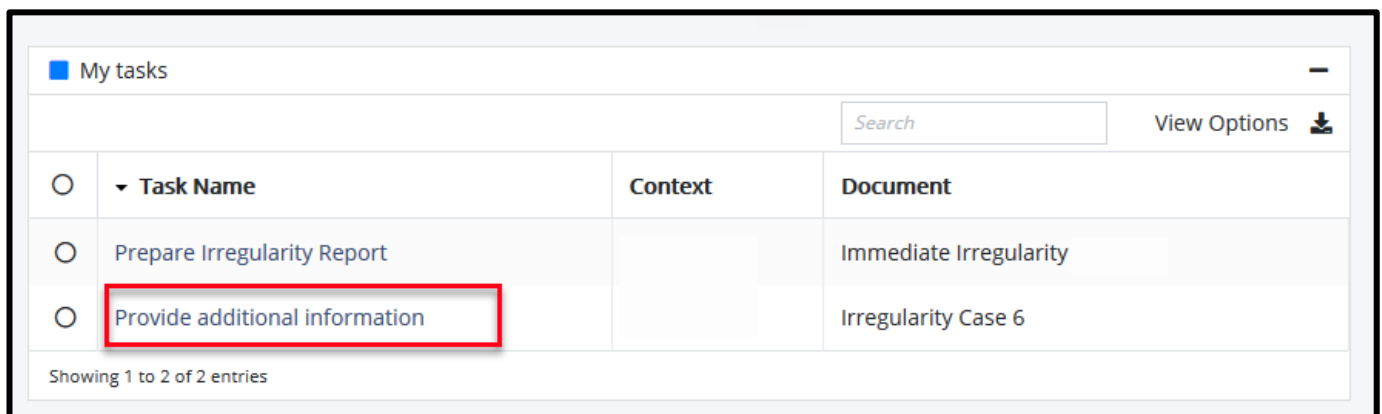
3.5. Submit the immediate irregularity task

Similar to section 2.7 Submit the Quarterly Irregularity report, in order to submit the immediate irregularity task, you will use the Actions section on the top right of the Task screen.

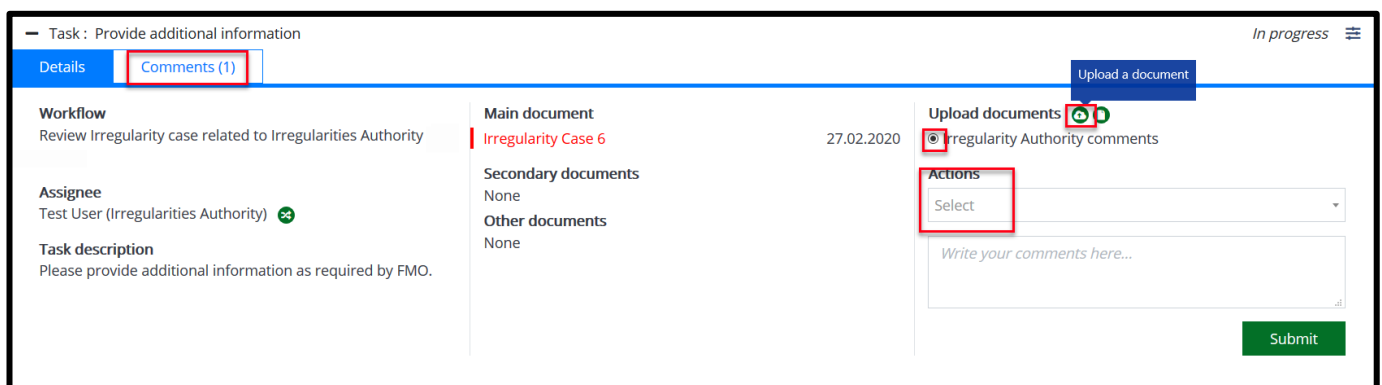
Please consult section 2.7 for more details about the possible actions. After selecting the desired action, please click on the green **Submit** button.

4. Provide additional information to a previously reported case

When FMO will review the Irregularity case (submitted via Quarterly or Irregularity report), the FMO Legal Officer could decide to ask you for additional information in GrACE. In this case, you will receive the task **Provide additional information** in My Dashboard/My Tasks.



In this task you can check for any comments from FMO in the **Comments** tab. You can upload a document with Irregularity Authority comments. At the end you will go to Actions and select **Send to FMO**.





5. View the irregularity reports and irregularity cases in GrACE




The Irregularity Authority and Fund Operators can see the list of Irregularity reports and the list of Irregularity cases related to their country/programmes in the Irregularity menu located on the left side of the screen.

You will click on Irregularities/Reports in order to visualise the quarterly irregularity reports created, together with further information about each report: Period, Type (Quarterly/Immediate), Status (Draft/Submitted), Reported cases (yes/no).

If you click on this symbol  you will be able to export the list of reports to Excel.

						View Options 
<input type="radio"/>	Country/Programme	▲ Period	Type	Status	Reported cases	
<input type="radio"/>		Q2 2020	Quarterly	Draft	No	
<input type="radio"/>		Q3 2019	Quarterly	Draft	No	
<input type="radio"/>		Q2 2019	Quarterly	Draft	No	
<input type="radio"/>		27.02.2020	Immediate	Draft	No	
<input type="radio"/>		11.02.2020	Immediate	Submitted	Yes	
Showing 1 to 5 of 5 entries						

You will click on Irregularities/Cases in order to visualise the list of cases previously submitted with some further information about each case. In a similar manner, you can export the list of cases to Excel.

Submit immediate irregularity										View Options 
<input type="radio"/>	▲ Case id	Reporting level	Reported for	Irregularity type	Case type	Period	Status	Submission date	Last updated date	
<input type="radio"/>	IR 5	Country		Immediate	Actual	20.02.2020	Ongoing	20.02.2020	20.02.2020	
<input type="radio"/>	IR 4	Country		Immediate	Suspected	20.02.2020	Ongoing	20.02.2020	20.02.2020	
<input type="radio"/>	IR 3	Project		Quarterly	Actual	Q2 2021	Ongoing	13.02.2020	13.02.2020	
<input type="radio"/>	IR 1	Programme		Immediate	Suspected	11.02.2020	Closed	11.02.2020	13.02.2020	
Showing 1 to 4 of 4 entries										