

**Instructions for the national agencies
on checks of grant beneficiaries under Erasmus+ and the
European Solidarity Corps**

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1 Introduction

With regard to Section 5.4 of the Guide for the national agencies, the national agency (NA) shall put in place a robust system of checks of grant beneficiaries, which will constitute one of the essential building blocks of its overall assurance system.

The aim of this document is to provide the NA with guidance and instructions on how to design, organise and perform a high-quality and standardised system of checks under the Erasmus+ and European Solidarity Corps programmes. The information provided is complementary to the relevant provisions in the Guide for NAs and in the grant agreements.

The rules for checks, reviews, audits and investigations are the same for all types of grant agreements: mixed budget grants (unit contributions and actual costs) and lump sum grants, as far as horizontal obligations and technical project implementation are concerned.

Concerning the lump sum grants and the unit contribution grants, there is no financial reporting on real costs, therefore, there are no financial checks, reviews or audits related to actual costs and the resources used. The financial checks will only apply for mixed budget grants (unit contribution and real costs), for the real costs only.

2 The types of checks in the grant agreement

See section 5.4 of the Guide for NAs and grant agreements

3 The type of checks in the assurance framework

The assurance framework for the 2021-2027 programmes is based on three types of checks:

- **Coverage-based checks** of the top 15% of beneficiaries¹ of the NA's budget, to be achieved by the end of the programme.

By default, the checks are to be system checks. The system check needs to, at minimum, include the check of the largest project (in terms of budget) for which the final report has been submitted to the NA during the year preceding the start of the system check² or otherwise closed before the check is carried out³.

It is however recommended that the system checks reflect the beneficiaries' types of projects in order to define the projects checked under the system check. The recommendation is thus to

¹ For the purposes of this criterion, 'beneficiary' is interpreted to mean the Applicant Organisation/Project Coordinator, and does not include Partner Organisations nor non-coordinator Consortium Members.

² The system check start date is considered for the purposes of this criterion to mean the date on which the organisation targeted by the check was notified of the check.

³ Previous documentation only specified the need for a system check, without defining the type of project to be included in the check. Subsequently, system checks carried out before 15/08/2026 on top 15% beneficiaries are acceptable regardless of the project(s).

include two projects with the system check, namely one of Key Action 1⁴ (KA1) and one of Key Action 2⁵ (KA2) or European Solidarity Corps (ESC).

Though system checks are to be the default primary check, an on-the-spot check after completion of the project⁶ is also acceptable in cases where the beneficiary is in the top 15% only due to one or two high value projects.

Where a beneficiary that is part of the top 15% has already undergone an on-the-spot during project implementation, an on-the-spot check after completion of the project and/or desk check as a result of a random or risk based selection, it is acceptable that instead of a new system check, the beneficiary instead is subject to a new desk check, on-the-spot during project implementation and/or on-the-spot check after completion to cover systemic issues, on another project, specifically for the purpose of the top 15%⁷.

Where a beneficiary is part of the top 15% of two or more national agencies, it is sufficient that the national agencies other than the one for which the beneficiary in question represents the highest percentage of budget carry out an on-the-spot check after completion of the project and/or desk check.

Where the national agency resources make it unviable to perform the on-the-spot component of the system check, and the necessary assurance can still be ensured, this component can be replaced with a desk check. This replacement however needs to be signalled to the Commission with an appropriate justification, namely through the Yearly Report.

A national agency can also replace a system check with an on-the-spot check after completion of the project, on-the-spot during project implementation and/or desk check. This replacement however needs to be signalled to the Commission with an appropriate justification, namely through the Yearly Report.

- **Random checks, selected by the Commission** to achieve a representative sample in order to measure the error rate (please see Section 7 below) and verify it remains below the 2% rate found in the 2014-2020 programme; DG EAC provides this selected sample every year to NAs. NAs are to carry out a system check and/or on-the-spot check after completion of the project⁸, of the projects randomly selected by the Commission as random sample for primary checks by the national agencies.

⁴ Learning Mobility of Individuals.

⁵ Cooperation among organisations and institutions.

⁶ Previous documentation only specified on-the-spot check as a possibility, without specifying if an on-the-spot check during project implementation was acceptable or not. Subsequently on-the-spot checks during project implementation carried out before 15/08/2026 on top 15% beneficiaries are acceptable.

⁷ Previous documentation only specified that national agencies ought to ‘favour on-the-spot checks or system checks’. Subsequently, checks of different types on top 15% beneficiaries carried out before 15/08/2026 can be seen to already meet the criteria.

⁸ Previous documentation also allowed for on-the-spot check during the project implementation. Subsequently on-the-spot checks during the project implementation carried out before 15/08/2026 on random sample projects are acceptable.

If the project in the random sample had been subject to an on-the-spot check during the project implementation prior to the sample being communicated, a desk check of the random sample project is acceptable.

When a beneficiary has already undergone a system check, on-the-spot check during the project implementation and/or on-the-spot check after completion of the project for a project other than the one selected for the random sample, a desk check of the random sample project is acceptable.

- **Risk-based checks** that reflect a risk analysis from the NA. Such analysis can be informed by, but not limited to, data analysis provided by the Commission or developed by the NA, the NA's local knowledge, requests from Commission, namely concerning intermediary / supporting organisations.

4 Levels of checks under the grant agreements

All checks can use online/virtual or remote elements at the discretion of the NA's operational considerations, taking into account the NA's own assessment of the cost effectiveness and risks of the individual project or beneficiary.

Checks under grant agreements are built up progressively: while the first level of checks (final report check) applies to all beneficiaries, the subsequent checks apply to samples of beneficiaries but go more in-depth in terms of checking supporting documents and systems; they thus complement the previous level.

Regarding unit contribution and lump sum grants, checks focus on the reality and performance of the project. They do not consist of checking the eligibility of actual costs incurred, but focus rather on:

- establishing whether the triggering event (e.g. travel, stay) actually took place and deliverables were provided;
- checking whether the activities undertaken were in line with the applicable rules (e.g. eligible countries, duration, type of participants, study levels of participants and directions of flows in the case of the international credit mobility, coherence with the approved grant application etc.);
- checking the quality of the undertaken activities; in case of insufficient quality (e.g. the intended learning was not undertaken during the stay, the course provided is of an unacceptably low quality), the grant may have to be reduced;
- all relevant documentation that demonstrates the reality of the activities, i.e. that the activities or work packages have been carried out, by when, by whom, etc.

4.1 Final report check

The NA assesses all final reports received.

During the final report assessment, evaluators can request beneficiaries to provide and/or produce additional evidence in case the already provided information is not sufficient to support the assessment.

4.2 Desk check

This type of check is an in-depth analysis of the final report and of additional supporting documents and other materials (e.g. audiovisual) to be provided by a sample of beneficiaries to prove the reality and quality of activities and deliverables. The NA will check that the triggering events took place for the calculation of unit costs (e.g. proof of participation in the form of a declaration signed by the receiving organisation, duration of a mobility flow), of lump sums (e.g. proof of organising an event under a given work package) and/or of real costs (e.g. check invoices for exceptional costs).

These are administrative checks in order to assess in more depth the existence, correctness and compliance of project documentation with regulatory and contractual requirements on the basis of additional supporting documents.

Desk checks follow the proportionality principle: the scope of checks is limited to the analysis of documental evidence for the actual implementation of project activities. Documents proving the actual implementation of the activity could be, for example, attendance lists for meetings, declaration on honour from the participants, training materials, deliverables produced, photos and videos taken during an event, etc.

In case specific risks are identified, NAs can select those projects for on-the spot checks or audits.

4.3 On-the-spot check

The NA performs checks at the premises of the beneficiary to collect additional evidence of activities carried out and deliverables produced. On-the-spot checks can nonetheless be carried out via a hybrid or all-online approach, combining online interviews and other means of verification made possible by various technologies.

The on-the-spot checks can take place either during the project implementation, or after completion of the project.

Who can carry out on-the-spot checks?

Staff of the NA: Where the check is being carried out by one person, ideally the person performing the check should not have been involved in the counselling or grant award process, subject to the staff availability of the NA. The NA shall ensure that on-the-spot checks are undertaken by persons with the necessary competences, in particular as regards the checking of financial and accounting records.

In case the visit is performed by two persons, the staff member leading the visit cannot have been involved in the counselling or grant award process of the action (the supported project) concerned. It is good practice that the staff member in question has not been involved in the assessment of the final report for the grant agreement concerned. To ensure a proper segregation of duties, an on-the-spot check after receipt of the final report shall be undertaken by another person than the one who assessed the final report or undertook an in-depth desk check of the grant agreement concerned.

For the second staff member the incompatibilities are less strict as they works under the responsibility of the person in charge. This person can be a project manager, who may also perform a monitoring visit simultaneously with the on-the-spot check. The second person may – in particular in smaller NAs – have been involved in the grant award process of the action concerned.

External auditors: The NA can decide to outsource all or some of the on-the-spot checks after the receipt of the final report to external auditors, provided that these auditors are not involved in other audit tasks in the NA (including for the preparation of the opinion on the Yearly Management Declaration).

In all cases the NA has to make sure that the external auditors are sufficiently qualified and independent. They also have to be made sufficiently aware of the particularities of the indirect management action grants and have to fully understand concepts such as eligibility and compliance with conditions of the regulatory framework. They shall be instructed to report all anomalies that have a (potential) financial impact, even if for a statutory assignment they would have considered these as immaterial.

External auditors have to follow exactly the same procedures as the NA staff in charge off on-the-spot checks. This implies that they have to respect the timing, to use checklists and to follow the reporting and the adversary procedure established by the NA. They have to sign a declaration on the prevention of conflicts of interests and they have to disclose all findings.

Coordination with other NAs for mobility activities: The most effective method for checking that the activities take place and comply with the rules of the action is to check them while they happen, while ensuring that the visit is not causing major disruption of the activities. In general, the NA managing the grant agreement is the NA of the sending organisation. There is no objection to organise on-the-spot checks abroad, but from a cost/benefit viewpoint the NA must systematically inform and involve the NA of the hosting country already at the planning stage. The Commission encourages NAs to agree on such checks bilaterally. In the case of the Erasmus+ International Credit Mobility, the NA will inform DG EAC who can advise as to whether it is appropriate to undertake the check abroad or whether another body, such as EACEA, a National Erasmus+ Office or the EU Delegation can do the check on behalf of the NA. However, the final responsibility and follow-up requirements remain with the NA that has signed a grant agreement with the beneficiary.

4.3.1 On-the-spot checks during the project implementation

This type of check is undertaken before the final report stage. It aims at checking *in situ* triggering events and quality of intermediate results, based on elements that cannot be verified on the basis of supporting documents (e.g. whether the activity undertaken is the one described in the grant application, whether the learners are undertaking a traineeship in a company in the sector concerned, whether the class or youth exchange has a qualitative learning content); and also whether the project is on track and performing well.

It is of crucial importance to aim to organise the visit on a day where a maximum of elements can be checked such as: data and presence of project participants, agenda and quality of the event/meeting (e.g. multiplier event for Erasmus+ Partnerships for cooperation and exchanges of practices)

4.3.2 On-the-spot checks after completion of the project

This type of check is undertaken after receipt of the final report and allows to check similar elements as a desk check complemented by a crosscheck with the beneficiary's accounting system, staff records and other elements that can be found only *in situ* (e.g. proof of existence and running of a course developed with the grant). In the case of Erasmus+ mobility projects in the field of higher education supported by external policy funds (KA171), on-the-spot check

will principally take place at the grant beneficiary institution for both sending and hosting mobility. It is not excluded that further verification may be provided from other sources, such as during monitoring missions to the higher education institutions in third countries not associated to the programme by Commission staff, EU Delegations or National Erasmus+ Offices. Such findings, if appropriate, can be integrated into the verification.

4.4 System checks

System checks are included in the provisions of the grant agreements: check of systems and procedures, complementing them with elements of on-the-spot checks in relation to specific grant agreements. The purpose of system checks is to verify the quality of internal control and compliance with the regulatory framework of a recurrent beneficiary. It also gives assurance on the legality and regularity of the most recent final reports and the capacity of the beneficiary to manage a significant volume of projects as well as different kinds of projects in the future.

4.5 Audits

After closure of an agreement, any project can also be selected for an audit by the independent audit body, European Commission, or other EU Institutions and bodies. The scope of the audits can vary and is communicated to the beneficiary in due time, together with the necessary practical and logistic information.

The documentation requested from the beneficiary will mainly be related to the implementation of the project activities and production of deliverables.

Nonetheless, the beneficiary concerned must cooperate diligently and provide — within the deadline requested — any information (including complete accounts, individual salary statements or other personal data) to verify compliance with the agreement.

5 Risk of fraud

In view of the Commission's efforts to monitor accuracy and legality of EU funding under the Erasmus+ and European Solidarity Corps Programmes, the NA shall pay particular attention to an important fraud risk factor, namely falsification of mobility by providing attendance lists with fake names – in particular concerning beneficiaries who do not carry out any actions in their own country that could be verified on-the-spot by the NA.

To mitigate this risk, the NA will consider:

1. If applicable, for the purpose of assessing the final report, requesting from the project coordinator to provide audiovisual evidence such as photographs and videos, to prove the events actually took place;
2. Contacting participants directly to ensure participant survey information is valid.

The NA shall analyse the beneficiary and application population in case of such risks and take immediate appropriate action. In case of evidenced fraud, the Commission shall be duly informed via the functional mailbox EAC-ANTI-FRAUD@ec.europa.eu.

In line with the Commission Anti-Fraud Strategy⁹, the NA will identify any other risk factors.

6 Requirements for all levels of checks of grant beneficiaries

6.1 Declaration on the prevention of conflicts of interest

Every person involved in the checks of indirect management actions shall sign a declaration on the prevention of conflicts of interests and the disclosure of information (cf. model declaration in Annex I-7 of the Guide for NAs), before performing checks. The NA authorising officer shall assess any possible conflict of interest whenever raised to them by the assigned staff.

NA staff should also be aware of their responsibilities to immediately report to management any possible conflicts that come to their attention by other means, e.g. regarding experts. Please refer to the point 5.7 of the Guide for NAs with regard to the protection of whistleblowers.

6.2 Collaboration between national agencies

Where necessary in order to follow-up on identified or potential irregularities, the NAs will make use of the possibility to collaborate with NAs in other countries to check and monitor activities taking place there.

6.3 Checklists

The use of checklists is mandatory. They shall be dated and signed upon completion of the assessment. The NA shall record the results of the checks in the Project Management Module (PMM) and Beneficiary Module (BM).

As concerns the possible stamping of supporting documents checked, NAs should follow the national practice.

If the NA uses other IT tools in addition to BM and PMM for the registration of checks, it shall ensure secure access and safeguarding of data to preserve a full audit trail of the checks performed.

The NA shall make use of standardised checklists (also for desk checks), based on minimum requirements for all types of checks of grant beneficiaries that it is required to undertake. NAs should document their checks in line with the requirements listed below. Every time an anomaly is detected, it should be fully described in the checklist and evidence thereof should be attached for future reference (audit trail).

The purpose of the checklist is threefold:

- To list all the checks to be made in order to perform all the required tests and controls. Whenever judged necessary additional controls or tests can be added.
- To identify the person who has performed the checks and to give a short description of the anomalies detected. Evidence of the anomaly has to be annexed (or referred to) in the checklist.

⁹ Latest revision 11/07/2023: COM(2023) 405 final.

After having completed each test or check the person concerned adds the date and his or her initials on the checklist.

- To draw a conclusion and propose further action after the completion of all checks and tests.

The checklists shall contain a formal conclusion such as:

- to proceed with the payment of the balance;
- to request additional information (when the report is incomplete, unclear, or if there are inconsistencies);
- to proceed to a more elaborate type of check or an audit;
- to proceed with recovery (in this case, the conclusion shall indicate any amounts considered ineligible and the final amount of EU grant proposed, in respect of the predefined contractual rules);
- to terminate the grant agreement because the contractual conditions were not met, etc.

For on-the-spot checks, the control team of the NA shall use a checklist which includes all performed control steps. At the end of the fieldwork the participating staff members will leave a clear audit trail of who carried out the check and when. Finally, the control team of the NA will prepare a draft audit report and encode a summary of the conclusions in PMM under 'Findings description'.

While taking cost-effectiveness and efficiency into account, quality control on a systematic or sample basis (i.e. validation of the report on the on-the-spot check) can be ensured by a third staff member who has not been involved in the grant award procedure for the beneficiary concerned. This person reviews the checklist, the draft report and the underlying documents and formally approves the draft report if they have assurance that all the checks have been carried out, are properly documented, that the appropriate conclusions have been drawn and that the draft report is clear and properly reflects the results of the checks done.

6.4 Working papers

The persons in charge of the checks shall keep on file all the documents they have used for their checks in a so-called 'working papers' file (it can be kept on paper, in electronic format or a combination of both). It shall contain adequate information to justify the conclusions of the desk check of supporting documents and on-the-spot checks, and also give evidence of the checks carried out. It shall also contain the report of the visit and the correspondence and analyses of the adversary procedure with the beneficiary. The working papers files shall be kept for inspection by the national authority, independent audit body or the EU, for the period required for supporting documents and as defined in the grant agreement.

The working papers file could contain the following sections:

- The grant application (online E-forms) and, where applicable, the accreditation of the organisation or consortium
- The grant agreement and amendments

- The final report of the beneficiary (PMM and BM)
- The checklist relating to the analysis of the final report
- The correspondence relating to the announcement of the on-the-spot check
- The checklist relating to the on-the-spot checks
- Documentation of anomalies found if any
- The successive versions of the report on the on-the-spot check
- The correspondence relating to the adversary procedure with the beneficiary

7 Requirements per level of check under the grant agreements

7.1 Final report check

The NA shall check all the final reports received from beneficiaries. The final report serves to assess the results of the supported action in terms of quality and quantity, to establish the final amount of the EU grant and to issue the final grant payment or recovery order, as well as to administratively close the grant agreement.

The NA shall make use of the standard report forms provided by the Commission.

PMM records the date of receipt of the reports from beneficiaries. The NA shall monitor the receipt and treatment of the reports and the respect of time limits set in the grant agreements. It shall send reminders when required.

The report assessment shall consist of the following stages:

- a check of the formal receivability of the report (e.g. report duly signed and dated by the legal representative of the beneficiary organisation);
- an evaluation of the final report and the required supporting materials as appropriate relating to the results of the supported activity in terms of their quality and quantity, including a check of the reality and eligibility of the activity, and
- if applicable a check of the financial statement and the required supporting material as appropriate, in view of assessing the reality and eligibility of the expenses reported as well as the legality and regularity of underlying transactions. The specific checks will be adapted to the requirements applicable to the form of the grant.
- if applicable, a check and revision of the project summary which will be displayed in the Erasmus+ Project Results Platform and in the European Solidarity Corps Project Results Platform. Check of products/deliverables produced.

For projects involving supporting organisations, NAs shall also verify that the **true final destination** of mobilities is recorded in BM (and not just the supporting organisation' location).

The same person may undertake the various stages of the final report assessment. If desirable, the NA may call upon external experts for the final report assessment. For the required number and

mix of internal and external experts for assessing the final reports please refer to Annex IV.6 of the Guide for NAs.

Final report assessments shall indicate any amounts, units, work packages, activities considered ineligible and the final amount of EU grant proposed, in respect of the predefined contractual rules. Grant reduction for poor, partial or late implementation may be applied. The assessments shall contain a conclusion as to the approval or rejection of the report and indicate the necessary follow-up measures if any.

The assessment and approval of the report as well as payment of the balance shall be finalised within the deadline in the grant agreement (normally 60 calendar days). This period can be suspended in PMM if further reporting elements or supporting documents have to be requested from the beneficiary before being able to finalise the assessment of the report and closing the grant agreement.

As soon as the assessment is finalised, the NA shall notify the beneficiary in writing of the assessment of the final report, and any partial or full recovery of the grant as result of the assessment. The closure notification letter shall state the evaluation feedback and result, the final amount of the EU grant, the resulting amount of balance payment or recovery as well as the conditions for reimbursement when applicable. The letter shall also specify the means of redress in case the beneficiary disagrees with the conclusions of the NA. The beneficiary shall have 30 calendar days of receipt of the closure notification letter to submit their observations (queries or complaints) to the NA. The NA shall not accept any observations received after this maximum period of 30 calendar days. The NA shall have 30 calendar days of receipt of the observation to treat it and to revise the final grant amount if applicable and inform the beneficiary accordingly.

In the case of non-receipt of a final report due, the NA shall implement the provisions of the grant agreement as regards termination.

7.1.1 Periodic and progress reports (see also Guide for NAs and grant agreements)

- PMM records the date of receipt of the reports from beneficiaries. The NA shall monitor the receipt and treatment of the reports and the respect of time limits set in the grant agreements. It shall send reminders when required.
- In the case of the periodic report, which comes with a payment request from the beneficiary, the NA shall treat it in respect of the payment deadlines set in the grant agreement.
- In the case of the progress report, which does not involve a request for payment, the NA shall assess it in a reasonable period, ideally within 60 calendar days, in order to be able to intervene in a timely manner in case insufficient progress or other major problems are detected.
- In the case of non-receipt of a periodic report due, the NA shall implement the provisions of the grant agreement as regards termination.

7.2 Desk checks

For final report checks and desk checks, where supporting documents are requested, the beneficiary shall supply copies of supporting documents to the NA, unless the NA makes a request for originals

to be delivered. The NA shall return original supporting documents to the beneficiary upon its analysis thereof. The NA keeps a copy of the original supporting documents on the project file ensuring a complete audit trail.

For Erasmus+ desk checks: NAs should include sample check files of individuals participating in projects containing mobility activities.

Upon review of the supporting documents, the NA may have to reduce the final grant amount and proceed to a recovery. If required, the NA may decide to undertake further desk or on-the-spot checks (see hereafter) before deciding on the final grant amount and proceeding to the closure of the grant agreement.

NAs may suspend the period for treating the final report for performing desk checks. This function is mainly to be used for final report assessment (eligibility check and quality assessment stages) (as explained in the technical info in PMM), and only for the cases specified in the ‘stop the clock’ functionality rules.

7.3 On-the-spot checks

As regards on-the-spot and system checks, it is not required to perform the same checks again on the same beneficiary in the following 2 years, if no errors or problems are found.

The NA may undertake simultaneously:

- An on-the-spot check during project implementation (or an on-the-spot check after completion of the project) and a monitoring visit (see Guide for NAs);
- A system check and a monitoring visit;
- An on-the-spot check after completion of the project and a system check
- Although less likely, also an on-the-spot check after completion of the project and a monitoring visit could be envisaged.

On-the-spot checks shall be carefully prepared and organised. An on-the-spot check after completion of the project can only be announced to the beneficiary after the receipt of the final report by the NA. In case of an on-the-spot check during the project implementation, the check shall be announced with a short notice period before the planned date of the visit. System checks may be announced to the beneficiary a longer time before the planned visit date.

The NA shall announce on-the-spot checks in a formal way to the beneficiary to explain the purpose of the check, agree on practical arrangements, identify the required interlocutors and supporting materials so as to ensure their presence and availability during the on-the-spot check. In view of preparing the check, the NA shall send to the beneficiary:

- a list detailing the documents, materials and information to be prepared or made available for inspection;
- a questionnaire that will allow the check to be carried out in an efficient way and may have to be completed by the beneficiary in advance.

At the end of the on-the-spot check, oral feedback on the findings shall be given to the beneficiary, who shall be invited to give their first comments. Within 30 calendar days after the visit, the NA shall send its draft visit report including findings, recommendations and conclusions to the beneficiary. The beneficiary shall be given 30 calendar days to comment on the draft report.

In the case that the balance payment has not yet been made and if the on-the-spot check – that is organised immediately after the receipt of the final report – reveals no problem in relation to the requested final grant amount, the NA shall transfer the balance payment to the beneficiary as soon as the above draft visit report is ready.

When the NA receives feedback from the beneficiary within 30 calendar days, it shall amend the draft report either by accepting the comment and/or factual modifications, or by explaining why it cannot accept the comments or modifications. The beneficiary's comments and the NA reasons for not accepting them may be either integrated in the visit report or annexed to it.

Within 30 calendar days after the reception of the comments from the beneficiary, the NA shall issue the final report and formally communicate it to the beneficiary. The report shall clearly specify:

- any amounts of expense (to be) covered from the EU grant identified as ineligible,
- any amounts due for reimbursement, accompanied by the reimbursement conditions, and
- any other weaknesses – based on the action specific requirements – requiring a follow-up by the beneficiary, within a concrete timeframe.

In the absence of a reaction from the beneficiary to the draft report within 30 calendar days of dispatch by the NA, the draft report shall be considered final and be formally communicated to the beneficiary as above.

In case an on-the-spot check during the project implementation is undertaken simultaneously with a monitoring visit (see Guide for NAs), a different person shall be in charge of the monitoring visit than the one in charge of the on-the-spot check. The two different objectives of the visit shall be made clear to the beneficiary from the preparation stage on. The NA shall ensure that the objectives of the on-the-spot check are fully covered, in line with the technical guidelines provided by the Commission. In case a single visit report is drafted, the report shall clearly distinguish between the monitoring and the on-the-spot check aspects of the visit. Feedback to the beneficiary should differentiate clearly which recommendations relate to the on-the-spot check and which relate to the monitoring visit.

Note: Contrary to an on-the-spot check visit, a monitoring visit (see guide for NAs section 5.6.6) is not necessarily related to a specific grant agreement and may cover a different period of time. Furthermore, a monitoring visit may be considered necessary in consequence of the beneficiary's past difficulties or in response to current problems. The focus of a monitoring visit is thus different from that of an on-the-spot check.

7.4 System checks

A system check consists of two phases:

Phase 1: The analysis of procedures and systems focussing on the compliance of the systems in place within the beneficiary organisation (respect of conditions, minimum internal control and reporting, etc.). The quality of procedures and internal control systems of the beneficiary as well as compliance with the contractual framework are verified.

Phase 2: An on-the-spot check of the final report(s) of largest (in terms of budget) grant agreement(s) for which the final report has been sent to the NA, of the year preceding the start of the system check in the year prior to the start of the check, carried out which will also include the compliance tests. The check gives assurance on the regularity and reality of the cost claim of the final report, determines a quantified error rate, and confirms that the systems analysed in the system check are respected.

In case the error rate found as result of this check is higher than 2% compared with the final grant requested in the final report¹⁰ or with the maximum grant amount awarded, whichever is the lowest, additional checks will be carried out on preceding grant agreements with that beneficiary.

For phase 1, the different procedures according to the field concerned are to be checked:

General

- The beneficiary is actually implementing the project (core tasks)
- Compliance of the agreements between the beneficiary and the participants with the model agreements that contain all minimum requirements (always applicable in higher education; applicable in other sectors if the NA has decided to include grant agreements with participants as an obligatory supporting document in the project grant agreement)
- Reporting to the NA: persons with access to reporting tools, required format, tools, timing, etc.
- For mobility consortia: agreements between the members (if applicable), legal personality of the coordinator, etc.
- Bank accounts and bookkeeping; traceability of the payments (from and to the NA and between the beneficiaries, the receiving organisations, the supporting organisations and third parties)
- Compliance with financial rules: e.g. flexibility between activities/budget categories, respect of grant levels(where applicable)
- Respect of visibility rules of the programme
- Quality of provisions in kind and support to participants
- Internal project management and quality assurance mechanisms, type and frequency of monitoring activities, involvement of organisation leadership

¹⁰ In case the on-the-spot check is done after the final report check following which the NA already determined the final grant amount awarded, the error rate is the difference between the final grant amount awarded by the NA on the basis of the final report check and the grant amount awarded by the NA following the on-the-spot check.

- Document management

For phase 2:

- Checks on projects: eligibility of participants, duration of activities, reality of activities, etc.

Higher Education Specific:

- Determination of the initial grant allocation.
- Grant reallocation procedure, if applicable.
- Existence and compliance with the basic accreditation documents/charter such as the Erasmus Charter for Higher Education (HE) or the consortium accreditation, if applicable. For matters of quality assessment, close cooperation with the relevant experts is required, to ensure there is minimal overlap between the basic existence and compliance checking in the context of primary checks and the more policy-oriented quality assessment, which already assumes a certain level of organisational capacity and maturity (thus lower risk from a primary checks perspective).
- Existence and compliance of the inter-institutional agreements.
- Recognition procedures of the outcomes of the mobility periods, using European Credit Transfer and Accumulation System (ECTS) or an equivalent system.
- Procedures to avoid multiple funding by participants or departments/faculties (who can adhere to a mobility consortium).
- Selection of participants (learners and staff): criteria (for selection, and if applicable, determining the grant amount, including the award of top-ups or inclusion support), timing, information, evidence of open advertising, and in the case of Erasmus+ mobility projects in the field of higher education supported by external policy funds (KA171), outreach to disadvantaged groups in the institutions in third countries not associated to the programme, lists with applicants and lists with selected participants, reserve lists, specific national or institutional criteria, declaration of conflict of interest, transparency, etc.

Selection method for individual files to be checked

The method is common for desk checks (also for desk checks which are not part of a system check) and on-the-spot checks.

The obligation to check files of individuals participating in projects containing mobility activities will be limited to the beneficiaries selected for a system check (which includes an on-the-spot check), a desk check, or an on-the-spot check. The minimum numbers and percentages of individual mobility files to be checked are set out in the table below.

Table: Minimum numbers and percentages of checks of individual mobility files

Numbers and percentages of individual mobility files to be checked in a desk check or on-the-spot check				
Number of individual grant agreements per project	Minimum percentage of grant agreements to be checked		Minimum numbers of grant agreements to be checked	
	% Learner mobility	% Staff mobility	Number of learners	Number of staff
≥ 500 agreements	1%	2%	10	5
< 500 and ≥ 100 agreements	2%	4%	5	
< 100 and ≥ 5 agreements	N/A	N/A		
< 5 agreements	N/A	N/A	All	All

In case a beneficiary is selected for a check, the letter announcing the check to the beneficiary has to foresee the availability of the lists of individual participants concerning the relevant final reports, via PMM or other means. NAs will select at random the individual mobility agreements/files for which detailed checks will be made (based on the sample sizes set out in the table).

Elements to be checked in the individual files:

- Supporting documents defined in the project grant agreement for the given activity type:
 - Learning outcomes: documents concerning recognition of credits or equivalent, transcripts, traineeship certificates, certificates of attendance, signed reports, Europass Mobility certificates and equivalent learning outcome certificates, group activity programmes, programmes provided by the invited experts, etc. depending on action and activity type
 - Grant agreement with the participant and possible amendments (where applicable, depending on activity type and provisions included by the NA in the project grant agreement)
 - The learning agreement / staff mobility agreement signed by all parties (where applicable, depending on activity type and provisions included by the NA in the project grant agreement)
- Proof of using sustainable means of travel (green travel), if applicable
- Verifying if the participant belongs to one of the categories linked to specific financial conditions, e.g. zero-grant students or staff in higher education, participant with fewer opportunities
- The participant report (after completion of the mobility)
- Bank statements proving payment of the grant to the individual participants, if applicable based on beneficiary's choice of type of support (direct payment or provision in kind)

8 Random checks selected by the Commission

The Commission will provide the list of randomly selected projects and beneficiaries each year to the NAs. The checks of these projects should be carried out as system checks or on-the-spot checks, unless

this is not possible for duly justified reasons. Details provided under section 3 The type of checks in the assurance framework.

9 Coverage-based checks

The aim of these checks is to use the accumulated data on beneficiaries from 2014-2020 to target the checks with a view to achieving more budget coverage and ‘business intelligence’. This ensures that National Agencies can use more risk-based testing to improve the overall delivery of programme objectives. The agreed approach is for the coverage-based checks of the top 15% of beneficiaries is to be achieved by the end of the programme.

NAs shall, where feasible, favour on-the-spot checks or system checks (with system checks being the default option) on the beneficiaries that result from this analysis. Details provided under section 3 The type of checks in the assurance framework.

However, please note that using the list provided by the Commission does not replace the NA judgement. Each NA will have a different assessment of risk-based on national circumstances, and indeed this is the added value of having NAs which are close to the beneficiaries. The System Checks on the Top 15% should be concluded over the lifetime of programme activity, which extends beyond 2027.

10 Risk-based checks

In order to get sufficient assurance on reality and eligibility of activities and expenses and on the legality and regularity of underlying transactions, the NA shall undertake a thorough risk analysis on projects on a continuous basis and should, depending on its results, decide to increase the number of checks taking into account the risks involved in the national context as well as the results of checks undertaken in the past, thereby respecting the principle of proportionality and cost effectiveness.

Reasons for risk-based checks may be, but are not limited to:

- Problems discovered through an on-the-spot check during the implementation of a supported project. This could result in a decision to organise a desk check of supporting material upon receipt of the final report or to organise an on-the-spot check after the completion of the supported project.
- Problems discovered following feedback from other sources (feedback from institutions in third countries not associated to the programme, participants feedback, performance under other actions, etc.).
- Problems discovered during the analysis of the final report. This could lead to either a desk check of supporting documents or an on-the-spot check after project implementation.
- Problems arising from a desk check may require the organisation of an on-the-spot check.

NAs’ risk analysis is to include the type of reasons/justifications that can lead to a risk-based check¹¹. For further guidance, please refer to annex 3 – quick tips on risk-based checks.

¹¹ Not to say that the analysis cannot account for checks to be carried out for reasons/justifications that were not previously foreseen.

11 Error rate calculation

The maximum tolerable error rate¹² for checks is set at 2% calculated per Contribution agreement for the European Solidarity Corps and for Erasmus+; per Key Action within each field of education and training and youth. If the actual error rate resulting from the checks that the NA undertakes is higher than the maximum tolerable error rate set by the Commission (2%), the NA shall assess the causes for the high error rate or high error frequency.

On the basis of its risk analysis the NA may decide to add specific targeted checks on top of the minima and/or perform other types of checks to confirm/infirm the systematic nature of the errors. Where applicable, the NA shall take the necessary remedial actions to recover EU funds and, depending on the causes established, or implement the necessary precautionary measures that will prevent the problem to re-occur in future¹³. The NA will have to detail the followed approach and its conclusions in its Yearly Management Declaration.

12 Monitoring of Erasmus+ accredited organisations and organisations holding a European Solidarity Corps Quality Label

The NA shall monitor the performance of organisations accredited for participation in the Erasmus+ and European Solidarity Corps Actions on a regular basis, for example by conducting remote monitoring and monitoring visits.

The NA will prioritise beneficiaries for reinforced monitoring based on their previous performance, adherence to EU values and other risk factors (e.g. operational/financial capacity, involvement of supporting organisations, frequent and major changes to indicative targets, complaints from participants or consortium members, etc.).

In case an accredited organisation in SCH/VET/ADU/YOU field or in ESC does not appear to respect the accreditation/Quality Label requirements, the NA shall undertake further checks as necessary to establish the situation, followed by appropriate formal recommendations or other remedial measures, such as reduction of organisational support grant (where applicable).

In the absence of adequate and timely remedial action by the accredited organisation/organisation holding a Quality Label, the NA may issue observation measures, suspend or terminate the accreditation/Quality Label unilaterally in accordance with the provisions set in the Erasmus+/European Solidarity Corps Programme Guide. The remedial measures shall remain in place until the beneficiary has complied with the requirements defined by the National Agency. In the case of higher education and non-compliance with the principles of the Erasmus+ Charter for Higher Education, the NA should inform the Commission of cases where the remedial actions have failed and the Commission may

¹² The tolerable error is the maximum error rate found in the population tested, that the Commission would accept, without concluding that the results obtained are significantly erroneous. The possible errors, resulting from the checks by the NA, are cases when incomplete documentation is submitted, when beneficiaries submit incorrect or outdated information, when the NA or the beneficiaries misinterpret the terms and conditions of the grant agreement, ineligible costs with regard to the reality and eligibility of activities reported to the NA by the beneficiaries, non-compliance with regard to the grant agreement provisions.

¹³ Such measures may consist of correcting any weaknesses in the NA systems or increasing the minimum percentage and number of checks to be performed by the NA. If, however, the error rate is the result of a major single error, the NA may decide to take no other action but to correct the error concerned.

withdraw the Charter. The NA shall base its decision on the need to protect mobility participants and to provide them with a high-quality learning mobility experience.

13 Encoding of results

For all checks, the NA shall register the results in BM and PMM. A new 'budget version' will be created in BM and PMM after encoding the results of each different type of primary check performed.

It is important to correctly allocate which detected error/weakness results from which type of check.

For the recording of the results of checks of beneficiaries, NAs shall choose one of the three types of results:

- No findings;
- Findings with no impact on the grant amount;
- Findings with impact on the grant amount.

NAs shall also ensure to indicate the correct selection method when registering checks in PMM/BM: 'Random selection EC' checks are only those communicated by the Commission, not selected by the NAs. When a 'Risk based' selection was done, there ought to be a risk analysis associated.

To improve DG EAC's ability to analyse and cross reference the results of checks of grant beneficiaries done by NAs, NAs are requested to add in the 'result description' box of the PMM screen the following information:

- amount (i.e. in €) of error found
- the percentage error rate calculated.

Practical guidance: see Users Guide for PMM and BM page Checks of Grant beneficiaries (available at: <https://webgate.ec.europa.eu/fpfis/wikis/display/NAITDOC/Checks+of+Grant+beneficiaries>).

Annex 1: Supporting documents to be checked**Learning mobility for individuals in Erasmus+ and European Solidarity Corps**

	Final report check	Desk check
For unit contributions - check eligibility of participants and other persons, activities and costs - check implementation of core tasks by the beneficiary	Check based on - data registered in the Beneficiary Module (BM)	Check based on: - data registered in BM - supporting documents as defined in Annex 2 – Additional information related to the eligible costs (point c – supporting documents of each budget category) – original documents not obligatory
For actual costs: - check justification and calculation of costs *		
*Payment proof only to be requested in case of doubt on the correctness of the invoice provided		

On-the-spot during project implementation or after the completion of the project	Key checks for systems' check
Check based on: - data registered in BM - original supporting documents as defined in Annex 2 – Applicable rules to eligible costs (point c – supporting documents of each budget category) - access to recording of project expenses in the beneficiary's accounts - direct observation (interviews, presence in activities, etc.)	Check multiple projects implemented by the beneficiary. - check core tasks - check applicable supporting documentation - check grant reallocation procedure, if applicable - check persons with access to reporting tools, required format, tools, timing, etc. - check elements related to consortia, if applicable - check bank accounts and bookkeeping; traceability of the payments - check compliance with financial rules - check respect of visibility rules of the programme - check quality of provisions in kind and support to participants - check internal project management and quality assurance mechanisms - check document management - checks on projects (phase 2) - check Higher Education (HE) specific aspects

KA2 – Cooperation Partnerships

Parameters for grant calculation per grant item	final report check	desk check	on-the-spot check during project implementation	on-the-spot check after the completion of the project
For unit contributions	- information available in the final report - for Project results: proof of project results produced (pictures, video films, websites, etc.) if not yet available in the Erasmus+ Project Results Platform	Supporting documents as defined in Annex III – Financial and Contractual Rules of the standard grant agreements per budget category (point c – supporting documents of each budget category)	Possible elements to be checked: (a) eligibility check of all signed attendance lists (certificates of attendance) so far: completeness, correctness or eligibility check of distance band (b) quality check of meetings/event/project activities undertaken (subject, purpose, relevance in relation to expected project output/outcome...) (c) Project results: -) eligibility check: crosscheck of profile of participants with entity related documents -) quality check: check quality of work-in-progress: in line with expected output/outcome?	Possible elements to be checked: (a) participants list signed by the participants and the receiving organisation specifying the name, date and place of the transnational project meeting, and for each participant: name and signature of the person, name and address of the sending organisation of the person (b) quality check of project activities / meetings (subject, purpose, relevance in relation to expected project output/outcome...) (c) Crosscheck of supporting documents with entity's staff category's, time registration and payroll administration (checking occurrence not actual costs incurred)
For actual costs	- registration of mobility per participant in BM - global check of submitted information	Supporting documents as defined in Annex III – Financial and Contractual Rules of the standard grant agreements	(a) check participation in project activities of persons with special needs - or (b) check existence of contract of service provided and/or	Supporting documents as defined in Annex III – Financial and Contractual Rules of the standard grant agreements per budget category

	in line with budget	per budget category (point c – supporting documents)	presence of good purchased	(point c – supporting documents).
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KA2 – Cooperation partnerships from 2022 onwards and Small scale partnerships

As cooperation partnerships from 2022 onwards and small scale partnerships are based on lump sums, please refer to the handbook KA2 Lump Sums (available at: <https://webgate.ec.europa.eu/fpfis/wikis/spaces/ErasmusPlus/pages/1063157982/KA2+Lump+Sums>).

Annex 2 Indicative audit programme (IAP)¹⁴

Conditions to be checked		Procedures	Instructions on findings
KA1 Annex 2 I.1 of the grant agreeme nt (GA)	TRAVEL SUPPORT COST CALCULATION: The costs claimed on the basis of unit costs must comply with the Grant Agreement. The units declared correspond to the actual number of underlying triggering events.	Obtain the calculation of the total number of units claimed by the beneficiary. The unit contribution should be the one applicable to the distance band concerned according to the location of the participant. Obtain proof of attendance of the activity in the form of a declaration signed by the receiving organisation specifying the name of the participant, the purpose of the activity, as well as its starting and end date. Studies should be supported by a Transcript of Records and traineeships by a Traineeship Certificate or statement.	Differences in the number of participants or incorrect use of distance bands, and unit costs not supported by evidence must be quantified and reported as errors
KA1 Annex 2 I.2 of the GA	INDIVIDUAL SUPPORT CALCULATION: The costs claimed on the basis of unit costs must comply with the Grant Agreement. The units declared correspond to the actual number of underlying triggering events	Obtain the calculation of the total number of units claimed by the beneficiary. The grant amount is calculated by multiplying the number of days/months per participant, including accompanying persons, by the unit contribution applicable per day/month for the receiving country concerned as specified in Annex III of the Agreement. Additional travel days before the activity and following the activity can be included for the calculation of individual support, if relevant. If the confirmed period of stay is longer than the one indicated in the grant agreement, the additional days are to be considered a period of 'zero-grant'. For Higher Education (HE) students, confirmed period of stay shorter or longer by 5 days or more than the one indicated in the grant agreement need to be adjusted in the Beneficiary Module. Interruptions, suspensions, and terminations need to be correctly deducted in line with the grant agreement. Obtain proof of attendance of the activity in the form of a declaration signed by the receiving organisation specifying the name of the participant, the purpose of the activity, as well as its starting and end date. Studies should be supported by a Transcript of Records and	Differences in the number of participants, time spent, or incorrect use of unit contributions, and unit costs not supported by evidence, must be quantified and reported as errors. Incorrectly documented changes in duration of the activity which would have given rise to a financial adjustment must be quantified and reported as errors. Other incorrectly documented changes should be recorded as an unquantified error.

¹⁴ For ESC, NAs can use these IAPs for the corresponding categories in Volunteering and Solidarity projects.

		traineeships by a Traineeship Certificate or statement. For volunteers, proof of attendance should be accompanied with proof of payment as specified in the grant agreement.	
KA1 Annex 2 I.33 of the GA	ORGANISATIONAL SUPPORT CALCULATION: The costs claimed on the basis of unit costs must comply with the Grant Agreement. The units declared correspond to the actual number of underlying triggering events	Obtain the calculation of the total number of units claimed by the beneficiary. The grant amount is calculated by multiplying the total number of participants in mobility activities (i.e. regardless of whether the same participant will have undertaken one or more mobilities) by the unit contribution applicable as specified in Annex IV of the Agreement. The total number of participants considered for the calculation of organisational support includes the number of students and staff undertaking inbound and outbound mobility registered . The coordinator may request additional organisational support to the NA for participants with a zero-grant from Erasmus+ EU funds. The total number of persons considered for organisational support excludes persons accompanying participants at their activity abroad and additional mobilities that may be organised by transferring funds between budget categories. Triggering event: the event that conditions the entitlement to the grant is that the participant has actually undertaken the activity abroad. Obtain proof of attendance of the activity in the form of a declaration signed by the participant and the receiving organisation specifying the place and start and end date of the activity, as well as the name of the participant.	Differences in the number of participants, time spent, or incorrect use of unit contributions, and unit costs not supported by evidence, must be quantified and reported as errors. Incorrectly documented changes in duration of the activity which would have given rise to a financial adjustment must be quantified and reported as errors. Other incorrectly documented changes should be recorded as an unquantified error.

KA1 Annex 2I.4 of the GA	PROJECT MANAGEMENT COSTS (For Youth Participation Activities): The costs claimed on the basis of unit costs must comply with the Grant Agreement. The units declared correspond to the actual number of underlying triggering events	Obtain the calculation of the total number of units claimed by the beneficiary. The grant amount is calculated by multiplying the total number of months of the project duration by the unit contribution applicable to the beneficiary, as specified in Annex 3 of the Agreement. The beneficiaries must agree on the distribution of the amount between them depending on their respective workload and contribution to the project activities and results. Triggering event: the event that conditions the entitlement to the grant is that the beneficiary implements the project activities and produces the project outputs to be covered from this budget category as applied for in the grant application and as approved by the NA. Obtain as applicable: proof of activities undertaken and outputs produced provided in the form of a description of these activities and outputs in the final report.	Differences in the time spent, or incorrect use of unit contributions, and unit costs not supported by evidence, must be quantified and reported as errors. Incorrectly documented changes in duration of the activity which would have given rise to a financial adjustment must be quantified and reported as errors. Other incorrectly documented changes should be recorded as an unquantified error.
KA1 Annex 2 I.5 of the GA	COACHING COSTS (For Youth Participation Activities): The costs claimed on the basis of unit costs must comply with the Grant Agreement. The units declared correspond to the actual number of underlying triggering events.	Obtain the total number of units claimed by the beneficiary. The grant amount is calculated by multiplying the working days of the coach by the unit contribution applicable for the country concerned as specified in Annex 3 of the Agreement. A cap limiting the amount awarded for coaching costs will be set at maximum 12 days per project. Triggering event: the event that conditions the entitlement to the grant is that the beneficiary has used the services of a coach/several coaches. Obtain as applicable: proof of involvement of the coach in the project in the form of a description of the undertaken activities and proof of the time spent on the project by the coach in the form of a time sheet.	Differences in the working days of the coach or incorrect use of unit contributions, and unit costs not supported by evidence must be quantified and reported as errors. Incorrectly documented changes in duration of the activity which would have given rise to a financial adjustment must be quantified and reported as errors. Other incorrectly documented changes should be recorded as an unquantified error.

KA1 Annex 2. I. of the GA	ADDITIONAL FUNDING FOR PHYSICAL EVENTS IN YPA PROJECTS (For youth participation events support): The costs claimed on the basis of unit costs must comply with the Grant Agreement. The units declared correspond to the actual number of underlying triggering events.	Obtain the total number of units claimed by the beneficiary. The grant amount is calculated by multiplying the total number of participants in physical project events by the unit contribution applicable as specified in Annex 3 of the Agreement. The total number of participants considered for the calculation of Youth Participation events support includes the number of participants physically present during the events, with the exception of staff of the participating organisation(s)/ members of the informal group(s) of young people and facilitators (but including decision makers, if relevant). Triggering event: the event that conditions the entitlement to the grant is that the participant has actually physically attended the activity at its venue. Obtain as applicable: proof of attendance of the activity in the form of a declaration signed by the participants and receiving organisation, specifying the name of the participant (and the name and address of the sending organisation of the participant, if relevant), the purpose of the activity, as well as its starting and end date. Detailed agenda of the event and any documents used or distributed during the event.	Differences in the total number of physical participants or incorrect use of unit contributions, and unit costs not supported by evidence must be quantified and reported as errors. Incorrectly documented changes in the total number of physical participants which would have given rise to a financial adjustment must be quantified and reported as errors. Other incorrectly documented changes should be recorded as an unquantified error.
KA1 Annex 2 I.7 of the GA	INCLUSION SUPPORT FOR ORGANISATIONS: The costs claimed on the basis of unit costs must comply with the Grant Agreement. The units declared correspond to the actual number of underlying triggering events.	Obtain the total number of units claimed by the beneficiary. Calculation of the grant amount: the grant amount is calculated by multiplying the total number of participants with [HE: inclusion support] [All but HE: fewer opportunities] in mobility activities by the unit contribution applicable, as specified in Annex IV of the Agreement. Triggering event: the event that conditions the entitlement to the grant is that the participant has actually undertaken the activity [for HE: and received inclusion support for participants], [for YPA: the participating organisation has organised the mobility for the participant]. Obtain as applicable: (For Youth) proof of attendance of the activity in the form of a declaration signed by the sending and the receiving organisation specifying the name of the participant, the purpose of the activity, as well as its starting and end date. For HE: supporting documents proving the payment of the inclusion support for participants, as specified in section 2.1 of this Annex. For SE/AE/VET/SPO: same supporting documents as required for travel support. For ALL but HE: In addition: documentation specified by the relevant NA as admissible proof that the participant belongs to one of the categories of fewer opportunities listed in the Programme Guide.	Differences in the total number of participations or incorrect use of unit contributions, and unit costs not supported by evidence must be quantified and reported as errors.
KA1 Annex 2 I.8 of the GA	LINGUISTIC SUPPORT: The costs claimed on the basis of unit costs must comply with the Grant Agreement. The units declared	Obtain the calculation of the total number of units claimed by the beneficiary. The grant amount is calculated by multiplying the total number of participants receiving linguistic support by the unit contribution as specified in Annex 3 of the Agreement.	Differences in the number of participants, time spent, or incorrect use of unit contributions, and unit costs not supported by evidence, must be quantified and reported as errors.

	correspond to the actual number of underlying triggering events	Triggering event: the event that conditions the entitlement to the grant is that the participant has actually undertaken language preparation in the language of instruction of work abroad. Supporting documents: proof of attendance of courses in the form of a declaration signed by the course provider, specifying the name of the participant, the language taught, the format and duration of the linguistic support provided by the sending or receiving organisation: a declaration signed and dated by the organisation providing the training, specifying the name of the participant, the language taught, the format and duration of the linguistic training provided.	
KA1 Annex 2 I.9 of the GA	COURSE FEES: The costs claimed on the basis of unit costs must comply with the Grant Agreement. The units declared correspond to the actual number of underlying triggering events	Obtain the calculation of the total number of units claimed by the beneficiary. multiplying the total number of days per course or training by the unit contribution applicable as specified in Annex 3 of the Agreement. Only the days during which the learning activity actually takes place are considered for the calculation of the grant support for course fees Triggering event: The unit contribution for course fees is paid only if the participant has actually participated in a course or training requiring payment of a course fee. Supporting documents: Proof of enrolment in the course or training and of payment of a course fee in the form of an invoice or other declaration issued and signed by the course or training provider specifying the name of the participant, the name of the course or training taken, as well as the start and end date of the participant's participation.	Differences in the number of participants, time spent, or incorrect use of unit contributions, and unit costs not supported by evidence, must be quantified and reported as errors.
KA1 Annex 2 I.10H of the GA	PREPARATORY VISITS (For SE/VET/AE, Youth (with the exception of YPA and DiscoverEU inclusion action))	Obtain the total number of units claimed by the beneficiary. The grant amount is calculated by multiplying the total number of persons participating in preparatory visits by the unit contribution applicable, as specified in Annex 3 of the Agreement and with the limitations specified in the Programme Guide. Triggering event: the event that conditions the entitlement to the grant is that the person has actually undertaken the preparatory visit. Supporting documents: Proof of attendance of the preparatory visit in the form of a completed agenda, including the names of the visiting persons, and signed by the visiting persons and the hosting organisation.	Differences in the total number of participations or incorrect use of unit contributions, and unit costs not supported by evidence must be quantified and reported as errors.

KA1 Annex 2 2.1 of the GA	INCLUSION SUPPORT FOR PARTICIPANTS	The grant is a reimbursement of 100% of the eligible costs actually incurred. Supporting documents: Documentation justifying the need for inclusion support for the participant signed by the receiving or sending organisation specifying the name of the participant, the purpose of the activity, as well as its start and end date, documentation of the planned real costs and their approval by the NA, and] proof of payment of the related costs on the basis of invoices specifying the name and address of the body issuing the invoice, the amount and currency, the date of the invoice, and if relevant a documentation signed by the receiving organisation specifying the confirmed start and end date of the stay of the accompanying person.	Differences in the eligible actual costs incurred compared to those claimed, and any costs not supported by evidence, must be quantified and reported as errors.
KA1 Annex III II.1.B of the GA	EXCEPTIONAL COSTS	Obtain the calculation of actual costs claimed by the beneficiary. The grant is a reimbursement of a percentage of eligible costs, as defined in the Programme Guide for each budget category. Supporting documents: Proof of the cost of the financial guarantee issued by the body providing the guarantee to the beneficiary, specifying the name and address of the body issuing the financial guarantee, the amount and currency of the cost of the guarantee, and providing the date and signature of the legal representative of the body issuing the guarantee. In the case of expensive travel costs: [Option for HE KA131: documentation justifying the need for this grant for the participant signed by the receiving or sending organisation specifying the name of the participant, the purpose of the activity, as well as its start and end date, documentation of the planned real costs and their approval by the NA, and] proof of payment of the related costs on the basis of invoices specifying the name and address of the body issuing the invoice, the amount and currency, the date of the invoice and the travel route. [Option for Youth and SE/VET/AE/SPO: In the case of travel costs related to visa, residence permits and vaccinations and medical certifications: proof of payment of the related costs on the basis of invoices specifying the name and address of the body issuing the invoice, the amount and currency, and the date of the invoice.]	Differences in the eligible actual costs incurred compared to those claimed, and any costs not supported by evidence, must be quantified and reported as errors. Differences in funding percentages (e.g., 80%, 75%) which exceed the amounts specified must be quantified and reported as errors.

KA1 Annex 2 2.3 of the GA	2.3. System Development and Outreach Activities	The grant is a reimbursement of 80% of the eligible costs actually incurred for costs directly linked to the implementation of the complementary activities and including a flat-rate amount for indirect costs not exceeding 7% of the eligible direct costs of the complementary activities. Supporting documents: Proof of payment of the related costs on the basis of invoices of the actual costs incurred, specifying the name and address of the body issuing the invoice, the amount and currency, and the date of the invoice.	Differences in the eligible actual costs incurred compared to those claimed, and any costs not supported by evidence, must be quantified and reported as errors. Differences in funding percentages (e.g., 80%, 75%) which exceed the amounts specified must be quantified and reported as errors.
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Annex 3: Quick tips on risk-based checks

1. Introduction

This annex offers some preliminary guidance on identification of risk-based checks.

2. Definition of ‘risk’

A risk-based check prioritises the projects based on the level of risk they pose to the EU financial interest. It involves identifying, assessing, and prioritising risks and implementing controls to mitigate those risks effectively.

Risk-based checks have a higher expected error, in percentage or in absolute terms. An NA may use the following parameters for targeting beneficiaries for the risk-based checks:

- fraud-risks;
- poor quality performance;
- the large amount of grants received, as even a small error rate, if systematic, may lead to large recoveries;
- the low organisational capacity (target sectors such as Youth and VET where is typically the case).

- Verification of the reality of the projects is fundamental
- ‘Fake’ projects are the most damaging to the reputation of the programme
- A key risk factor is concentration of funds
- Difficulties in inspecting, making visits etc. are also red flags

The reputational effect of fraud is significant and NAs should adopt a ‘zero tolerance’ policy. Where an NA has doubts or suspicions regarding beneficiary, especially one which has received a significant number of contracts, they should perform appropriate risk testing either via a desk or on-the-spot check to verify that the beneficiary is delivering on the project plan in reality, and no irregularity is taking place.

‘Red flags’ should assist in the fraud risk identification such as:

- a beneficiary which only operates outside the NA’s country;
- where the website is out of date and does not contain photos or other documentation of activities;
- poor quality reports or other deliverables;
- complaints or anomalies in the participant reports.

Any of these or other grounds for suspicion should be followed up. If there is a lack of response from the beneficiary, DG EAC can assist if necessary.

Poor quality performance is also a risk factor as it may indicate more serious issues:

- Poor performance may indicate fraud
- Participant complaints should be logged and followed up
- Final report checking should objectively and critically assess quality, and act on lack of delivery by making deductions
- Persistently low final report scores, complaints

Size and sector based selection

Ranking ‘top receivers’ across the programme

Where there are no specific concerns or suspicions regarding beneficiaries, risk testing can be used as an opportunity to target a greater number of ‘Coverage based checks’/ concentration of funds, especially in areas outside Higher Education.

NAs must decide on their risk-based checks’ strategy, taking into account data or other considerations they think important. In particular, it is not mandatory to perform a check on organisations simply based on size considerations (excluding the criterion of top 15% beneficiaries), but it can help when deciding on risk-based checks.

NAs who have not identified any other risk factors, are invited to start with the largest receivers and, in combination with their local knowledge, consider including these OIDs, which have had no check yet, for selective testing.

Possible testing approaches for NAs

The most important thing to note when using any ranking is that it does not replace NA judgement. Each NA will have a different assessment of risk-based on national circumstances, and indeed this is the added value of having NAs which are close to the beneficiaries.

The NAs must also consider what kind of check is most appropriate, given the NAs administrative capacity and other logistical considerations. For recurrent beneficiaries, system checks may be the most useful but will not always be practical. Another useful approach would be to choose the largest currently running project and to perform an on the-spot check during the project implementation.

Checks are performed on projects and thus performing risk based checks according to the overall budget focuses on the organisation itself rather than on individual projects. Thus, although a system check in KA1 is probably the most complete check that can be performed on an institution’s work, it is not compatible with projects of different actions (e.g.: a KA131 and a KA122 project). In those cases, the NA will, have to choose a project out of the ones the organisation has ongoing (probably, the one with the highest budget) or to include multiple projects in its check.