

Development of System for Management of Cohesion Policy

Terms of Reference for Assignment of two

Senior Non-Key Expert as

Senior Trainer on the IPA III Internal Control Framework – System Level Verifications

1. Background

This assignment shall be carried out within the framework of project “Development of the System for the Management of Cohesion Policy” financed by European Union under IPA, having as Project Partner and Main Beneficiary the Ministry of European Integration (MEI).

The overall objective is to prepare the Serbian public administration for the effective implementation of the EU Cohesion Policy in the Republic of Serbia. The purpose of the contract is to set up and enhance the capacities of all relevant stakeholders for timely and efficient preparation, implementation, monitoring and evaluation of programmes and projects supported by Structural Funds and Cohesion Fund.

The results to be achieved by the Contractor are as follows:

Result 1: Legal and institutional framework for the implementation of EU Cohesion Policy in place.

Result 2: Relevant planning and programming documents for IPA III multi-annual programming prepared.

Result 3: Capacities of institutions and bodies nominated for preparation / implementation of multi-annual Operational Programmes under IPA with a view of their future role under Cohesion Policy, as well as partners and potential beneficiaries at national level, and as appropriate at sub-national level, increased via Capacity Building programmes.

The Project started on 11 July 2019 and was extended until 10 July 2024 to take into account the European Commission's new approach aimed at accelerating the convergence of current IPA structures with the management and control systems established in EU Member States receiving Cohesion Policy funding through the preparation and implementation of **Operational Programmes (OPs) under IPA III in the period 2021-2027**. It is expected that the Operational Programmes will reflect a more mature partnership between the Commission and the Republic of Serbia, as, if established in line with the requirements of the accession negotiations - Chapter 22 (Regional Policy and Coordination of Structural Instruments), they will represent a further step on the path to EU accession and thus can contribute to meeting the final benchmarks for negotiating countries. In policy terms, the Operational Programmes can also make an important contribution to the implementation of the Western Balkans Economic and Investment Plan and the Green Agenda, both of which aim to strengthen the economies of the Western Balkans through investment and the promotion of competitiveness and inclusive growth, sustainable connectivity and the twin green and digital transitions. In this context, the Operational Programmes provide a multi-annual fiscally-framed investment plan with a predictable medium-term implementation of a

number of flagship projects reflecting the programming process of the EU Member States under the EU Cohesion Policy.

The IPA III Operational Programmes for the period 2024-2027 will be implemented by the designated Managing Authorities and Intermediate Bodies. A Manual of Procedures (MoP) has been prepared to support implementation of the Operational Programmes in compliance with all the stipulations included under the Financial Framework Partnership Agreement (FFPA), the inter-institutional agreements and other applicable rules.

The Manual of procedures includes the following chapters:

#	Chapter title	Applicable for	Responsible
A	Overview of the Legal, Institutional and Procedural Framework	all IPA III Bodies	NAO SO
B	Manuals of Procedures	all IPA III Bodies	NAO SO
C	Entrustment and Internal Control	all IPA III Bodies	NAO SO
D	Risk Management	all IPA III Bodies	NAO SO
E	Human Resources Management	all IPA III Bodies	NAO SO
F	Programming (AAPs and OPs)	NIPAC TS, MA, NAO SO, AB, IBFM, IBPM	NIPAC TS
F	Programming (CBCPs)	NIPAC, CBC MA, NAO SO, AB, IBFM	CBC MA
G	Publicity and visibility (AAPs and OPs)	NIPAC TS, MA, NAO SO, AB, IBFM, IBPM	NIPAC TS
G	Publicity and visibility (CBCPs)	NIPAC, CBC MA, NAO SO, AB, IBFM	CBC MA
H	Tendering & contracting (AAPs and OPs)	MA, IBFM, IBPM	MA*/IBFM
H	Selection of operations and Grants award (CBCPs)	CBC MA, IBFM	CBC MA*/IBFM
I	Financial management	AB, IBFM, MA	AB
J	Accounting (for AB)	AB	AB
J	Accounting (for IBFM)	IBFM	IBFM
K	Irregularity Management	all IPA III Bodies	NAO SO
L	Information security	all IPA III Bodies	NAO SO
M	Contract management (AAPs and OPs)	MA, IBFM, IBPMs	MA*/IBFM
M	Contract management (CBCPs)	CBC MA, IBFM	CBC MA*/IBFM
N	Monitoring (AAPs and OPs)	NIPAC TS, MA, NAO SO, AB, IBFM, IBPM	NIPAC TS
N	Monitoring (CBCPs)	CBC MA, NAO SO, AB, IBFM	CBC MA
O	Evaluation (AAPs and OPs)	NIPAC TS, MA, NAO SO, AB, IBFM, IBPM	NIPAC TS
O	Evaluation (CBCPs)	CBC MA, NAO SO, AB, IBFM	CBC MA

* MA is mentioned as a responsible body in its supervisory capacity ensuring that the intermediate bodies have established appropriate procedures in relation to the scope of their responsibilities

The Contracting Authority for the above-mentioned project is the **EU Delegation to the Republic of Serbia (EUD)**. The Service Contractor is **GIZ Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH in consortium with Mott MacDonald, Archidata and Ismeri**.

The assignment of a Senior Non-Key Expert as Senior Trainer on the IPA III Internal Control Framework will be framed within the third project component focusing on preparation and delivery of a **2-Day Workshop on the Supervisory Role of the Managing Authorities under IPA III Operational Programmes**. As part of the preparation of the national authorities of the Republic of Serbia responsible for the implementation of the EU Instrument for Pre-Accession (IPA III) in indirect management (IMBC) for the multiannual Operational Programmes 2024-2027, the workshop shall introduce the procedure – incorporated in different Chapters of the MoP - of monitoring the delegated functions and tasks in accordance with the requirements of the Financial Framework Partnership Agreement for IPA III (FFPA), Annex A, Clause 6 (4) (6) on supervision by Managing Authorities of the performance of Intermediate Bodies for financial management and supervision of the work of Intermediate Bodies for policy management. The supervision of delegated functions and tasks is a monitoring activity carried out by the Managing Authority within the framework of the continuous and specific assessments on the functioning of internal control as of FFPA Annex B Component V. It includes both ongoing assessments and the organisation of formal reviews on Intermediate Bodies through administrative and on-the-spot verifications.

This workshop will be complementary to the workshop on Manual of Procedures of Managing Authorities and Intermediate Bodies for Policy Management under IPA III Operational Programmes that is also organised under the Cohesion Policy Project.

2. Description of the Assignment

The selected Expert shall prepare and deliver a **2-Day Workshop on the Supervisory Role of the Managing Authorities in IPA III Operational Programmes** including presentations, questions and answers and trainer-led exercises. The expected outcome is the ability of the participants from the Managing Authorities to prepare, conduct and report on the system level verifications carried out by the Managing Authorities for the two types of Intermediate Bodies: Intermediate Body for Policy Management and Intermediate Body for Financial Management, and by the participants from the Intermediate Bodies to support the system level verifications by preparing and providing the required information.

To achieve this result, the approach to be adopted must include exercises that allow the participants to understand the organisational aspects of system level verifications and how the procedure should be concretely implemented, that is:

- Who should perform the System-level verifications in the Managing Authority – considering segregation of duties and workload analysis related to this task.
- How the processes and operations to be supervised should be selected, based on an appropriate risk approach;
- How the desk and on-the-spot system level verifications by the Managing Authority on Intermediate Bodies will be planned and prepared;
- How using the templates in the Manual of Procedures and preparing specific check lists for system level verifications;
- How carrying out the verifications, report on the verifications done, and issue and follow up on the recommendations.
- How the Intermediate Bodies should support Managing Authorities during preparation and execution of the verifications.

The MoP will be provided to the selected Trainer before the start of the assignment.

An indicative agenda for the workshop is attached to these Terms of Reference.

The selected trainer will:

- 1) Review and revise the attached draft agenda for the workshop with the Team Leader and the Senior Non-Key Expert on Planning, Programming and Administrative Capacity;
- 2) Prepare the training materials including PPT, exercises and exercise solutions, and submit them to the Team Leader 5 working days before the date scheduled for the workshop;
- 3) Deliver the workshop;
- 4) Prepare short monthly reports describing the work carried out and its results, and containing recommendations that can be given to the Beneficiary from the expert's point of view, including further training on the same topic and other recommendations deemed useful for the future effective and efficient organisation of system level verifications at Intermediate Bodies. Monthly reports prepared by using the Project template are submitted to the Team Leader.

3. Profile of the Trainer on IPA III Internal Control Framework

Required Qualifications and Skills

University Degree at Master's level (4 or more years).

Certificate of Internal Auditor in course of validity or experience gained in audit position in the last ten years in Audit Authority or Internal Audit Service or National Authorising Officer Support Office (desirable).

Fluency in written and spoken English. Knowledge of the Serbian language is highly desirable.

Advanced Computer literacy (MS Office including Excel, PowerPoint, Internet).

Very good communication and presentation skills.

General Professional Experience

Min. 8 years relevant professional experience.

Knowledge of the internal control framework for EU funds management and internal control, procedures and rules.

Specific Professional Experience

Min. 5 years of specific experience in compliance assessment of EU funds management systems, and/or monitoring of internal control systems for EU funds management or, alternatively, min. 5 years of specific experience in audit of EU funds.

3. Location, duration, (provisional) start/end date

Location: the expert will be working in Belgrade, Serbia, at Project Office and other locations in Belgrade. Missions outside Belgrade could also prove necessary – these shall have to be pre-authorized by the Team Leader and the Contracting Authority.

Starting/ending date: April 2024/May 2024.



Total number of working days: 5

Home-based work for preparing the training and reporting allowed if duly authorised by the Contracting Authority.

Date: 04/04/2024, Version: 4

2-Day Workshop on Supervisory Role of the Managing Authorities on Intermediate Bodies (IBPMs and IBFM)

under IPA III Operational Programmes

Draft AGENDA

DAY 1 – 25/April/2024

09:00 – 09:10

Introduction

- Welcoming notes
- Purpose of the workshop and presentation of the Workshop Agenda

Representative from the national authorities

Danuta Jablonska, Chesion Policy Project Team Leader

09:10 – 10:15

Supervision of Delegated Programme Management Functions and Tasks under IPA III

- Legal basis and delegation models.
- Division of tasks among bodies within the management and control system for Operational Programmes funded under IPA III.
- Continuous and specific assessments.
- Audit trail of processes managed by the Intermediate Bodies.

Senior Trainer on IPA III Internal Control Framework

10:15 – 10:30

Questions and Answers Session

10:30 – 10:45

Break

10:45 – 12:15

Organisation of the MA Supervisory Role

- MA Supervisory role by process as established under the Manual of Procedures, reporting by the Intermediate Bodies to the MA, communication channels and coordination.
 - Difference between management verifications and system-level verifications.
 - Who should perform the System-level verifications in the Managing Authority – consider segregation of duties and workload analysis related to this task.
 - System level verifications by the Managing Authority at Intermediate Bodies: i) Planning, preparation, provision of information to the verified body, templates from the Manual of Procedures; ii) Identification of checks to be performed on *desk* and *on-the-spot* basis during system
-

level verifications (identification of tasks of the verified body, identification of requirements for the performance of tasks, identification of risky tasks, formulation of verification questions).

- Selection of contracts to be included within the system level verification process: risk-based analysis and walk-through tests.

Senior Trainer on IPA III Internal Control Framework

12:15 – 12:30 **Questions and Answers Session**

12:30 – 13:30 *Lunch Break*

13:30 – 14:30 **System level verifications: Risk Assessment of processes and operations**

- Approach to risk assessment and sample selection of systems (processes) and operations to define the scope of checks on Intermediate Bodies.

Senior Trainer on IPA III Internal Control Framework

14:30 – 14:45 **Question and Answers**

Closing Remarks for Day 1

Senior Trainer on IPA III Internal Control Framework

Danuta Jablonska, Chesion Policy Project Team Leader

DAY 2 – 26/April/2024

09:00 – 09:10 **Opening of Day 2 and introduction of the agenda**

Danuta Jablonska, Chesion Policy Project Team Leader

09:10 – 10:15 **Risk Assessment of processes and operations (continuation)**

- Exercise 1 on Scope of system level verifications **for each IBPM** (guided by the trainer): Risk assessment of IBPM processes. Sample selection of processes and operations.

Senior Trainer on IPA III Internal Control Framework

10:15 – 10:30 **Questions and Answers Session**

10:30 – 10:45 *Coffee Break*

10:45 – 12:15

Risk Assessment of processes and operations (continuation)

- Presentation and discussion of results of Exercise 1.
- Exercise 2 on Scope of IBFM system level verifications: Risk assessment of IBFM processes. Sample selection of processes and operations.
- Presentation and discussion of results of Exercise 2.

Senior Trainer on IPA III Internal Control Framework

12:15 – 12:30

Questions and Answers Session

12:30 – 13:30

Lunch Break

13:30 – 14:30

Performing and Reporting on system level verifications

- Drafting checklists for desk and on-the-spot system level verifications of IBPMs and IBFM.
- Performing system level verifications.
- Reporting on desk and on-the-spot system level verifications of IBPMs and IBFM including recommendations.
- Register of recommendations.

Senior Trainer on IPA III Internal Control Framework

14:30 – 14:45

Wrap-up session

Senior Trainer on IPA III Internal Control Framework

Danuta Jablonska, Cohesion Policy Project Team Leader
