



EUROPEAN COMMISSION
Employment, Social Affairs and Equal Opportunities DG
European Globalisation Adjustment Fund

EGF

Requirements for the contents of a Final Report on the execution of a contribution from the European Globalisation Adjustment Fund (EGF)¹,

In accordance with Regulation 1927/2006, Article 15(1), Member States should present a final report on the execution of the financial contribution from the EGF no later than six months after the expiry of the twelve-month period of use of the contribution.

The Final Report should be submitted along with a statement justifying the expenditure.

This report, and the statement justifying the expenditure, should be submitted formally in writing by the competent authority of the Member State to:

The Director General
Directorate General for Employment, Social Affairs and Equal Opportunities
European Commission
B-1049 Brussels
Belgium

In addition, Member States are encouraged to submit a copy of the report and the statement justifying the expenditure by e-mail to:

EMPL-EGF-Closure@ec.europa.eu

¹ Regulation (EC) No 1927/2006 of the European Parliament and of the Council of 20 December 2006 on establishing the European Globalisation Adjustment Fund, Official Journal of the European Union L 406, 30/12/2006, p. 1.

Section 1 – Identification of the EGF contribution

1. Name of Member State:

IRELAND

2. Full name and address of the authority submitting this report:

Department of Education and Skills
Marlborough Street
Dublin 1

3. EGF reference number [in the format EGF/200y/nn]:

EGF/2009/008 IE/Dell

Section 2 – Types of actions implemented

4. Cost of actions (please complete the table below)

Actions	Cost of actions - Original Budget as described in the application, and approved through the Decision allocation the EGF Contribution			Cost of actions - Actual Outcome		
	Numbers of workers targeted (estimated number) a	Cost per worker targeted (estimate in Euro) b	Total cost (EGF and national co-financing) Euro c=a*b	Numbers of workers assisted (number) a	Cost per worker assisted (Euro) b	Total cost (EGF and national co-financing) Euro c=a*b
Under Part A please use a separate line for each separate action						
A. Actions (list individual actions planned) (Art. 3.1)						
FAS Occupational guidance	2,400	100	240,000	2589	74.32	192,412.00
FAS Training Programmes	500	2,600	1,300,000	1879	1,750.65	3,289,478.00
FAS Training Allowances	500	5,200	2,600,000	231	3,375.34	779,703.00
In company Internships Training Cost	200	6,760	1,352,000	104	3,657.73	380,404.00
In company Internships Training Allowance	200	2,600	520,000	104	6,798.40	707,034.00
VEC Training Programmes	325	4,200	1,365,000	410	1,504.10	616,680.83
Third Level Courses up to and including (Level 6)	300	10,000	3,000,000	226	3,835.49	866,821.09
Third Level Courses (Level 7)	75	10,000	750,000	47	5,052.34	237,460.13
Third Level Courses (Level 8)	75	10,000	750,000	111	8,816.39	978,619.47
Third Level Courses (Level 9)	50	10,000	500,000	29	7,822.95	226,865.52
Back to Education Allowance (BTEA)	500	8,780	4,390,000	156	9,320.16	1,453,944.57
Student Maintenance Grant	250	12,000	3,000,000	26	8,388.08	218,089.97
Enterprise Ireland Entrepreneurship programme	20	2,500	50,000	0	0	0
Campus Enterprise Programme (CORD)	20	30,000	600,000	0	0	0
EI/CEB Entrepreneurship promotion	2,000	50	100,000	186	156.84	29,173.10
EI/CEB Aid for self-employment (grants)	50	20,000	1,000,000	304	10,704.61	3,254,202.08
EI Financial Support for Start Ups	20	15,000	300,000	0	0	0
Sub-total Actions	7,485	2,914.76	21,817,000	6,402	2,066.68	13,230,887.76
B. Technical Assistance for implementing EGF (Art. 3.3)						
preparatory			50,000			6,146.61
management			300,000			361,432.24
information and publicity			350,000			21,131.43

control activities			
Sub-total Technical Assistance	300,000	0.00	
	1,000,000	388,710.28	
TOTAL COST	22,817,000	13,619,598.04	

5. **Description of the personalised services to individual workers affected that were actually implemented, with an explanation of any divergences with respect to the application (and Decision on the financial contribution adopted by the Commission):**

A broad range of supports and services were made available to redundant workers from Dell and identified ancillary companies. The key bodies involved in the preparation and delivery of supports to EGF clients were as follows:

- i. FÁS – The Irish National Training and Employment Authority
- ii. Enterprise Ireland \ City and County Enterprise Boards
- iii. Vocational Education Committees (VEC)
- iv. Higher Education Authority (HEA) \ higher education institutions
- v. Private training companies

(i) FÁS

The state training and employment authority had a pivotal role in the delivery of occupational guidance services and general training interventions. The normal suite of FÁS training programmes and supports were made available to all EGF clients. In addition, the state training agency developed a number of training interventions, targeted specifically at EGF clients. EGF clients who availed of FÁS related interventions received FETAC certification or industry certification on successful completion of their examinations.

Occupational Guidance

Provision of guidance services was identified by FÁS as a critical intervention, the core focus of which was to ensure that redundant workers received an early intervention that would maintain individual motivation and strengthen both their self confidence and self belief – key skills for re-entry to the labour market.

Initial guidance services to redundant workers were undertaken on site in Dell and in affected downstream companies. Subsequently, guidance services continued to be provided via local FÁS offices. Workers had an opportunity to have one-to-one meetings with employment services officers. Typically this involved discussing options regarding specific training programmes, possible employment opportunities, CV preparation and interviewing skills. Occupational guidance services continued to be provided to redundant workers throughout the implementation period, with many receiving multiple occupational guidance sessions.

Training programmes

The full FÁS training provision was available to affected workers. The initial training provision was offered on site in Dell and mainly focused on ICT, CV and interview techniques. In addition, FÁS provided training programmes via its network of training centres, in Limerick, the Mid-West region and nationwide – where workers lived further afield. FÁS also provided additional training interventions through its contracted training provision, which aimed to ensure as far as possible that clients did not have to travel long distances and could avail of upskilling opportunities locally.

New Programmes developed by FÁS for EGF Clients

In response to the emerging needs of EGF clients, FÁS introduced a number of special initiatives in order to provide a more flexible response to clients within the timeframe laid down by the Fund.

These comprised of the following initiatives:

EGF Training Grant

This grant facilitates applicants to participate in accredited training courses outside of those services provided by FÁS and other state agencies. These courses were available from private training colleges or sector specific providers on a short term or more long term duration up to FETAC Level 6 on the National Framework of Qualifications (NFQ) or equivalent. The grant meets the fee component and learning materials specified by the provider for the course.

EGF HETAC Grant

In order to provide similar flexibility in the acquisition of higher education qualifications, FÁS introduced a third level grant scheme to enable EGF clients undertake courses in private higher education institutions. An EGF HETAC grant was payable to private colleges on the meeting of criteria laid down by FÁS for the education and training of EGF clients. This was the first time that this type and level of grant assistance was provided by FÁS in the higher education area. It is a provision that has subsequently been extended to other EGF programmes run in Ireland.

Internships

Given the fact that claimants of EGF were recently redundant workers from 'traditional' or low complexity level manufacturing, an internship programme was designed around maintaining employability skills as well as the provision of new occupational skills in emerging sectors or those where particular skill shortages were evidenced. These sectors included Medical Devices, Financial Services, IT Support & Web Design and Logistics, Distribution and Transport. Companies from these sectors were invited to engage in an internship programme which offered the EGF intern occupational skill training with accreditation, together with a significant level of structured work placement in selected companies. Over thirty companies participated and placed 104 interns in their engagement with FÁS in the EGF internship programmes.

(ii) Enterprise Ireland/City and County Enterprise Boards

Redundant workers from Dell and downstream companies were encouraged through awareness raising and promotional measures to examine the possibility of setting up their own businesses where appropriate. The City and County Enterprise Boards were tasked to provide the appropriate supports and services to ensure maximum take up of entrepreneurship opportunities.

All applicants for assistance received full support from the Boards. This support included one-to-one assistance with completing the application process, provision of mentors to aid and assist with the development of business plans, training in financial management, web design and related training. Grants were provided for self-employment costs and start up costs.

The Enterprise Boards assisted 304 people in this regard – a very significant increase on the targeted number of 50 in the EGF application. Of the 304 clients supported, 191 business start-ups were created which employed some 206 persons.

The amount of expenditure estimated under this provision was exceeded by €1.23 million. The divergence from the amount contained in the application reflected a far higher than expected interest in the enterprise elements of the programme.

(iii) Vocational Education Committees (VEC)

Given the age and educational profile of EGF clients, the VECs offered training programmes at the lower end of the National Framework of Qualifications (NFQ) – typically at levels 3-5. Programmes offered to clients included Basic ICT, Literacy, Photography, Care of the Elderly and basic educational programmes. In addition, VECs also introduced specific structured guidance services, specifically directed to clients who required prolonged supports.

The VECs have significant outreach capacity, which enabled many EGF clients to undertake programmes within their locality.

(iv) Higher Education (Third Level)

Many clients saw the EGF as an opportunity to obtain a higher education qualification to enhance their employability. In order to provide sufficient support to EGF clients who wished to pursue a higher education programme, specific guidance services were introduced. The service, which was provided by the University of Limerick and Limerick Institute of Technology, provided EGF clients with the opportunity to understand the demands of undertaking a higher education programme and offered practical advice on study skills and time management. For many, the EGF provided them with the opportunity to attend higher education for the first time as mature students.

While over 300 of the eligible cohort availed of the opportunity to undertake a higher education programme in the publicly funded sector with another 134 persons participating in the privately provided sector with the assistance of EGF HETAC grants, the uptake was still somewhat lower than the 500 estimated at the application stage. There is therefore a significant underspend in this area when compared to the EGF application particularly when the associated decreased drawn down of student income supports is factored in.

(v) Private Training Suppliers

A significant number of EGF clients opted to avail of training programmes run by private certified training providers where FÁS training was not deemed appropriate in individual circumstances. FÁS, via the EGF training grants, assisted individual workers choose and undertake suitable programmes. This intervention also afforded EGF clients flexibility and freedom of choice in terms of identifying suitable training programmes.

6. Dates on which the actions (personalised services to workers affected) commenced, and ended:

EGF co-financing for services to workers affected began on 3 February 2009 and continued to 28 June 2011. Services to affected workers that continued beyond June 2011 were financed by national funds. For example, an additional year of a higher education provision – in both public and privately funded institutions – was provided through Government funding to enable EGF beneficiaries to progress more substantially in their education at this level.

7. Details of any preparatory, management, information and publicity, and control activities required for implementing the EGF assistance that the Member State financed with EGF assistance:

Preparatory

The measures funded with EGF assistance under this heading related to costs associated with the preparation for the implementation of educational programmes.

Management

The principal activity financed via technical assistance was the salaries and running costs associated with the EGF coordination office, which was established in order to facilitate and coordinate actions on behalf of EGF clients. This dedicated unit was located in Limerick city and had a high local and regional profile. The wage costs of a temporary position to assist with implementation of the EGF in Limerick County Enterprise Board, was also financed with EGF assistance. Other measures funded with EGF assistance under this heading include the installation of a management information system in City of Limerick VEC to capture EGF data and travel and subsistence costs related to the management of the EGF.

Information and Publicity

Measures funded with EGF assistance under this heading are mainly costs associated with the printing of promotional materials and advertising various EGF measures in the media. Further details on the publicity associated with the Dell EGF programme are detailed under Section 7 below.

Section 3 – Workers benefiting from the actions implemented

8. Information on workers who benefited from the EGF contribution: (Please note that the figures provided in Column B in the table below should correspond to those contained in the application for EGF assistance.)

Describe, according to the International Standard Classification of Occupations (ISCO-88, 'major group' headings or two digit codes where appropriate), the categories of workers <u>affected by the redundancies</u> , including, where relevant, those in upstream and downstream enterprises.		Describe the categories of workers targeted for assistance under this application, including, where relevant, those in upstream and downstream enterprises.	Describe the categories of workers <u>who</u> actually benefitted from the assistance under this contribution, including, where relevant, those in upstream and downstream enterprises.
Description	Column A Number	Column B Number.	Column C Number
Categories (add a new row for each separate category)			
Engineering	62	53	56
Facilities	11	9	10
SCM	145	122	132
Finance	6	5	5
CFI	15	13	14
Procurement	3	3	3
HR	8	6	7
Health & Safety	2	1	2
Manufacturing	2,589	2,188	2,360
Total	2,840	2,400	2,589
Gender			
Men	1,818	1,508	1684
Women	1,022	848	905
Nationality			
EU Citizen	2,755	2,285	2507
Non-EU citizen	85	71	82
Age			
15 – 24 (<25)	210	174	96
25 – 54	2,397	1,989	2264
55 – 64 (>=55)	227	188	229
65 + (>=55)	9	7	Included above
Workers with a longstanding health problem or disability	Not available	Not available	25
Membership of a recognised			Total % Women

minority (ethnic, religious, etc) (according to national rules)			
Education Attainment	Primary of lower secondary education (ISCED 1 and 2)		Total 727 % Women 36.1%
	Upper secondary education (ISCED 3) (Level 4/5)		Total 1037 % Women 33.26%
	Post-secondary non tertiary education (ISCED 4) (Level 6)		Total 343 % Women 37.3%
	Tertiary education (ISCED 5 and 6) (Level 7, 8, 9, 10)		Total 383 % Women 33.1%
	Attainment level not available		Total 99 % Women 42.2%
Status on the Labour Market on completion of the assistance	Employed		Total 557 % Women
	Of which Self-employed		Total 191 % Women
	Unemployed / Unknown		Total 1732 % Women
	Inactive		Total 300 % Women
	Of which inactive in education or training		Total 227 % Women

Information on the assisted workers' membership of a recognised minority, levels of educational attainment and status on the labour market on completion of the assistance are indicators defined according to national rules. Those definitions should be provided in a footnote. Whenever the definition of an indicator used is strictly identical to the one used for the ESF (Annexe XXIII of the Commission Implementing Regulation (EC) No 1828/2006), it is sufficient to state so.

Elements on coverage and missing data (whether the figures represent all activities or only part of them) should also be provided.

Section 4 – Main outcomes

9. Outcomes in respect of the regional or local economic situation in the territory or territories concerned:

Support from the EGF allowed for an increased level of personalised assistance to be made available to EGF eligible workers at a time of rapidly increasing

unemployment at both a regional and national level. In total the Dell EGF programme supported 6,402 interventions for 2,589 individual EGF eligible workers across the broad range of guidance, education, training and entrepreneurship supports.

In November 2010, at the request of the Managing Authority, FÁS Planning and Research Unit conducted a survey of EGF eligible workers – both users and non-users of the Fund. The survey found that, while general awareness of the EGF was high, there were significant differences between those who had availed of EGF assistance and those who had not:

- 62% of non-users were unemployed compared to 36% of users.
- 50% of users were in training/education or an employment programme, compared to 5% of non-users
- 61% of users were satisfied with EGF services overall compared to 33% of non-users

A further survey of EGF eligible individuals, which was undertaken by the EGF Coordination Unit in April/May 2011, indicated that 557 of the individuals who received support had obtained employment. This included 191 individuals who were self-employed. A further 227 indicated that they were engaged in further education or training.

The number of persons who have been re-employed or started their own businesses as well as the increased take-up of education and training opportunities has had a considerable positive impact locally and regionally in economic terms. This has also had a considerable positive benefit to individuals in terms of the renewed self-confidence and restoration of dignity that has been afforded to participants in EGF funded programmes.

10. Principal lessons learned with regard to interventions to assist workers affected by mass redundancies:

1. This was the first application Ireland made for support under the EGF. The management, administrative and supports delivery experience gained by the relevant Government Departments, state agencies and service providers has been brought forward in to subsequent applications for assistance under the Fund.
2. Clear communications between state agencies, service providers and affected workers during the application, approval and delivery stages is key to ensuring an effective programme of personalised supports is designed and implemented.
3. The earliest possible intervention with redundant workers is also extremely important. However, many are disorientated by redundancy and need to take some time to review the options available to them. As such a level of ongoing guidance and support would also be recommended.

4. As noted above, people who have been made redundant may require time to consider their future options. The flexibility to amend personalised measures i.e. the introduction of new measures, would therefore be a useful feature to the EGF process during the implementation period.
5. On a technical issue, it would be helpful if the period of eligibility for EGF technical assistance extended beyond the deadline for eligibility for interventions. This would allow for greater support of the necessary management and oversight inputs required in closing an EGF programme and submission of a final report e.g. involvement of external auditors.

Section 5 – Equal opportunities and non-discrimination

11. Steps taken to ensure that the principles of equality of treatment and non-discrimination were respected in the implementation of, and access to, assistance from the EGF:

All EGF clients were contacted and offered assistance on the same basis and were eligible for the same level of supports.

Section 6 – Complementarity

12. Complementarity with assistance provided by other Community instruments, in particular the European Social Fund:

The upskilling, retraining, and enterprise supports that were made available to EGF clients complemented the broad range of ESF supported activities normally available to unemployed people. Assistance from the EGF allowed for an expansion of the normal supports particularly at a time when the region was experiencing mass redundancies and a corresponding increased demand for unemployment services. Assistance from the EGF also allowed for the development of a number of new, tailored, measures specifically targeted at redundant workers eligible for EGF co-financing. These measures included:

- the provision of an EGF training grant to facilitate applicants to participate in accredited training courses (up to FETAC Level 6) outside of those services provided by FÁS and other state agencies
- the provision of an EGF HETAC grant to assist EGF eligible workers to access higher education programmes provided by approved private colleges
- the development of a new internship programme specifically for EGF beneficiaries designed around maintaining employability skills and the provision of new skills in emerging sectors and those with particular identified skills shortages such as Medical Devices, Financial Services, IT Support and Web Design and Logistics, Distribution and Transport

- the development of a number of tailored higher education courses outside of the mainstream curriculum
- the establishment of a dedicated EGF Coordination Unit to coordinate the delivery of personalised services for the affected workers
- prioritised assistance from City and County Enterprise Boards for the EGF eligible cohort, particularly for new enterprises servicing the locally traded services sector outside the normally ERDF funded supports.

13. Description of the mechanisms by which the managing authority for the EGF assistance has ensured that the assistance complements actions of the Member State at national, regional and local level, including those co-financed by the EU Structural Funds:

1. All measures were delivered with the support of local, regional and national service providers on a coordinated basis to ensure complementarity with extra-EGF programmes.
2. A steering group comprising the relevant national and regional state agencies (e.g. FÁS, Enterprise Ireland, IDA Ireland, Department of Education) initially oversaw the preparation of the EGF applicant, and on an ongoing bi-lateral basis these agencies liaised as appropriate with the EGF Managing Authority, the delivery of measures for the EGF eligible cohort. This allowed the relevant Departments and agencies to coordinate their activities over the range of education, training and enterprise supports and to ensure that EGF-supported activities complemented other measures being undertaken both on a regional and sectoral basis, including measures supported by the European Social Fund, ERDF etc.
3. An EGF Steering Group, comprising key stakeholders in the Mid-West region, including worker representatives, met regularly throughout the implementation period to ensure that supports complemented those available in the region.
4. A dedicated EGF Coordination Unit, established to facilitate and coordinate actions on behalf of EGF clients, had a key oversight role in the implementation and delivery of all measures in the education, training and enterprise sectors. This overview of all EGF measures provided further assistance in ensuring complementarity with national/regional supports.

14. Description of the mechanisms by which the managing authority for the EGF assistance has ensured that the specific actions receiving a contribution under the EGF did not also receive assistance from other Community financial instruments:

The financial management and control system for EGF co-financed projects in Ireland is based on the principle of shared responsibilities by way of delegation and administrative agreements within a 'cascade' system. Each level of the cascade takes responsibility for ensuring that the requirements of the financial management and

control system are adhered to at their own levels and that EGF and national rules are complied with.

The EGF claims validation process, as operated by the Managing Authority, provides for confirmation that there has been no double funding.

The EGF Certifying Authority and the primary independent body that performed the second level controls on EGF expenditure are also key bodies in the certification of ESF expenditure, which is considered the main other Community financial instrument that could co-finance EGF type expenditure. This oversight of both EGF and ESF across both these funds decreases the risk of double funding of expenditure from other Community financial instruments and increases the overall assurances of the eligibility of EGF expenditure.

Section 7 – Information and publicity

- 15. Description of the specific activities that the Member State carried out in order to provide information on and publicise the funded actions, including the mechanisms used to highlight the role of the Community and ensure that the contribution from the EGF is visible. Please provide examples of publicity materials where possible.**

National Level

The role of the Community in all EGF-related activities has been emphasised at national, regional and local levels. The Community's contribution has been highlighted by Departments and State agencies at all appropriate occasions, including during parliamentary questions and debates as well as at media events. In addition, the EGF Managing Authority briefed local public representatives and MEPs on several occasions on the progress of the EGF programme and on the EU role therein.

EGF Coordination Unit

This dedicated unit was established to coordinate the broad range of activities involved in the implementation of the EGF programme. Central to those activities, was to ensure that the EGF programme was actively publicised both locally and nationally. The approach adopted was two fold:

External Information and Publicity

- EGF information fair for all EGF clients – February 2010
- Media interviews (Radio, TV)
- Public briefings undertaken with the worker representative body, the Dell Redundant Workers Association
- Dedicated EGF office in Limerick – complete with external EGF signage
- EGF specific letters to clients advising of EGF entitlements and supports
- Briefings on EGF to external bodies\ general public\ local public representatives
- Provision of EGF briefings to clients in their local communities
- Presentations to various Government Departments
- Publicity undertaken by State training providers in local media highlighting EGF funded opportunities.
- Completion of an EGF survey of clients
- Follow-up communication with clients

Internal Information and Publicity

- Briefing on EGF implementation plan to all internal stakeholders (e.g. service providers and intermediate bodies)
- Training and awareness programmes for front line staff
- Regular EGF activity update to the Managing Authority

In addition, an EGF steering group, comprising key stakeholders in the Mid-West region, was established to liaise with the representatives of beneficiaries of the fund on the provision of eligible services and programmes. The group allowed representatives to raise any issues of interest or concern and afforded a public forum for discussion of EGF activities, in particular to redundant workers representatives.

When offering or highlighting relevant measures from service providers, the EGF logo was prominently displayed in publicity materials including on letterheads, posters, brochures, advertisements and application forms.

Section 8 – Management and financial control of the assistance

16. Please detail any changes in the management and control systems as compared to the description provided in the application, specifically any changes in:

16.1. The organisation of the managing and paying authorities and intermediate bodies, of the management and control systems in place in these authorities and bodies

As detailed in the application form, the management and control structures established and operated for the purposes of the EGF in Ireland endeavour to use the experience and benefits of structures employed in the longer established ESF programme, with modifications as appropriate.

At the time the Dell application was submitted in June 2009, the Employment and Training Strategy Unit (ETSU) of the then Department of Enterprise, Trade and Employment was the authority responsible for the management and financial control of the EGF. However, on foot of a Government decision, the training functions of that Department were transferred to the Department of Education and Skills (DES) with effect from 1 May 2010. Accordingly, responsibility for the management and financial control of the EGF transferred with ETSU to DES. At the same time the training functions of the State Training and Employment Authority, FÁS, came under the authority of the DES. Responsibility for FÁS employment services and employment programmes functions of FÁS have been transferred to the Department of Social Protection.

ETSU acts as the national Managing Authority (MA) for the delivery of personalised services and technical assistance measures under the auspices of the EGF and for ensuring the proper financial control of funds expended under the EGF.

A number of Intermediate Bodies (IB) were delegated by the MA to validate EGF claims for reimbursement from Public Beneficiary Bodies (PBB) and to ensure that those organisations and bodies with responsibility for the oversight of service delivery have adequate monitoring and control procedures in place.

The ESF Certifying Authority in the ESF Policy/Operation Section in DES was

designated as the EGF Certifying Authority (CA).

The NDP/Structural Funds Unit in DES was assigned primary responsibility for carrying out the second stage (Ex-Post) checks. This body is functionally independent from the management and payment of monies under EGF programmes.

16.2. The functions vested in them

The main role of the MA is to verify that the programme of personalised services and supports, co-financed through the EGF, has been properly delivered and to ensure that the services rendered are fully supported by verifiably accurate documentation. The MA examines and pays EGF claims submitted by IBs on behalf of PBBs and reports that expenditure to the CA, certifying that:

- it has reasonable assurance that management and control procedures are in place at the IB and;
- steps, including sample checking of information held by the IB and the PBB, have been taken to give a reasonable assurance that the amount of expenditure returned is correct.

IBs are responsible for the claiming of EGF funding from the MA and in most cases for its disbursement to the PBBs (in some cases payments were made directly by the MA to the relevant PBB following IB claims validation). IBs are also responsible for verification that the purpose, scope and scale of the funding is appropriate within the terms of the EGF programme. In addition, IBs ensure that monitoring and adequate recording and internal control procedures in relation to all EGF-related expenditure and claims are established by PBBs and duly documented.

The CA is responsible for the certification of expenditure statements related to EGF co-financed measures. In doing so, the CA satisfies itself on compliance with all requirements relating to the accuracy, legality, eligibility and regularity of the expenditure.

The NDP/Structural Funds Unit ensures that the declaration of final expenditure by the PBB in respect of all paid interim claims is accurate and supported by a clear audit trail and makes a formal declaration to the MA of the total amount of eligible expenditure.

16.3. The allocation of functions between or within their departments, including between the managing and paying authority where they are the same body

The Secretary General, in her capacity as Accounting Officer for the DES with responsibility for EGF, has delegated specific responsibility for certifying claims to an appropriate officer at each level of the "cascade" arrangement through statutory Assignment of Responsibilities of Functions Orders under the Public Service Management Act 1997. This includes delegated orders to officers responsible for the EGF CA, EGF MA, the functionally independent second stage control body and various IBs. This ensures that decisions of these officers cannot be overruled or unduly influenced by more senior officers in the management chain and thus underpins their authority and the segregation of duties and control within the Department during the implementation of EGF programmes.

In addition, and as outlined under paragraph 16.1, a number of IBs have been formally delegated to carry out various EGF roles and responsibilities by the MA under Administrative Agreements.

16.4. The procedures by which claims for reimbursement of expenditure are received, verified, and validated, and by which payments to beneficiaries are authorised, executed and accounted for

The process of reimbursing and verifying EGF-supported expenditure is carried out in two stages.

- the first stage involves checks carried out during the period of eligible expenditure on receipt of interim claims (Ex Ante);
- the second stage involves checks carried out following the end of the period of eligible expenditure at the time of the declaration by the PBB of total EGF expenditure during the programme (Ex Post)

Ex Ante:

PBBs report expenditure to the IBs. Each expenditure report is accompanied by a completed EGF project schedule of costs. PBBs may make claims for the drawdown of spent or committed monies on a regular basis as agreed with IBs and the MA.

IBs certify that management and control procedures are in place in PBBs and that steps, including the checking of sample information, have been taken to give reasonable assurance that the amount of expenditure returned is correct, before verifying and reporting the expenditure to the MA.

The MA verifies that management and control procedures are in place in IBs and that steps, including the checking of sample information, have been taken to give reasonable assurance that the amount of expenditure returned is correct. The MA may also, as and when appropriate, carry out visits to selected PBB sites to satisfy itself as to the adequacy of their management and financial controls.

Providing reasonable assurance has been given on the accuracy of the interim claim by the IB, the MA sign and authorise payment of interim claims to the appropriate body.

Ex Post:

The Ex-post verification of the final expenditure checks take place after the eligible implementation period.

The second level Ex-Post checks are primarily performed by the NDP/Structural Funds Unit (Department of Education and Skills). This Unit is not involved in the EGF management or any Ex-Ante payment controls checks and is, therefore, clearly separated from same. The Unit ensures that the declaration of final expenditure by the PBB in respect of all paid interim claims is accurate and supported by a clear audit trail. The Unit makes a formal declaration to the MA of the total amount of eligible expenditure. In the case of the Dell expenditure included for EGF co-financing, a total of 20% of expenditure has been subject to 2nd level controls to source documentation

by NDP/SF.

Based on this declaration, the MA, if considered appropriate, may carry out a site visit to a PBB to look more closely at its declared final expenditure as part of the third level Ex-post controls.

Additionally, and separate to the work carried out by the NDP/SF Unit, for each final claim/expenditure report, consideration is given by the MA as to whether an audit by independent internal bodies or external auditors should be carried out prior to certification of the final consolidated expenditure report to the CA. In the case of the Dell programme, additional second level Ex-post controls were performed by the external audit company, Grant Thornton, on Limerick City Enterprise Board expenditure and by a body within the Department of Social Protection that is functionally independent of the EGF management and any Ex-ante payment control checks carried out within that Department on Back to Education Allowance expenditure.

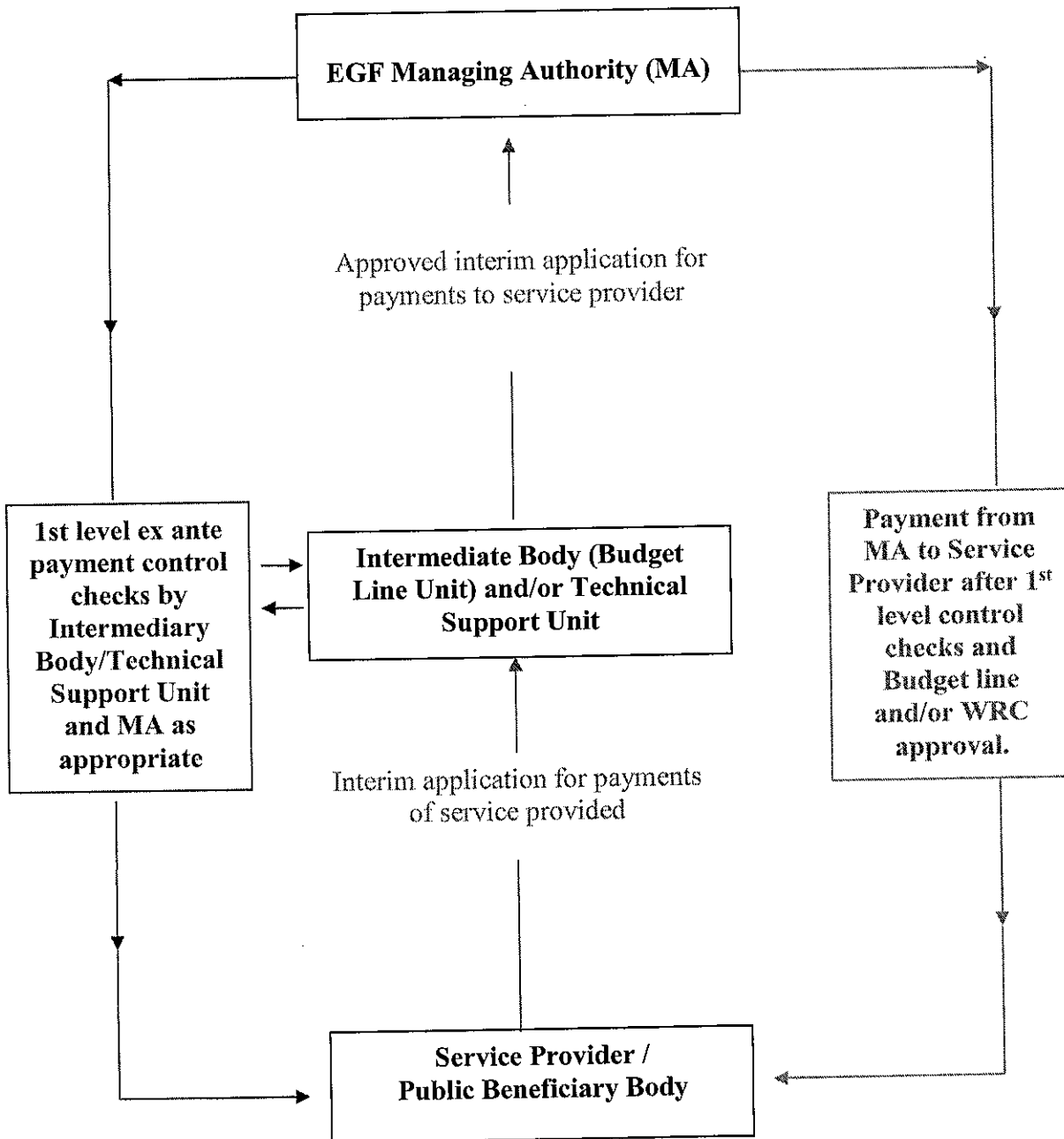
Once it has received reasonable assurance that the final declared amount of expenditure is accurate, the MA reports to the CA that effective steps have been taken to give a reasonable assurance that the amount of final expenditure returned by the PBB and declared by the relevant IB and verified by the NDP/SF Unit is correct. The MA then declares that final total expenditure to the CA for certification.

Before the CA certifies the statement justifying the expenditure in the final report, in line with Article 15 of EU Regulation 1927/2006; it carries out its third level Ex-post controls to gain reasonable assurance;

- that the expenditure is accurate, results from reliable accounting systems and is based on verifiable supporting documents and complies with applicable European Community and National rules,
- that expenditure has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the EGF programme,
- that it has received adequate information from the MA on the procedures and verifications carried out in relation to expenditure included in the statements of expenditure,
- by taking account of the results of all control checks carried out on the expenditure.

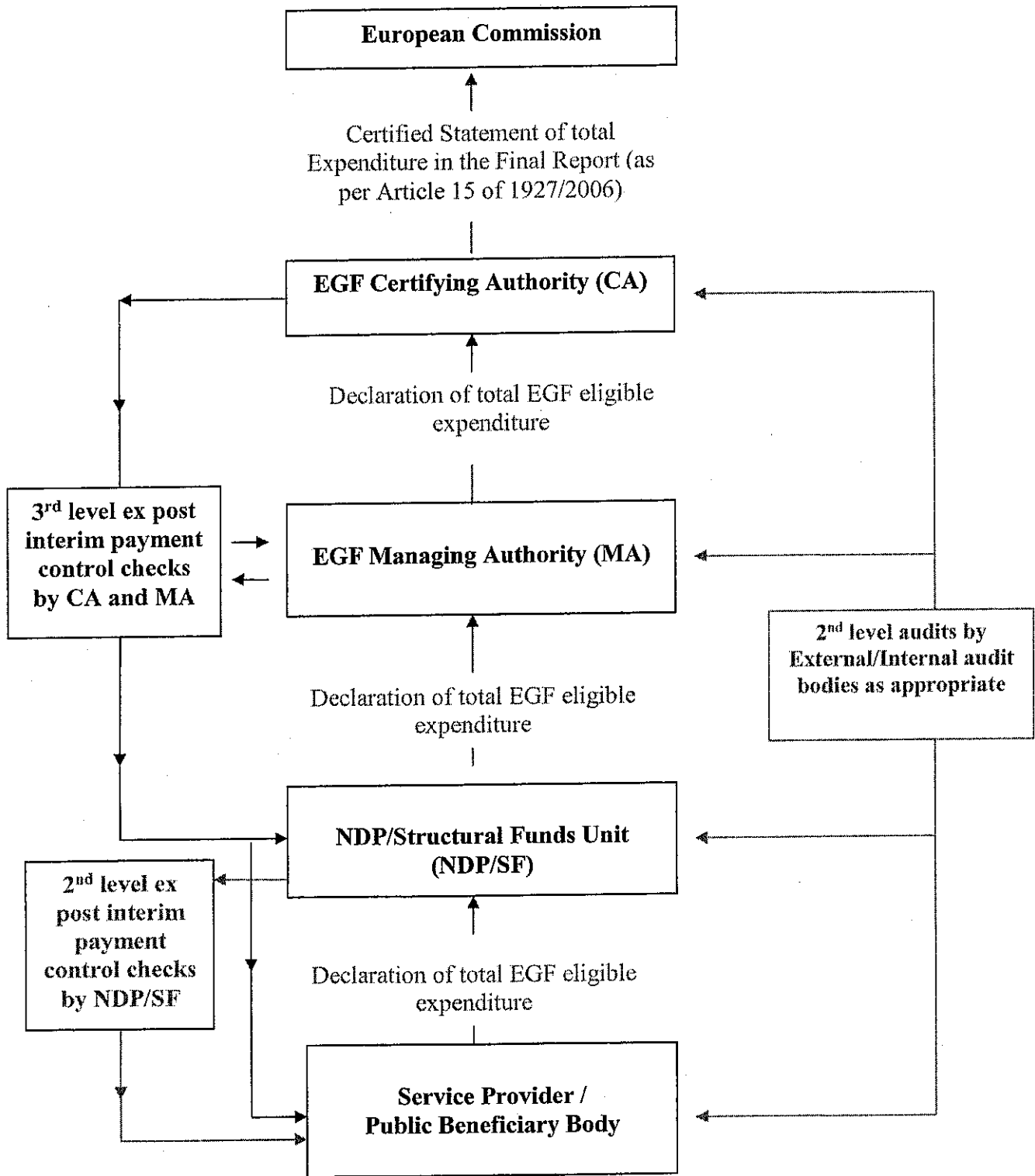
The operation of the reporting cascade at both Ex Ante and Ex Post levels is detailed in the following organisation charts:

**EGF Financial Management and Control Systems
Controls before EGF Payments by Managing Authority
Ex Ante Checks (1st Level)**



1. Interim application for payment to Service Providers
2. 1st level ex ante interim payment control checks
3. Payment by Managing Authority to Service Providers

**EGF Financial Management and Control Systems
Controls before Certification of EGF Expenditure to Commission
Ex Post Checks (2nd and 3rd Levels)**



1. Declaration of total EGF expenditure for submission to European Commission
2. 2nd level ex post interim payment audit checks
3. 3rd level ex post interim payment control checks

The EGF financial and control structure have been subject to systems audits by the DES Internal Audit Unit and by the European Commission (in respect of the Waterford Crystal programme):

(a) The systems audit carried out by the DES Internal Audit Unit took place between 6 September and 3 November 2011. The objective of the audit mission was to examine the effectiveness of the management and control systems and to assess the current level of assurance which can be attributed to the systems in place and to make any recommendations considered appropriate. The scope of the systems audit was confined to the management and control systems operating within the CA/MA and was not confined to any specific EGF programme. It examined and evaluated the effectiveness of the management and control systems in place and particularly in relation to appropriate internal controls, compliance with EU Regulations 1927/2006 and 546/2009, procurement rules and data protection guidelines.

The methodology set out in 'Guidance document on management verifications to be carried out by Member States on operations co-financed by the Structural Fund and the Cohesion Fund for the 2007-2013 programming period' (COCOF 08/0019/01-EN) issued by the Commission which outlines the key requirements of management and control systems for European Social Funds (ESF), was used to assess the control systems put in place by the MA and CA for the EGF programme.

A draft report was issued by the Internal Audit Unit on 30 November 2011 and has not been finalised. However, the preliminary conclusions of this audit were that there was a low¹ residual risk to regularity and that the systems work, but some improvement needed².

(b) The systems audit carried out by the European Commission took place between 19 September 2011 and 23 September 2011. The final report issued on 18 December 2011. The objective of the audit mission was to examine action financed by the EGF and the functioning of the management and control systems for actions supported by the EGF. The actions falling within the scope of the systems audit were the management and control systems for EGF Waterford Crystal programme. However, as common controls and bodies exist in the EGF Dell programme, it is considered appropriate that assurance over common areas of the Dell controls systems can be drawn from same. The audit report concludes that, notwithstanding an inadequate design of control for ensuring that the number of redundancies is correct, the management and control system is being implemented in compliance with Article 18 of Regulation 1927/2006 with regular and structured communication on the execution of the EGF assistance on regional and local level, and adequate control strategy including controls at the beneficiary level.

A conclusion (preliminary in the case of the Internal Audit Unit report, which is not expected to be finalised until early in 2012) that a proper functioning of the EGF management and controls systems is in operation is therefore considered reasonable.

16.5. The provisions and timetable for the verification of management and control

¹ Second of four possible options available (1) Very Low (2) Low (3) Medium, and, (4) High.

² Second of four possible options available (1) Works well. Only minor improvements are needed (2) Works, but some improvements needed (3) Works partially. Substantial improvements needed, and, (4) Essentially does not work

systems

Upon completion of the Internal Audit Unit's systems audit report in early 2012, a timetable for carrying out any recommended actions which may arise will be established, as appropriate.

16.6. The arrangements for preventing, detecting and correcting irregularities as defined in Article 70 of Regulation (EC) No 1083/2006 and recovering as well as reimbursing amounts unduly paid together with interest on late payments in accordance with the same Article

The arrangement for preventing and detection irregularities has been set out under paragraphs 16.1 to 16.4. Any overstatements of expenditure detected during the controls carried out are automatically excluded and, therefore, no amounts in the final report and statement of expenditure are considered pending recovery or reimbursement amounts.

17. Details of any irregularities detected, including:

NIL

17.1. Nature of the irregularity

17.2. EGF amount concerned

17.3. Date of notification to OLAF

17.4. Outcome, including details of any recoveries made.