Arachne

Introduction and demo

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NTT Data

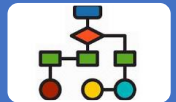# Agenda

General information

Member States: Approach and Status

Data protection, charter, website

Data flow

Risk indicators

Arachne demo

Data upload

European Commission

What is Arachne ?

ARACHNE is an integrated IT tool for **data mining and data enrichment**

Objective:

- Provide the Member States' authorities with an operational tool to identify:
  - their most risky projects and contracts
  - potential risks linked to all their projects and contracts
- Support Member States' authorities in their administrative controls and management checks

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Regulation

CPR	CAP	RRF
• **Common Provisions Regulation**	• **Common Agricultural Policy** Horizontal Regulation	• Regulation establishing the **Recovery and Resilience Facility**
• Regulation (EU) No 1303/2013 Article 125 (4)(c)	• Regulation (EU) No 2021/2116 Article 59 (2)	• Regulation (EU) No 2021/241 Article 22 (4)
• Regulation (EU) No 2021/1060 Article 74 (1)(c)		
• "The managing authority shall have effective and proportionate anti-fraud measures and procedures in place, **taking into account the risks identified**."	• "The Commission shall make available to the Member States **a data-mining tool to assess risks** presented by projects, beneficiaries, contractors and contracts while ensuring minimal administrative burden and effective protection of the Union financial interests."	• "The Commission shall make available to the Member States an integrated and interoperable information and monitoring system including **a single data-mining and risk-scoring tool to access and analyse the relevant data**."

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What is Arachne ?

What?
Detection + prevention of
- Irregularities
- Errors
- Fraud

How?
Identify risks
- Individual checks
- Horizontal checks
- No automatic decision

When?
In different stages of the project lifecycle
- Ex-ante
- Continuous monitoring
- Document results

Why?
- Increase efficiency / effectiveness of the MCS
- Gear administrative capacity

Who?
Core users: MA / PA / IB
- CA, AA
- Auditors DG EMPL, DG REGIO, DG AGRI, DG ECFIN, DG MARE
- OLAF, ECA, EPPO: Case by case

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Impact for national authorities

Technical impact

Data extraction
- Collect and extract data from national or regional system(s).

XML Files
- Create Arachne data files and upload the data files for the risk calculation to Arachne.
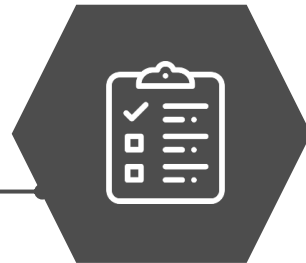
Administrative impact

Trainings
- Delivery of training for designated users.

Manual of Procedures
- Define how and when to use Arachne.
- Define how to treat / to interpret the results.

User Management
- Define users and roles.

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MS Support by EC Arachne Team

Presentation of the Arachne risk scoring tool

- What is Arachne, how does it work, data flow, risk scoring principles.
- Which external databases are used.
- Impact for Member States (technical and functional).
- How to create Arachne data files.
- Live demo of the tool.

Support during the integration phase

- Generation of Arachne compatible data files.
- Quality review of the provided data.
- Generation of summary reports of the first risk scoring results.
- Creation of Arachne accounts.
- Advice on integration of Arachne in management verification processes.

Training for Arachne users

- Initiation courses.
- Advanced user sessions (1 or 2 days).
- Train the trainer principle whenever possible.

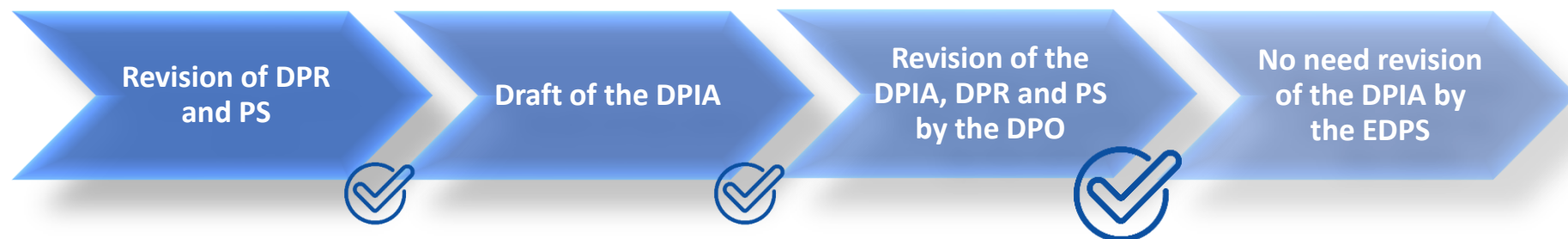# User Documentation and Forum

Arachne [website](#)

Arachne Charter

❑ PURPOSE: **to endorse a set of common principles** supporting the **authorities** with the full support of the Commission services to **introduce, apply and integrate the Arachne Risk Scoring Tool** in their management verification processes. An update of the charter is ongoing.

❑ By using Arachne, the programme **authority accepts to adhere to the principles set out in this charter**.

❑ **Main topics covered by the charter**:

- Cost and license fees
- Support provided by the EC
- Authorisation procedure and access rights
- Transmission of data
- Legal Basis
- Data protection
  - All data used in Arachne to enrich project data, is public available data
  - Programme authority must inform beneficiaries about use of Arachne
  - Data retention

Arachne

CHARTER
FOR THE INTRODUCTION AND APPLICATION
OF THE ARACHNE RISK SCORING TOOL IN
THE MANAGEMENT VERIFICATIONS
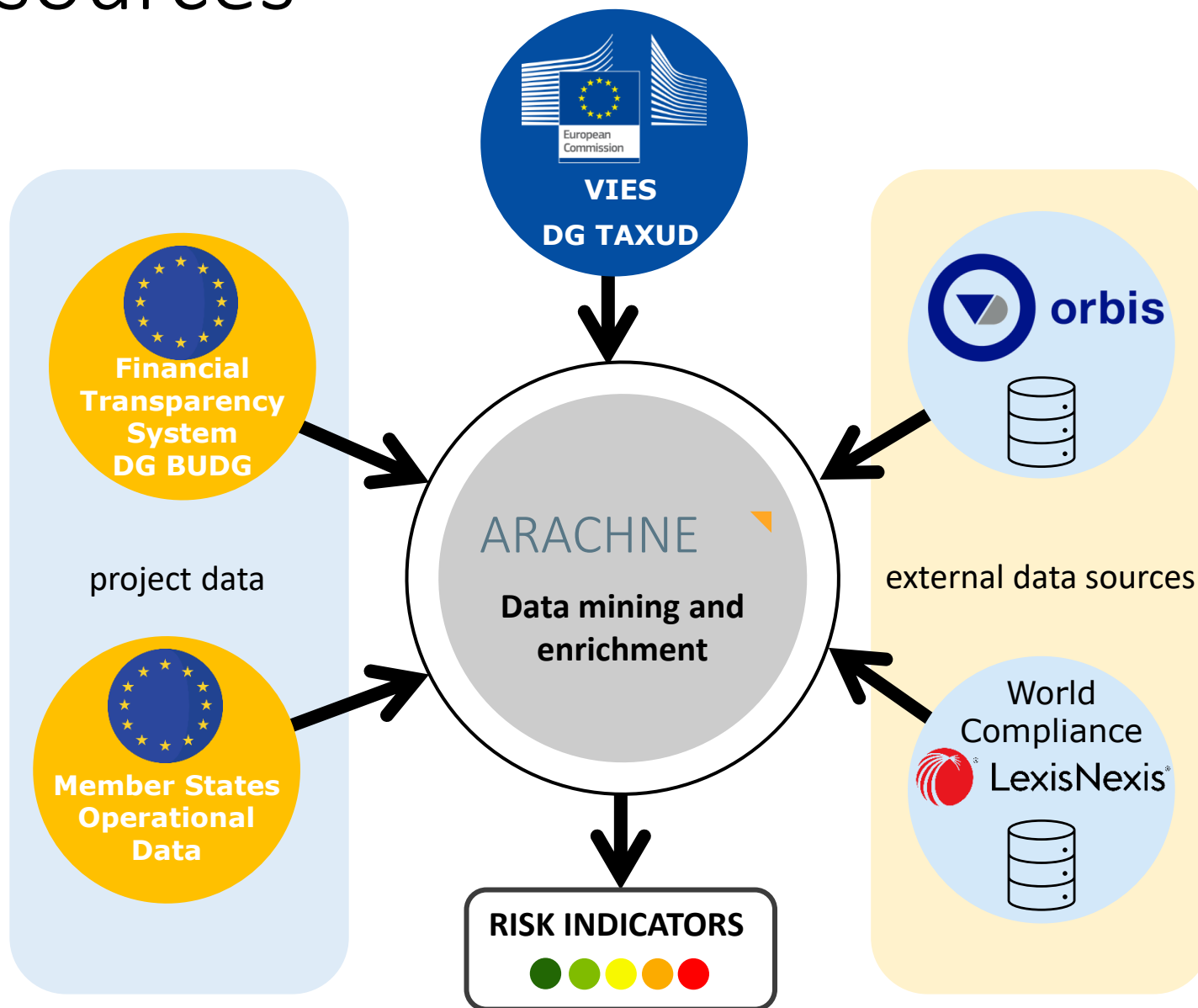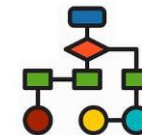
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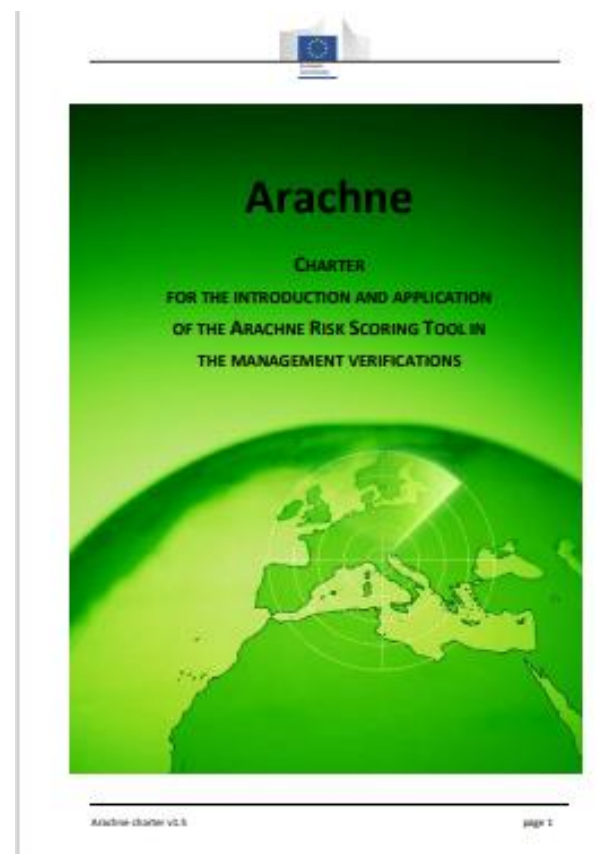
Data protection

✓ The EDPS provided their <u>first opinion </u>on Arachne <u>in 2017</u>

✓ A new data protection impact assessment was deemed necessary due to novelties and<u> new GDPR</u>

✓ Data protection impact assessment was carried out on the current version of Arachne and <u>approved on 22 July 2022</u>, without notification obligation to the EDPS.
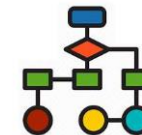
Revision of DPR and PS	Draft of the DPIA	Revision of the DPIA, DPR and PS by the DPO	No need revision of the DPIA by the EDPS

LINK DPO REGISTER: https://ec.europa.eu/dpo-register/detail/DPR-EC-00598
PRIVACY STATEMENT: https://ec.europa.eu/social/BlobServlet?docId=25704

Data sources

Data sources - operational data

Regulation (EU) 480/2014 - Annex III
Regulation (EU) 1060/2021 - Annex XVII
Regulation (EU) 2021/241 – Article 22

IT systems

Member States

106 data fields (8 metadata + 7 project data fields are mandatory)

Project data

- **Project ID**
- **Project name**
- **Status**
- **DG**
- **Project type**
- **Beneficiary**
- **Project cost**
- EC Financial Assistance
- Start date / end date
- Project partners
- Project details
- Related people

Contract data

- Contract ID
- Contract description
- Date signature
- Initial end date / Final end date
- Contractor / Subcontractors
- Amount
- Nbr Addenda / Amount of addenda
- Key experts
- Procurement information
  - Type
  - Tenders: valid/excluded/Total
  - Publication date

Expenses / invoices

- Expense ID
- Expense Type
- Description
- Amount
- Contractor
- Invoice date
- Payment date

Entity data

- Entity ID
- Name
- VAT number
- Turnover
- Address (Street, Number, Zipcode, City, Country)
- Beneficial Owners (Name, Birthdate, VAT)

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Data sources - Orbis
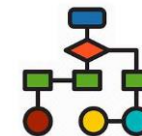
Companies: +/- 450 million companies worldwide (active and inactive):

General info: Address information, size, type, sector.	Ownership info: shareholders, subsidiaries, participation rate.	Managers / Owners.	Financial data: 41 mln companies (turnover, cash flow, solvency ratio, ...)	Indicators like credibility and bankruptcy.
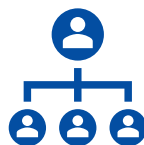
Managers/Owners: +/- 458 million persons:

First name, last name, birthdate.	Functions(s), nomination start & end dates.	Afinities, number of companies and role in company.

Data sources - Orbis

The data is collected from **publicly available information** such as official annual reports or balance sheets submitted to regulatory bodies.

The level of **details** available in the database varies by country and company size.

Database updated in ARACHNE **every 3 months**.

All data available in ARACHNE through search.
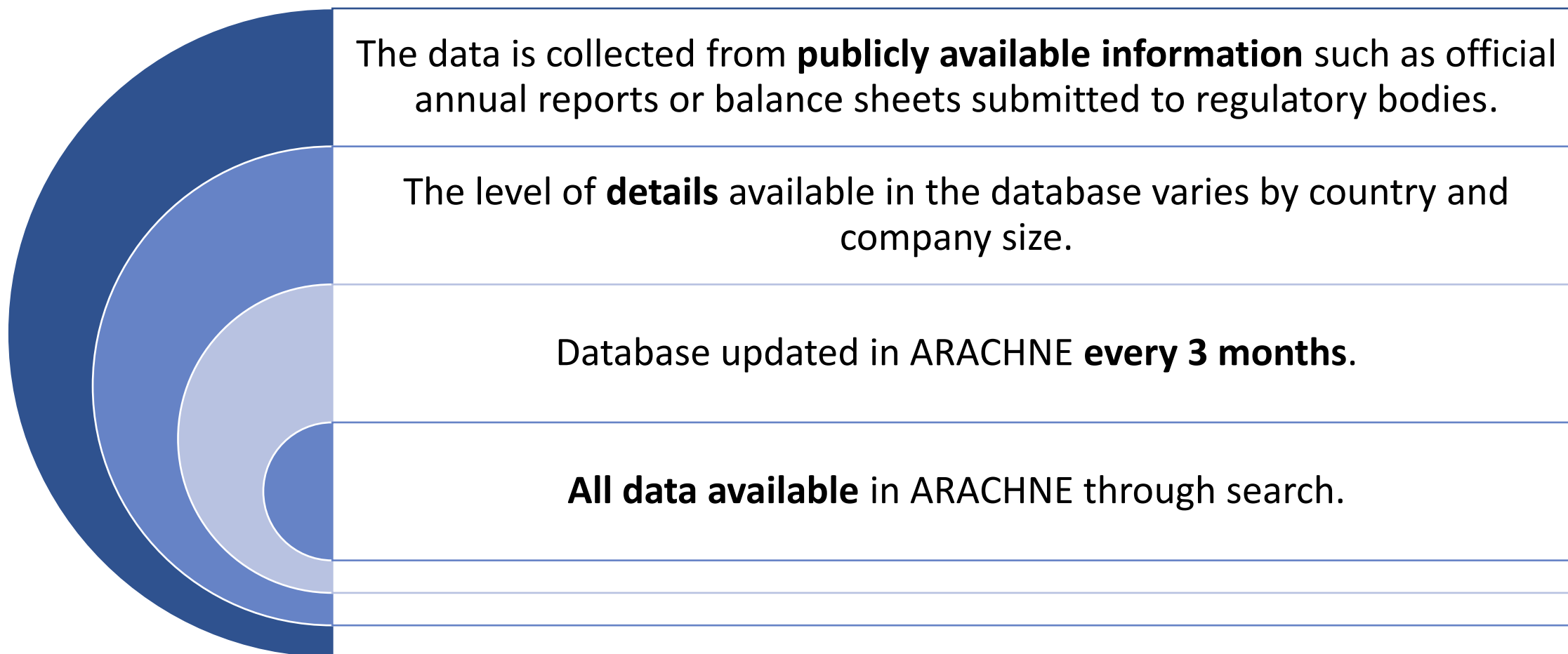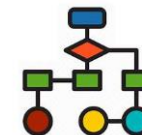
Data sources - WorldCompliance
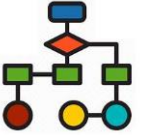
It collects, aggregates and centralzies 2.5+ million profiles:

PEP lists

Politically Exposed Persons

(Financial Action Task Force recommendations)

Sanctions lists

Office for Foreign Assets Control, World Bank Debarred Parties Lists, The Centraul Bureau of Investigation, ...

Enforcement lists

EU Terrorism List, FBI Most Wanted, Interpol Most Wanted, Narcotic & human traffickers, Money launderers, fraudsters and other criminals, ...

Adverse media lists

Company or person that has been linked to illicit activities by news sources.

Data sources - WorldCompliance

The data is received from **regulatory and governmental authorities** (except for adverse media list).

Database updated in ARACHNE **every 3 months**.

Information is only accessible **through the Arachne alert details** (not through search for a given company/person).
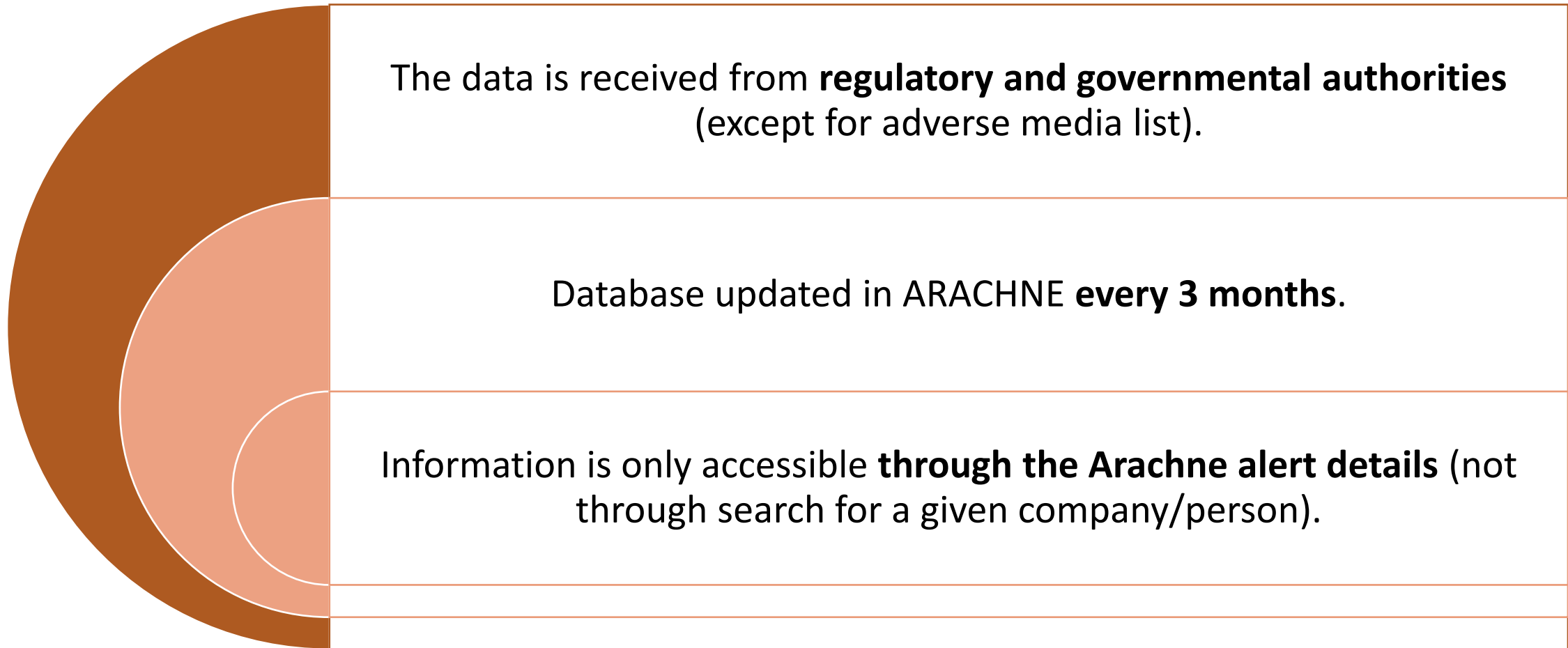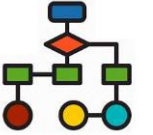
Data sources – Vies

- Validating VAT-identification numbers of economic operators registered in the European Union for cross border transactions on goods or services

- https://ec.europa.eu/taxation_customs/vies/

Arachne Risk categories

107 Indicators

1 Procurement

- Lead time between publication of tender and contract signature.
- Nbr of valid tenders vs received tenders.
- Financial correction.

6 risks

2 Contract Mgmt

- Contractors with invalid VAT Nbr.
- Contract amount versus turnover of the contractor.
- Contract addenda cost vs contracted amount.

11 risks

3 Eligibility

- Payments outside eligibility period.
- Duplicate amounts within expenses.
- Expenses higher than project cost.

9 risks

4 Performance

- Nbr of people trained vs people to be trained.
- Project cost vs km road constructed.
- Water waste cost vs population to benefit.

18 risks

5 Concentration

- Beneficiaries involved in multiple projects/OP's.
- Contractors involved in multiple projects/OP's.
- Subcontractors involved of multiple projects of the same beneficiary.

15 risks

6 Reasonability

- EC Fin. Assistance vs project cost
- Administration cost vs project cost
- Seminars-publishing costs vs project cost

15 risks

7 Reputation and Fraud

- Propensity to Bankruptcy
- Link between beneficiary and (sub)contractors
- Involvement in sanction and enforcement lists
- Involvement in sensitive regions

33 risks

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Risk scoring mechanism

Procurement Overall Score		
Lead time between publication and contract signature	🔴	10
Percentage disqualified tender offers vs received	🟡	5
Number of valid tenders	🔴	10
Contracted amounts via restricted procedures / total project cost	🟢	0
Number of contract addenda compared to sector average	🟢	0
Financial correction	🔴	10

Max 10

Contract Management Overall Score		
Contractors with invalid VAT number	🟢	3
SubContractors with invalid VAT number	⚪	
Contract addenda cost vs project cost	🟡	5
Contract addenda cost vs contracted amount	🔴	10
Difference between final contract end date and initial contract end date	⚪	
Number of consortium members	⚪	
Contract modifications	🔴	10
Key experts change	⚪	
Key experts linked to multiple projects	⚪	
Contracted amount vs annual turnover of the contractor	🟡	5
External service provider	⚪	

Max 10

Performance Overall Score		

Concentration Overall Score		

Reasonability Overall Score		

Eligibility Overall Score		
Project costs outside eligibility period - before start date	🟢	0
Project costs outside eligibility period - after end date	⚪	
Difference between invoice and payment dates	🔴	10
High percentage of cost allocated at the end of the project	⚪	
Expenses with round amounts	🟢	0
Duplicate amounts within expenses	🟢	0
Negative expenses	🟢	0
Expenses higher than project cost	🟢	0
Land expenses vs project cost	⚪	

Reputational & Fraud Alerts Overall Score		
Beneficiaries with invalid VAT number	🟢	0
High or deteriorating propensity to bankruptcy	🔴	20
High or deteriorating rating compared to sector benchmark	🔴	5
High financial ratings of associated companies	🟡	3
Non filing of annual accounts	🔴	10
Difference between project cost and annual turnover	⚪	
Project cost vs number of employees	🟡	6
Links between beneficiaries/project partners	🟢	0
Links between beneficiaries/project partners and contractors/Consortium memb...	🔴	10
Directors/owners with high number of mandates	🔴	5
Registration of multiple companies on same address	🔴	5
Involvement of directors/owners with bankruptcies	🟠	7
Involvement of directors/owners in sensitive regions	🟢	0
Involvement in PEP lists	🟡	5
Involvement in sanction lists	🟢	0
Involvement in enforcement lists	🟡	5

Max 20

Max 5

Max. indicator weight !

Risk scoring mechanism

Procurement Overall Score		
Lead time between publication and contract signature	🔴	10
Percentage disqualified tender offers vs received	🟡	5
Number of valid tenders	🔴	10
Contracted amounts via restricted procedures / total project cost	🟢	0
Number of contract addenda compared to sector average	🟢	0
Financial correction	🔴	10

No risk

Contract Management Overall Score		
Contractors with invalid VAT number	🟢	3
SubContractors with invalid VAT number	⚪	
Contract addenda cost vs project cost	🟡	5
Contract addenda cost vs contracted amount	🔴	10
Difference between final contract end date and initial contract end date	⚪	
Number of consortium members	⚪	
Contract modifications	🔴	10
Key experts change	⚪	
Key experts linked to multiple projects	⚪	
Contracted amount vs annual turnover of the contractor	🟡	5
External service provider	⚪	

Low to medium risk

Not calculated No score

Performance Overall Score		
Concentration Overall Score		
Reasonability Overall Score		

Eligibility Overall Score		
Project costs outside eligibility period - before start date	🟢	0
Project costs outside eligibility period - after end date	⚪	
Difference between invoice and payment dates	🔴	10
High percentage of cost allocated at the end of the project	⚪	
Expenses with round amounts	🟢	0
Duplicate amounts within expenses	🟢	0
Negative expenses	🟢	0
Expenses higher than project cost	🟢	0
Land expenses vs project cost	⚪	

High risk

Reputational & Fraud Alerts Overall Score		
Beneficiaries with invalid VAT number	🟢	0
High or deteriorating propensity to bankruptcy	🔴	20
High or deteriorating rating compared to sector benchmark	🔴	5
High financial ratings of associated companies	🟡	3
Non filing of annual accounts	🔴	10
Difference between project cost and annual turnover	⚪	
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Registration of multiple companies on same address	🔴	5
Involvement of directors/owners with bankruptcies	🟠	7
Involvement of directors/owners in sensitive regions	🟢	0
Involvement in PEP lists	🟡	5
Involvement in sanction lists	🟢	0
Involvement in enforcement lists	🟡	5

Color coding:

⚪ No data available

🟢 No risk

🟢 Low to medium risk

🟡 Low to medium risk

🟠 Medium to high risk

🔴 Very high risk

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Risk scoring mechanism

Procurement Overall Score		50
Lead time between publication and contract signature	●	10
Percentage disqualified tender offers vs received	○	5
Number of valid tenders	●	10
Contracted amounts via restricted procedures / total project cost	●	0
Number of contract addenda compared to sector average	●	0
Financial correction	●	10

Contract Management Overall Score		33
Contractors with invalid VAT number	●	3
SubContractors with invalid VAT number	○	
Contract addenda cost vs project cost	○	5
Contract addenda cost vs contracted amount	●	10
Difference between final contract end date and initial contract end date	○	
Number of consortium members	○	
Contract modifications	●	10
Key experts change	○	
Key experts linked to multiple projects	○	
Contracted amount vs annual turnover of the contractor	○	5
External service provider	○	

Performance Overall Score	○	
Concentration Overall Score	●	50
Reasonability Overall Score	●	41

Eligibility Overall Score		10
Project costs outside eligibility period - before start date	●	0
Project costs outside eligibility period - after end date	○	
Difference between invoice and payment dates	●	10
High percentage of cost allocated at the end of the project	○	
Expenses with round amounts	●	0
Duplicate amounts within expenses	●	0
Negative expenses	●	0
Expenses higher than project cost	●	0
Land expenses vs project cost	○	

Reputational & Fraud Alerts Overall Score		50
Beneficiaries with invalid VAT number	●	0
High or deteriorating propensity to bankruptcy	●	20
High or deteriorating rating compared to sector benchmark	●	5
High financial ratings of associated companies	○	3
Non filing of annual accounts	●	10
Difference between project cost and annual turnover	○	
Project cost vs number of employees	○	6
Links between beneficiaries/project partners	●	0
Links between beneficiaries/project partners and contractors/Consortium memb...	●	10
Directors/owners with high number of mandates	●	5
Registration of multiple companies on same address	●	5
Involvement of directors/owners with bankruptcies	○	7
Involvement of directors/owners in sensitive regions	●	0
Involvement in PEP lists	○	5
Involvement in sanction lists	●	0
Involvement in enforcement lists	○	5

Category score !
- Max 50
- Average 3, 5 or 10 highest risks

Risk scoring mechanism

Procurement Overall Score		50
Lead time between publication and contract signature	●	10
Percentage disqualified tender offers vs received	○	5
Number of valid tenders	●	10
Contracted amounts via restricted procedures / total project cost	●	0
Number of contract addenda compared to sector average	●	0
Financial correction	●	10

Contract Management Overall Score		33
Contractors with invalid VAT number	○	3
SubContractors with invalid VAT number	○	
Contract addenda cost vs project cost	○	5
Contract addenda cost vs contracted amount	●	10
Difference between final contract end date and initial contract end date	○	
Number of consortium members	○	
Contract modifications	●	10
Key experts change	○	
Key experts linked to multiple projects	○	
Contracted amount vs annual turnover of the contractor	○	5
External service provider	○	

Performance Overall Score		○
Concentration Overall Score		50
Reasonability Overall Score		41

Project overall score !

= Average of the categories =

39

Eligibility Overall Score		10
Project costs outside eligibility period - before start date	●	0
Project costs outside eligibility period - after end date	○	
Difference between invoice and payment dates	●	10
High percentage of cost allocated at the end of the project	○	
Expenses with round amounts	●	0
Duplicate amounts within expenses	●	0
Negative expenses	●	0
Expenses higher than project cost	●	0
Land expenses vs project cost	○	

Reputational & Fraud Alerts Overall Score		50
Beneficiaries with invalid VAT number	●	0
High or deteriorating propensity to bankruptcy	●	20
High or deteriorating rating compared to sector benchmark	●	5
High financial ratings of associated companies	○	3
Non filing of annual accounts	●	10
Difference between project cost and annual turnover	○	
Project cost vs number of employees	○	6
Links between beneficiaries/project partners	●	0
Links between beneficiaries/project partners and contractors/Consortium memb...	●	10
Directors/owners with high number of mandates	●	5
Registration of multiple companies on same address	●	5
Involvement of directors/owners with bankruptcies	○	7
Involvement of directors/owners in sensitive regions	●	0
Involvement in PEP lists	○	5
Involvement in sanction lists	●	0
Involvement in enforcement lists	○	5

Basic risk concepts

- **No automatic decisions** based on Arachne risk scoring

- Arachne is not "the" anti-fraud strategy, it's a **complementary tool** to support the Member States in their administrative controls and management checks

- **Not all 'red flags'** must be tackled – only what is defined in the anti-fraud strategy

- Arachne only **identifies potential risks**. It remains the Member States' responsibility to check/confirm the risk and to mitigate confirmed risks.

First action: verify the identified risk!

Interpret professionally

Act and report

Use Arachne: what ?

Individual checks	Check links between companies involved in a project Check financial risks Check potential double funding Check SME status
Horizontal checks	Select projects to audit/control based on a risk based approach Check systemic risks in an operational programme
Ex-ante validations	Check individual applicants Bulk validations
Other	Check evolution of risk of a project Export risk indicators into national system Case management Search for companies with specific criteria (expert mode)

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Individual checks for a project
Potential conflict of interests
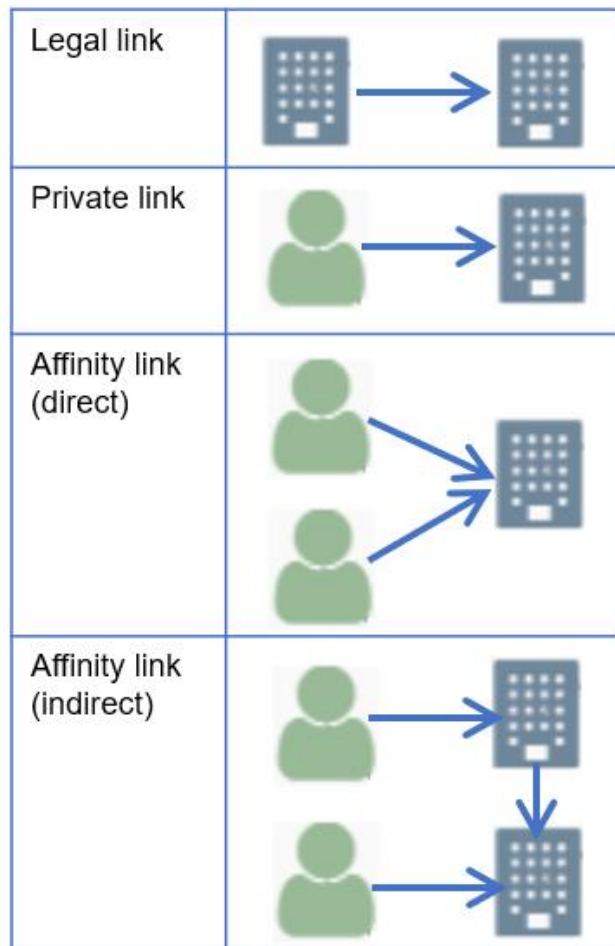
Category: Reputational & Fraud

o Links between beneficiaries/project partners
o **Links between beneficiaries/project partners and contractors/consortium members**
o Links between beneficiaries/project partners and subcontractors
o Links between contractors/consortium members
o Links between contractors/consortium members and subcontractors
o **Links between related people and involved companies**
o **Links between beneficial owner and involved companies or related people**

o Directors/owners with high number of mandates
o **Involvement in PEP lists**
o High rotation of directors

Individual checks for a project Concentration

Double funding

- **Beneficiaries involved in multiple programmes/plans**
- **Partners involved in multiple programmes/plans**
- **Contractors involved in multiple programmes/plans**
- **Beneficial owners involved in multiple Programmes/Plans**

Favouritism

(Flaws in the project selection? Why has this contractor so many contracts? Collusive behaviour?)

- **Contractors involved in multiple projects of the beneficiary**
- **Consortium members involved in multiple projects of the beneficiary**
- **SubContractors involved in multiple projects of the beneficiary**
- **Supervision contractor multiple times in same constellation with work contractors**

Concentration risks: only 'overlapping' projects

Individual checks for a project
Financial and administrative capacity

Financial capacity

- **Difference between project cost and annual turnover (Reputational & Fraud)**
- **Overall EC financial assistance vs turnover of the beneficiary (Reasonability)**
- **High or deteriorating propensity to bankruptcy (Reputational & Fraud)**
- **Contracted amount vs annual turnover of the contractor (Contract Management)**

Administrative capacity

- **Project cost vs number of employees (Reputational & Fraud)**

Financial and administrative capacity

- **Beneficiaries involved in multiple projects (Concentration)**
- **Newly created company (Reputational & Fraud)**
- **Non filing of annual accounts (Reputational & Fraud)**

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Individual checks for a project
Financial and administrative capacity

Financial capacity

- **Difference between project cost and annual turnover (Reputational & Fraud)**
- **Overall EC financial assistance vs turnover of the beneficiary (Reasonability)**
- **High or deteriorating propensity to bankruptcy (Reputational & Fraud)**
- **Contracted amount vs annual turnover of the contractor (Contract Management)**

Administrative capacity

- **Project cost vs number of employees (Reputational & Fraud)**

Financial and administrative capacity

- **Beneficiaries involved in multiple projects (Concentration)**
- **Newly created company (Reputational & Fraud)**
- **Non filing of annual accounts (Reputational & Fraud)**

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Horizontal checks: Dashboards

Dashboards can be used in 3 ways:

🔽	Focus on projects, contracts, beneficiaries, contractors	**Sampling** (using filter panel)
🔍	Focus on risks (indicators, categories)	Identify potential **systemic shortcomings** in a specific area such as procurement or concentration
🚩	Focus on 1 beneficiary	Check all "red flags" for **one beneficiary** in the project dashboard

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Ex-Ante checks

What?
- Module that allows the Member states' authorities **checking risks** linked to applicants (candidate beneficiaries, contractors, sub-contractors) **in the selection phase**
- Ex-ante module is completely integrated in Arachne web interface

Security
- **User needs to receive privileges** (via local administrator) Access restricted to 'own' OPs
- **Logging**

No impact on approved projects
- Ex-ante **data is not used in risk calculations of 'approved'/'ongoing' projects** while ex-ante risk calculations use data of 'approved' projects

How
- Data entry screen ('dataset editor') or Excel template
- Daily run
- No automatic re-calculations

Audit trail: document the results

Save views as image or as PDF

Save printable report as PDF
- Company printable report
- Project printable report

Export to Excel

Audit trail
- Risk evolution
- Historical risk indicators

Case Management

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Arachne – Demo | Screenshots | Q&A

Company Detailed Report

Company Detailed Report

Financial information

	2019	**2018**	**2017**	**2016**	**2015**
Balance sheet type	Unconsolidated	Unconsolidated	Unconsolidated	Unconsolidated	Unconsolidated
Cash flow (k€)	8,821	13,009	6,781	274,139	12,261
Current ratio	0.13	0.29	0.26	0.90	0.18
Ebitda (k€)	26,503	32,821	30,047	26,491	36,331
Effective Year	2019	2018	2017	2016	2015
Number of months	12	12	12	12	12
Number of employees	31027	32273	30794	28351	27186
Operating revenue (k€)	946,045	1,002,758	941,409	850,331	824,007
Profit(loss)for the period (k€)	7,952	12,254	6,052	273,452	11,636
Profit & loss before tax (k€)	15,741	21,902	13,814	5,263	20,881
Profit margin	1.66	2.18	1.47	0.62	2.53
Return / capital employed	9.97	4.52	4.16	3.70	1.95
Return funds	6.90	9.73	6.49	2.55	1.86
Shareholders funds (k€)	228,089	225,137	212,883	206,831	1,125,825
Solvency ratio	28.44	29.44	27.92	12.43	61.78
Statement date	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Total assets (k€)	802,097	764,696	762,429	1,663,646	1,822,184

	2014	**2013**	**2012**	**2011**	**2010**
Balance sheet type	Unconsolidated	Unconsolidated	Unconsolidated	Unconsolidated	Unconsolidated
Cash flow (k€)	5,139	-19,031	-7,337	364,051	44,906
Current ratio	0.37	0.03	0.02	0.20	0.25
Ebitda (k€)	20,505	-9,752	11,636	15,365	21,107
Effective Year	2014	2013	2012	2011	2010
Number of months	12	12	12	12	12
Number of employees	25731	25614	26502	29344	27549
Operating revenue (k€)	775,775	751,829	764,215	842,204	780,815
Profit(loss)for the period (k€)	3,636	-20,236	-8,862	361,790	42,067
Profit & loss before tax (k€)	3,648	-21,805	-6,539	16,975	56,084
Profit margin	0.47	-2.90	-0.86	2.02	7.18
Return / capital employed	1.00	-1.11	0.80	2.97	10.07
Return funds	0.33	-1.88	-0.55	1.43	6.77
Shareholders funds (k€)	1,114,189	1,161,553	1,181,789	1,190,652	828,861
Solvency ratio	59.62	62.04	63.36	58.89	48.05
Statement date	2014-12-31	2013-12-31	2012-12-31	2011-12-31	2010-12-31
Total assets (k€)	1,868,956	1,872,133	1,865,317	2,021,769	1,724,891

Company Local View
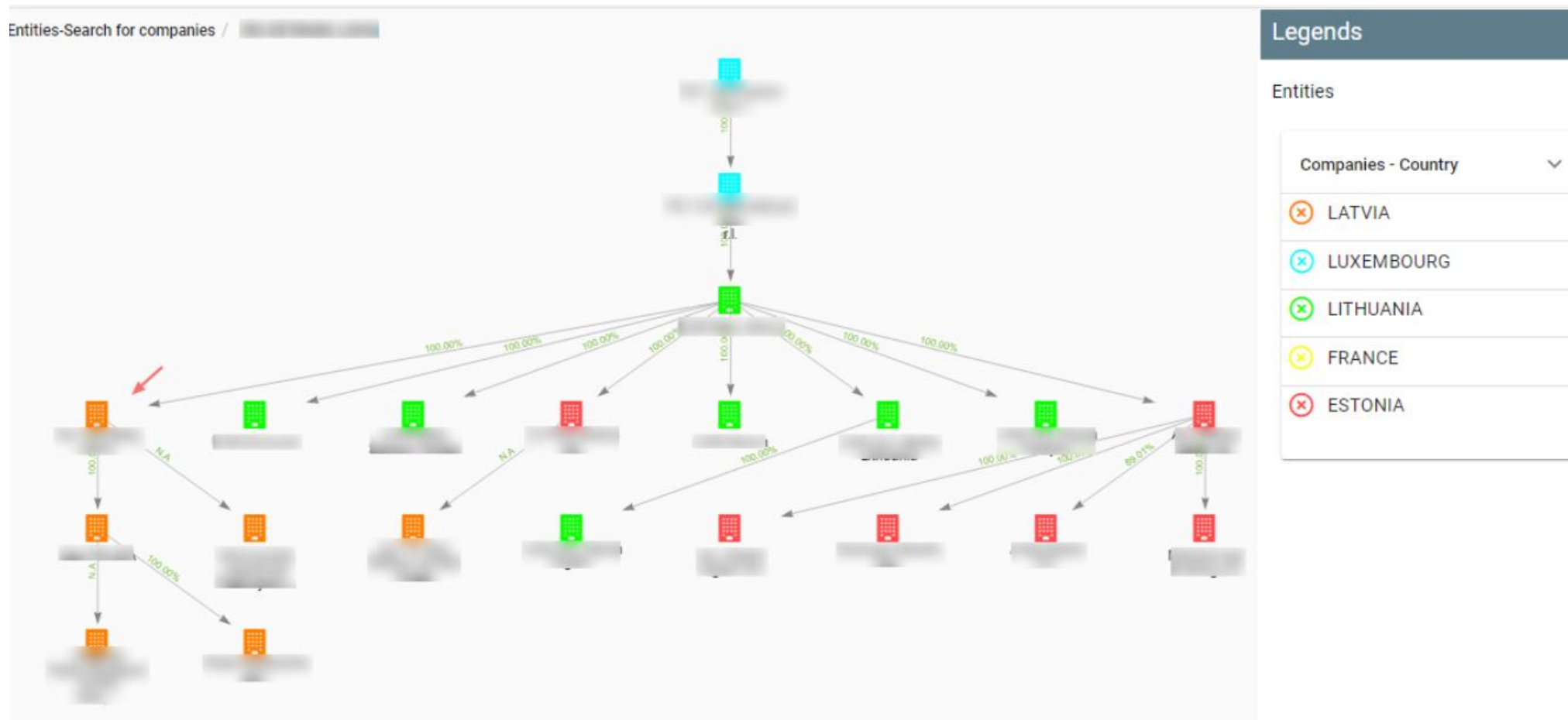
Company Hierarchy View
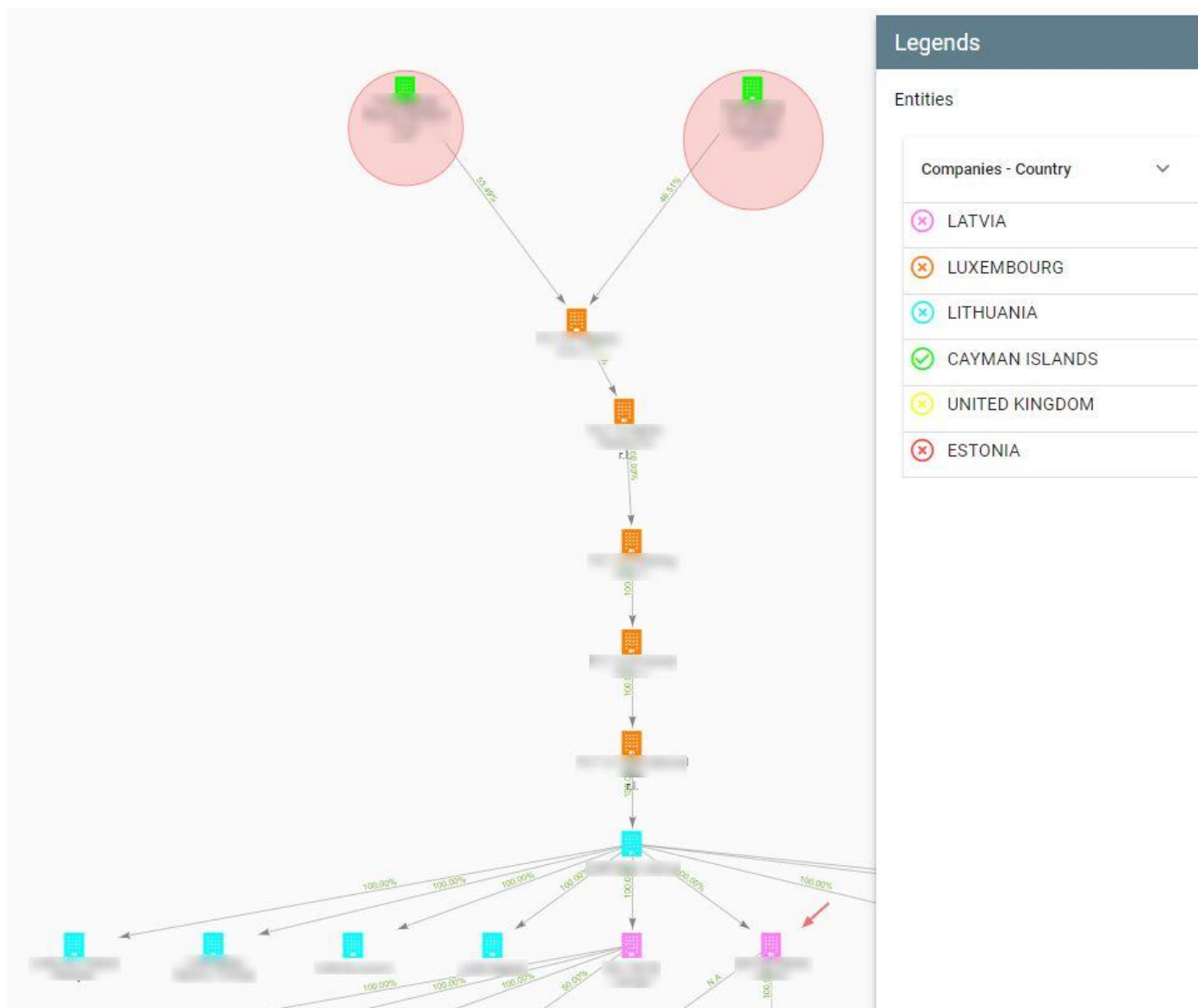
Person Affinity View

Project Dashboard

Project Detailed report
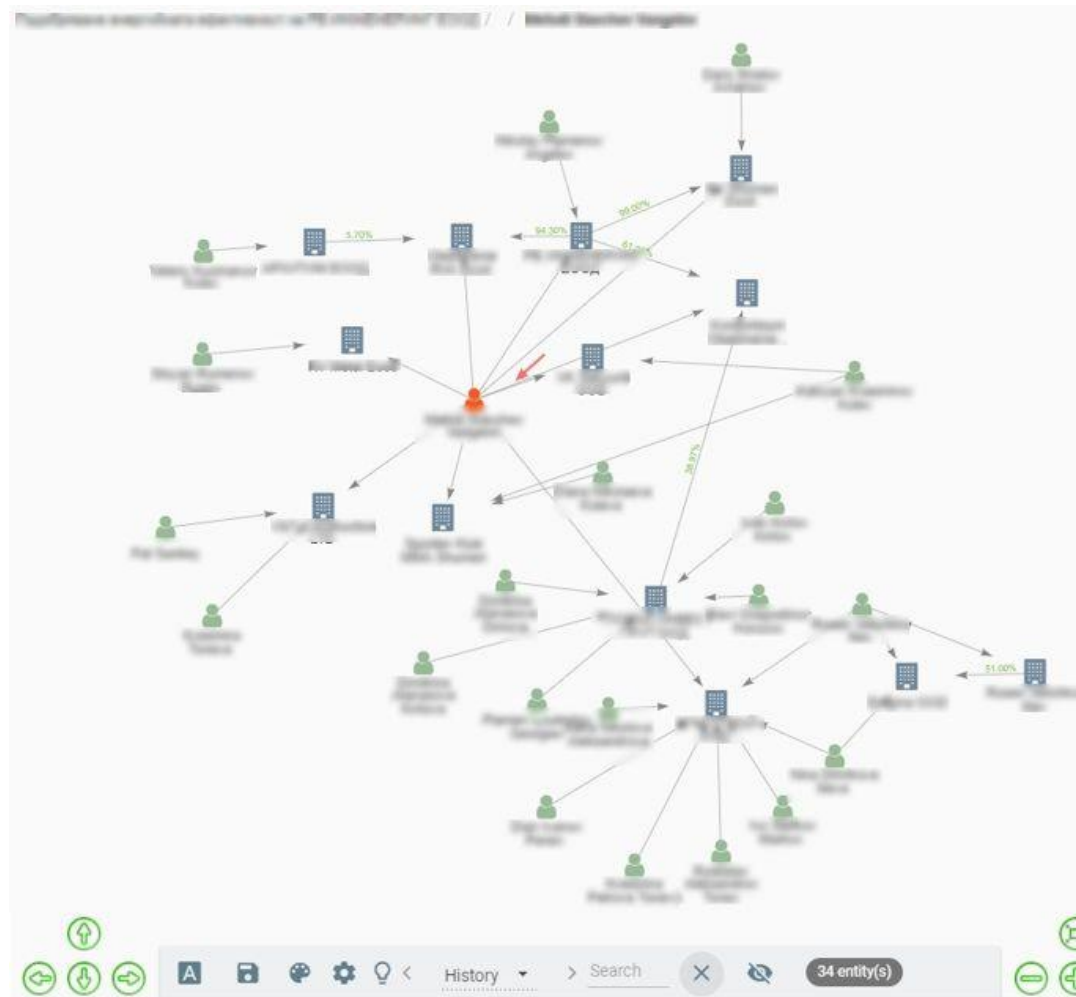
ARACHNE   ENTITIES   RELATIONS   DASHBOARDS   DATA UPLOAD   CASE MANAGEMENT   EX-ANTE RISK   HISTORY   UMM

Dashboards-Projects / **Sinof** XXXX XXXXXX XXXX XXXXXXXX XXXX

Detailed report
Sinof xxxxxpxxxxxxxxXxxInte xxxxxxxxxxxxxxxjxx

General information
Case management
Beneficiaries
Contractors
Subcontractors
Project partners
Contracts
Related people
Expenses
Indicators

Indicators

	Value	Name
	🟠 33	Overall score
➕	🟠 33	Procurement Overall Score
➕	🟢 14	Contract Management Overall Score
➖	🟠 31	Eligibility Overall Score
	🔴 10	Project costs outside eligibility period - before start date
	🟢 0	Project costs outside eligibility period - after end date
	🔴 10	Difference between invoice and payment dates
	🟢 0	High percentage of cost allocated at the end of the project
	🟢 1	Expenses with round amounts
	🔴 10	Duplicate amounts within expenses
	🟢 0	Negative expenses
	🟢 0	Expenses higher than project cost
	⚪	Land expenses vs project cost
➕	⚪	Performance Overall Score
➕	🔴 50	Concentration Overall Score
➕	🟢 19	Reasonability Overall Score
➖	🔴 48	Reputational & Fraud Alerts Overall Score
	⚪	Beneficiaries with invalid VAT number
	🔴 20	High or deteriorating propensity to bankruptcy
	🔴 5	High or deteriorating rating compared to sector benchmark
	🟢 1	High financial ratings of associated companies
	🔴 10	Non filing of annual accounts
	⚪	Difference between project cost and annual turnover
	⚪	Project cost vs number of employees
	⚪	Links between beneficiaries/project partners
	🟢 0	Links between beneficiaries/project partners and contractors/Consortium members
	⚪	Links between beneficiaries/project partners and subcontractors
	🟢 0	Links between contractors/consortium members
	⚪	Links between contractors/consortium members and subcontractors
	⚪	Links between related people and involved companies
	🔴 5	Directors/owners with high number of mandates
	🟢 0	Registration of multiple companies on same address
	🟠 7	Involvement of directors/owners with bankruptcies
	🟠 7	Involvement of directors/owners in sensitive regions

Project Risk Indicator Details 1/7

Group involvement in sensitive region

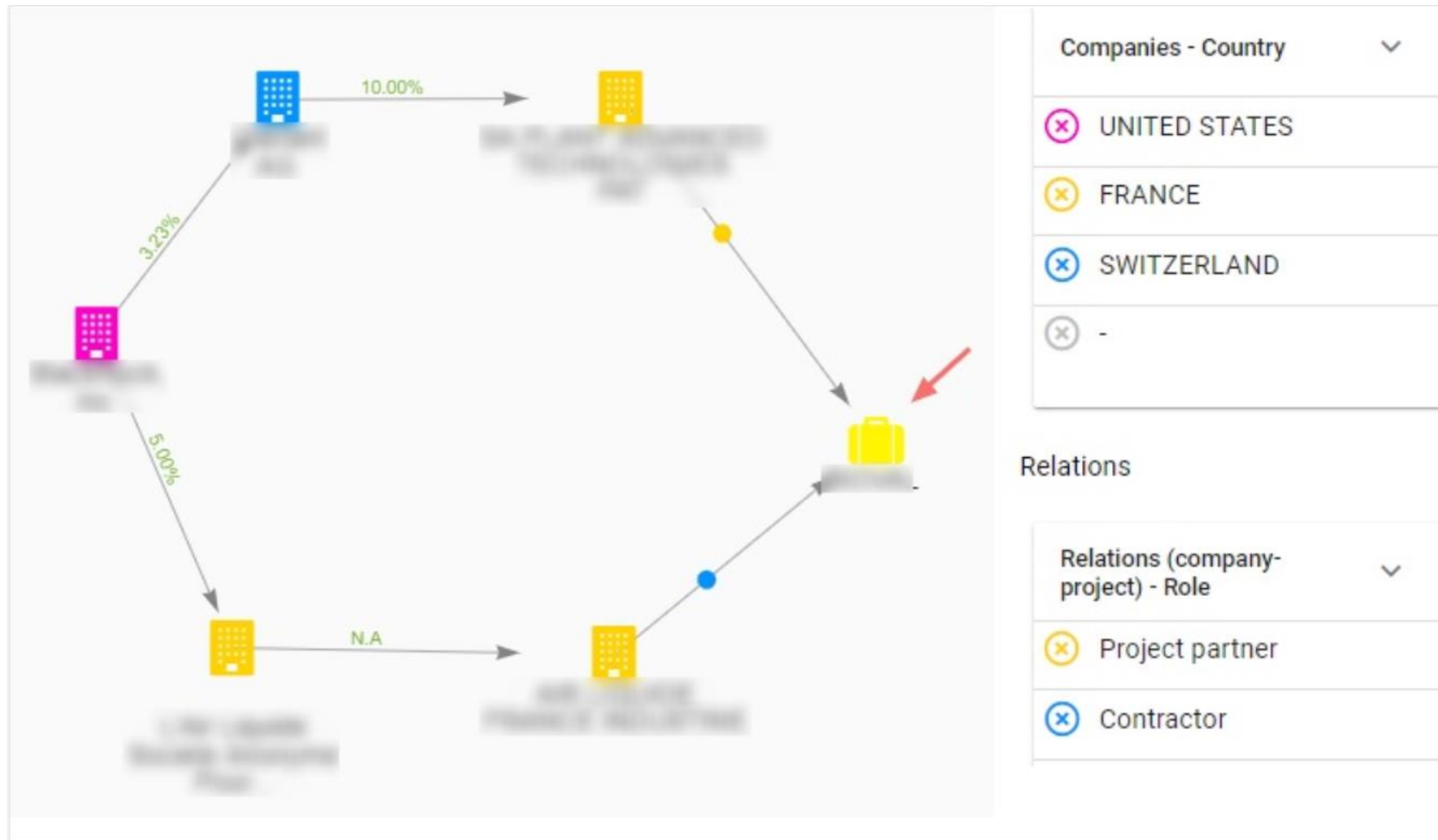# Project Risk Indicator Details 2/7

Indicator – Contractors involved in multiple programmes/plans

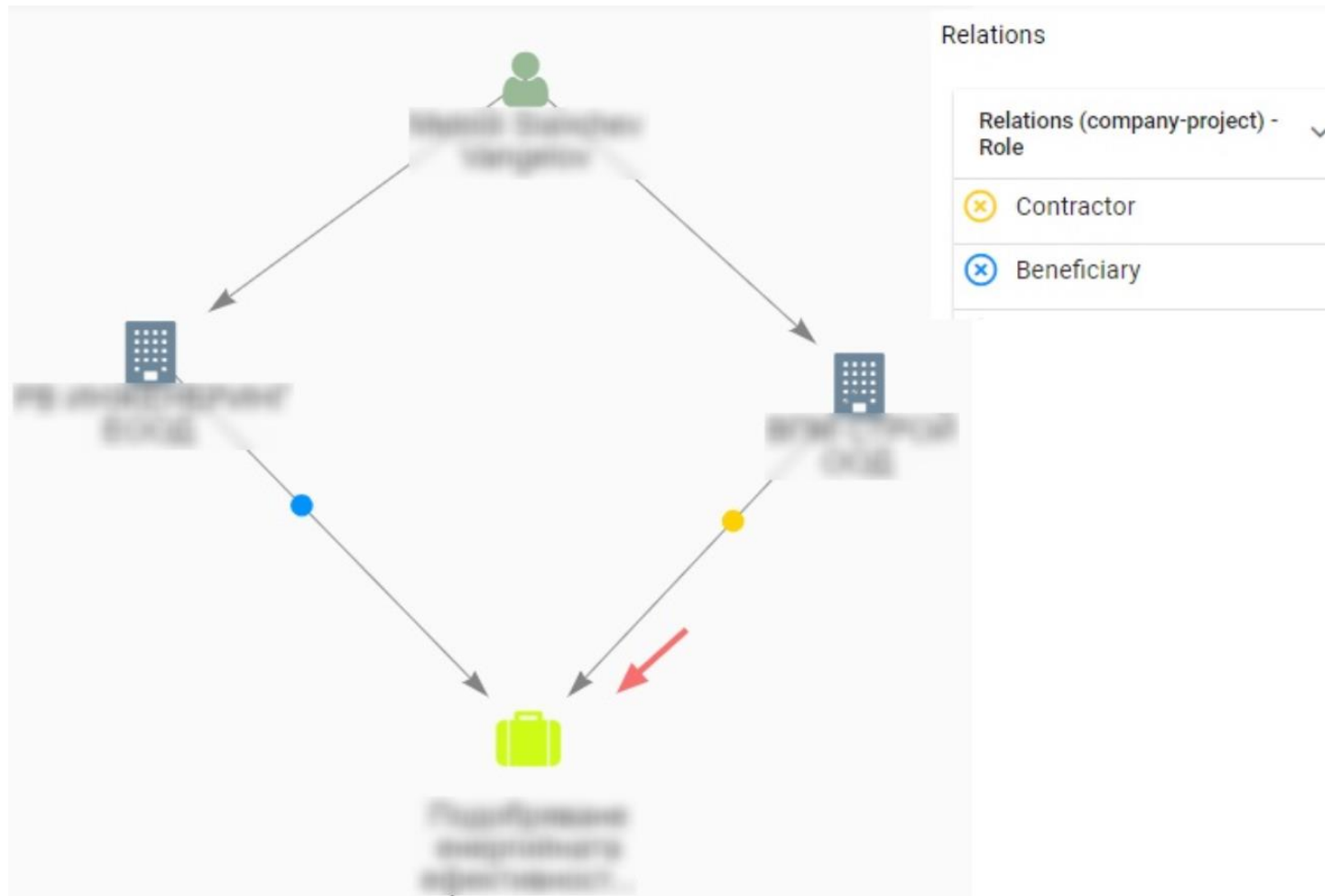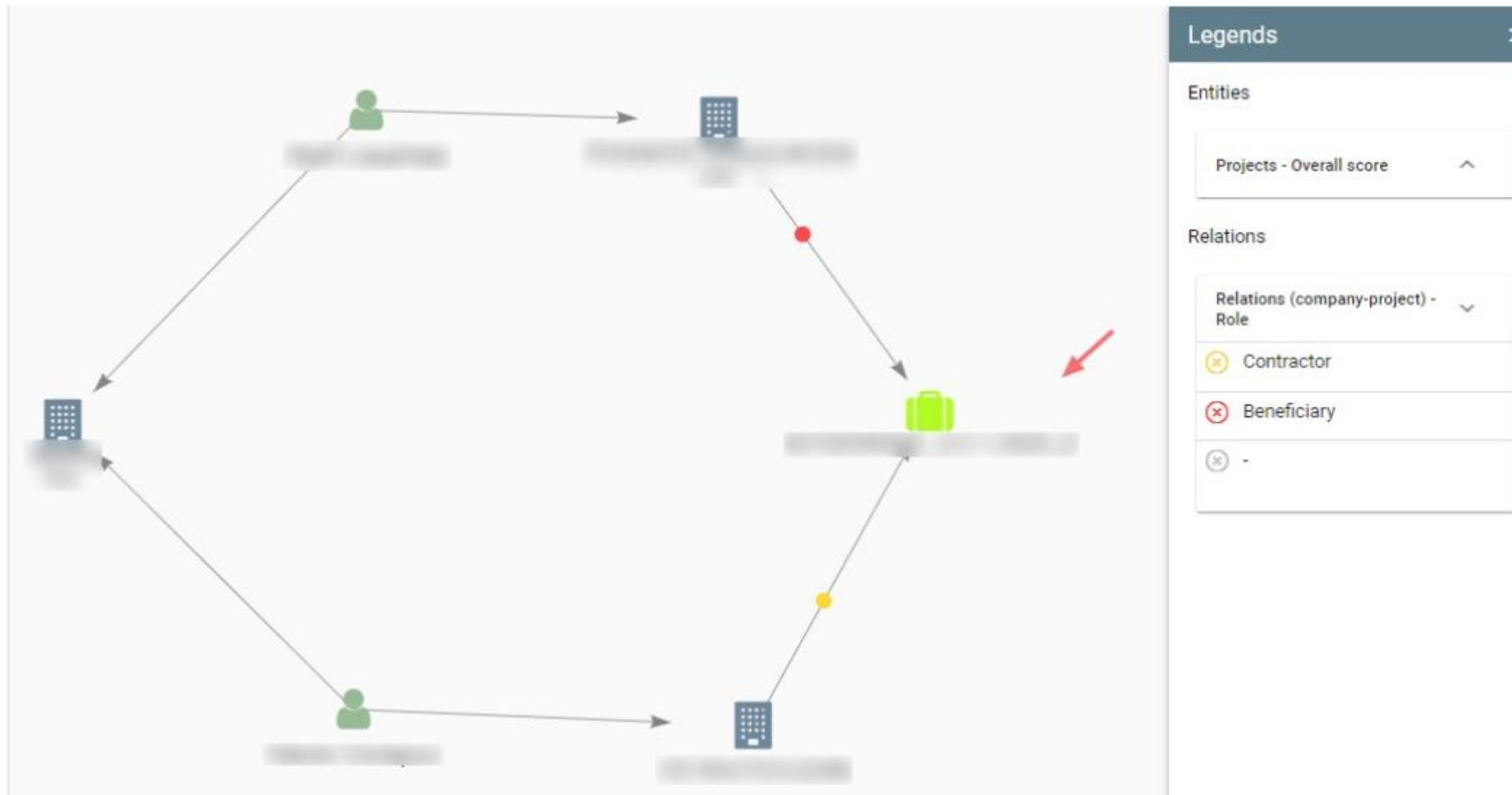# Project Risk Indicator Details 3/7

Indicator – Links between beneficiary and contractor
(Legal link)

Project Risk Indicator Details 4/7

Indicator – Links between beneficiary and contractor
(Private link)

Project Risk Indicator Details 5/7

Indicator – Links between beneficiary and contractor
(Affinity link)

Project Risk Indicator Details 6/7

Indicator – Involvement in enforcement list

Project Risk Indicator Details 7/7

Indicator – Involvement in PEP list

Project Risk Evolution

Risk score evolution of project:
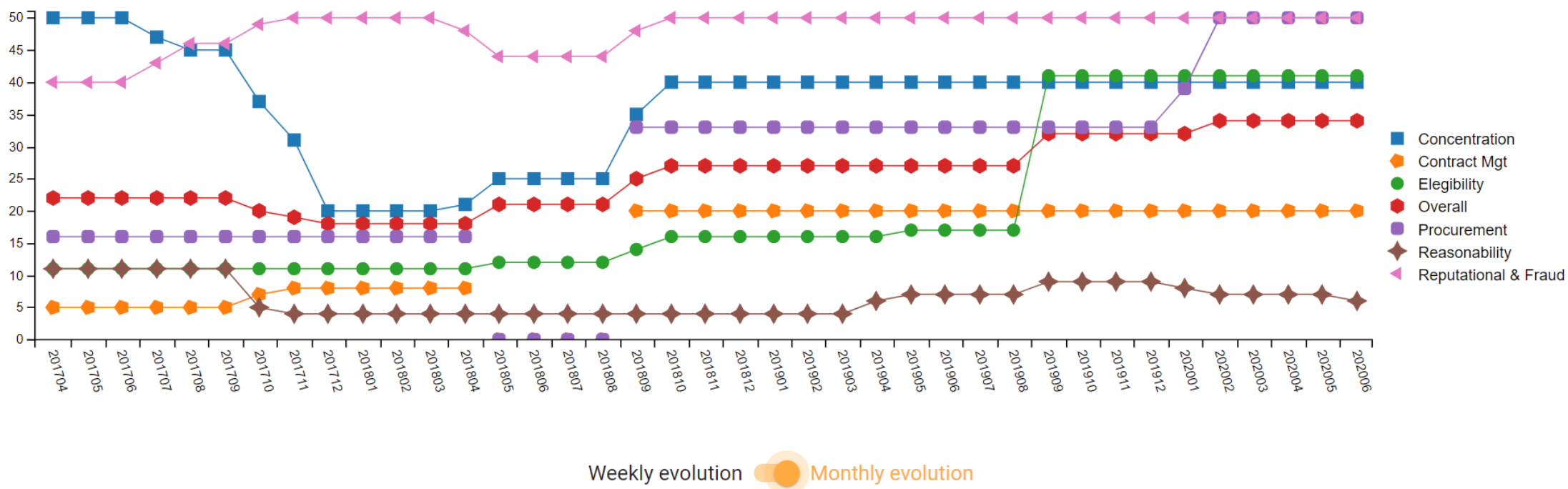
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European Commission

Thank you

European Commission