

Most Common Issues in Reporting for Social Services Providers

The Helpdesk project organized a survey and a series of workshops on the most common issues social services providers are facing in reporting when implementing EU funded projects. The following were most described as key obstacles in successful reporting within the projects:

- **CHANGING RULES DURING THE PROJECT IMPLEMENTATION**

One of the most common issues faced by beneficiaries when it comes to reporting is the occurrence of changing rules and requirements throughout the project implementation. These changes may for example involve refinements or additions to the reporting guidelines or modifications to public procurement rules. Such alterations can create confusion and challenges for beneficiaries, as they need to adapt their reporting processes and ensure compliance with the updated requirements. It is crucial for beneficiaries to know all the rules in advance (if possible) and to stay updated on any changes that cannot be avoided in order to adjust their reporting procedures accordingly.

- **COMPLEXITY IN THE ADMINISTRATIVE AND FINANCIAL REPORTING**

Reporting for EU funded projects often involves complex administrative and financial requirements, which can pose significant challenges for beneficiaries. The reporting process may include various forms, templates, guidelines, and documentation, making it difficult to navigate and comprehend. Beneficiaries may struggle with understanding the specific reporting obligations, ensuring accuracy in financial reporting, and organizing the necessary supporting documentation. It is essential for beneficiaries to invest time and effort in familiarizing themselves with the reporting requirements, seeking clarifications when needed, and establishing efficient systems for managing and organizing the required information.

- **ISSUES IN FRAMING ACTIVITIES IN UNREALISTIC INDICATORS; UNCLEAR INDICATOR SYSTEMS**

Another common issue in reporting is the difficulty faced by beneficiaries in framing their project activities within the context of sometimes unrealistic or unclear indicators. EU funding programmes typically define specific indicators that serve as measurable targets to assess the project's progress and impact. However, beneficiaries may encounter challenges in aligning their activities and outcomes with these indicators due to their complexity, ambiguity, or lack of relevance to the project's specific objectives. It is important for beneficiaries to engage in a thorough understanding of the indicators from the beginning, establish clear connections between their activities and the indicators, and seek guidance or clarification from the Managing Authorities to ensure accurate reporting.

Furthermore, there are often misunderstandings based on inconsistencies in definitions of outputs, outcomes and impact between different MAs and IBs. Beneficiaries would appreciate if this terminology was unified and coordinated and the systems for reporting project results would be clearer.

- **LACK OF CONTINUOUS FEEDBACK FROM MANAGING AUTHORITIES**

Beneficiaries often face the issue of not receiving continuous feedback from the Managing Authorities throughout the reporting process. Timely and meaningful feedback is crucial for beneficiaries to understand the expectations, address any deficiencies, and improve their reporting practices. Without regular feedback, beneficiaries may find it challenging to manage quality and accuracy of their reports, potentially leading to recurring mistakes or misunderstandings. It is important for beneficiaries to actively communicate with the Managing Authorities, seek feedback, and establish mechanisms for ongoing dialogue to enhance the reporting process and ensure compliance with the programme requirements.

- **PROCESSING DELAYS AND AUDITS OCCURRING SOMETIMES A FEW YEARS AFTER THE END OF THE PROJECT**

Reporting-related challenges can arise from processing delays and audits that occur after the project's completion, sometimes many years later (up to 10 years). These delays can be due to the high volume of projects being monitored, resource constraints, or other administrative factors. The extended timeframe between project completion and audit can make it difficult for beneficiaries to recall and reconstruct the necessary information and documentation, leading to potential discrepancies or difficulties in addressing audit findings. Beneficiaries should maintain comprehensive and well-organized project documentation throughout the project's lifecycle, including detailed records of expenditures, activities, and outcomes, to mitigate the impact of such delays and facilitate smoother audit processes.

Furthermore, the following recurring issues were identified:

- **KNOWLEDGE GAP IN PROCUREMENT PROCEDURES**

Inadequate understanding of procurement procedures often leads to reporting issues and non-compliance. Problems in procurement are the most common and costly mistake in many operational programmes around Europe. Managing Authorities should prioritize procurement training in cooperation with beneficiaries to ensure adherence and transparency in reporting and to prevent unnecessary problems, cuts and sanctions.

Mistakes in procurement often include:

- **Lack of Transparency:** Failing to ensure transparency throughout the procurement process, i.e. by not publishing call for tenders according to the rules or not for the specified time, lack of clarity in the text of tender documentation, poorly defined qualification and selection criteria influencing transparency of the selection process, unclear specifications or requirements regarding the content of the tender.
- **Inaccurate Tender Documentation:** Errors or inconsistencies in tender documents that can create ambiguity and confusion for bidders.
- **Violation of Equal Treatment and Non-Discrimination:** Discrimination against certain bidders, favouritism, or unfair treatment can undermine the principles of equal opportunity and competition. All bidders should be treated equally and assessed based on objective criteria.
- **Failure to Comply with formal requirements:** Each EU-funded programme has strict and often different procurement rules, which include specific formal procedures that need to be followed.

- Lack of Documentation and Record-Keeping: Inadequate documentation of the procurement process can make it difficult to demonstrate compliance, explain decisions, or handle potential audits.

- **LACK OF WORKFORCE**

Insufficient skilled staff and high turnover can hinder reporting. Managing authorities should support beneficiaries in training and staff retention to maintain effective reporting practices.

- **HEAVY ADMINISTRATIVE WORKLOAD**

Complex administrative tasks pre- and post-implementation can overwhelm beneficiaries, affecting reporting quality. Efficient resource allocation and streamlined processes are crucial for managing the workload effectively.

- **UNREALISTIC TIMELINE**

Unrealistic project timelines can result in rushed and incomplete reporting. Proper planning and consideration of reporting obligations are essential to ensure accurate and thorough reporting.

- **MONITORING FUNDS AND IMPACT**

Challenges arise when monitoring and measuring impact of projects. Clear KPIs, robust monitoring systems, and data collection are key for accurate reporting on project outcomes. On programme level, the MA needs to ensure proper evaluation.

- **MANAGEMENT PATTERN VARIATIONS**

Different management patterns among MAs and IBs create uncertainty and audit risks. Clear communication and better coordination among MAs and IBs are vital to mitigating legal uncertainties and reduce audit risks.

- **LACK OF SUPPORT AND TRAINING**

Insufficient support and training hinder effective reporting, partnerships, and preparation for open calls. Comprehensive resources and guidance are necessary to enhance beneficiaries' capacity in these areas.

- **LIMITED PROJECT FLEXIBILITY, CHANGE MANAGEMENT**

Inflexible change management processes impact projects and of course also reporting. Beneficiaries should have flexibility to adapt projects according to the real needs and to be able avoid issues in reporting compliance. MAs and IBs should set up a system of change management so that the beneficiaries would be clear on what and how they can change, and whether the MA/IB must pre-approved each change (type of change) or be informed.

- **FINANCIAL REPORTING**

In the system of flat rates and lump sums, financial reporting is often not necessary. But even in more complex projects financial reporting could be simplified to basics (i.e. in some Horizon Europe projects only summarized costs per budget category are reported, meaning that the financial report has only 4 numbers – one for each budgeting category such as staff costs, services, travel, equipment). The

beneficiaries need to account for each cost in any case, as they can face checks from tax offices, audits, etc.