



EUROPEAN COMMISSION  
DIRECTORATES-GENERAL  
EMPLOYMENT, SOCIAL AFFAIRS AND INCLUSION  
REGIONAL AND URBAN POLICY  
JointAuditDirectorateforCohesion - DAC - TheDirector

Brussels,  
REGIO.EMPL.DAC.4/YC/sg(2025)14118023

**Subject:** **Audit Planning Memorandum ‘Thematic Audits (2021-2027)’** — Audit of the functioning of the management and control systems as required by Articles 69 and 72-76 of Regulation (EU) N° 2021/1060 focusing on specific risks in training and upskilling actions

**Programmes:** 2021EL16JTPR001 - Just Development Transition and 2021EL05SFPR001 - Human Resources and Social Cohesion

**Covered Funds:** ESF+ 2021 and JTF 2021

**Preliminary Audit Findings**

**Ref.:** DAC421EL3492 (*to be used in all correspondence*)  
EC Notification Letter – Ares(2025)7700877 15/09/2025

Dear Mr Dertilis and Ms Manoli, Following the above-mentioned audit, please find enclosed the **preliminary audit findings**.

In the context of the contradictory procedure, the audited programme authorities (‘the auditees’) should confirm or clarify the facts presented and provide their agreement or disagreement with the provided findings, and respective actions to be taken or recommendations, within **one month** of submission of this audit report in the national language via SFC2021 – “EC audit report” module.

During the contradictory process, the auditees may consult relevant programme authorities/bodies, particularly for findings affecting key requirements for which these authorities/bodies bear responsibility, as well as beneficiaries, as necessary.

Please note that, in the absence of a response within the timeframe presented above, it will be considered that the programme authorities have accepted the preliminary findings and conclusions. The audit report will then be deemed final and sent to the Member State for follow-up.

Special Service for the “Just Development Transition” Programme  
Vasilis Dertilis-Head of Special Service for the “Just Development Transition” Programme

Special Service for the management of the “Human Resources and Social Cohesion” Programme  
Andriani Manoli-Head of the Service for the management of the “Human Resources and Social Cohesion” Programme

Upon reviewing the reply, when submitted within the specified deadline, the Commission auditors will communicate the audit report. The Member State will then be invited to inform the Commission auditors on the implementation of the recommendations and actions outlined in the national language version of the audit report, in accordance with the deadlines specified for each recommendation.

The national authorities are reminded to ensure that findings, which have a financial impact on the EU budget exceeding EUR 10 000, are reported in the Irregularity Management System (IMS). The national authorities should provide to OLAF unit C1 the IMS identification number (“REFERENCE NUMBER – OLAF” generated by IMS) and the reference of the above-mentioned report, via email to [OLAF-FMB-IMS@ec.europa.eu](mailto:OLAF-FMB-IMS@ec.europa.eu).”

I would also like to take this opportunity to thank you and your teams for the cooperation during the audit.

Yours faithfully,

*Electronically signed*

Franck Sébert

p.p. Ilse Van den Abeele

Acting Director

Enclosure: Preliminary Audit Findings + annexes

c.c.:

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Ambassador Extraordinary and Plenipotentiary  
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Brussels,  
REGIO.EMPL.DAC.4 /

## PRELIMINARY AUDIT FINDINGS

### Audit DAC421EL3492

<b>AUDIT PLANNING MEMORANDUM:</b>	Thematic Audits (2021-2027) Audit of the functioning of the management and control
<b>SPECIFIC TOPIC COVERED IN THE AUDIT:</b>	systems as required by Articles 69 and 72-76 of Regulation (EU) N° 2021/1060) focusing on specific risks in training and upskilling actions  ESF+ 2021 and JTF 2021 Greece
<b>FUNDS:</b>	2021EL16JTTPR001 - Just Development Transition and
<b>MEMBER STATE:</b>	2021EL05SFPR001 - Human Resources and Social Cohesion
<b>PROGRAMMES:</b>	<b>KR02:</b> Appropriate criteria and procedures for the selection of operations  <b>KR04:</b> Appropriate management verifications, including
<b>KEY REQUIREMENTS AUDITED(1):</b>	appropriate procedures for checking fulfilment of conditions for financing not linked to costs and for simplified cost options MA - Special Service for the “Just Development Transition” Programme MA - Special Service for the management of the
<b>AUTHORITIES AUDITED (AUDITEES):</b>	“Human Resources and Social Cohesion” Programme 17/11/2025 - 05/12/2025  05/12/2025  DAC.4
<b>AUDIT DATES:</b>	[REDACTED]
<b>WRAP-UP MEETING DATE:</b>	[REDACTED]
<b>RESPONSIBLE UNIT:</b>	[REDACTED]
<b>LEAD AUDITOR:</b>	[REDACTED]
<b>ASSOCIATED AUDITORS:</b>	

(1) Key requirements as defined in Table 1 of Annex XI CPR.

<b>ASSOCIATED UNIT(S) / DGS:</b>	-
<b>EXTERNAL FIRM:</b>	No

This document sets out the provisional findings and recommendations of the Commission auditors. These may be modified in light of the observations and further information received from the national authorities. Accordingly, this report should be treated as confidential until the follow-up procedure is definitively concluded. If the whole or part of the report is transmitted to persons concerned by the audit to enable them to provide comments, please ensure that the information described in this paragraph accompanies the transmission.

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## LIST OF ACRONYMS AND ABBREVIATIONS

Acronym	Definition
<b>AA</b>	Audit Authority
<b>AMIF</b>	Asylum, Migration and Integration Fund
<b>BMVI</b>	Border Management and Visa Instrument
<b>CF</b>	Cohesion Fund
<b>CPR</b>	Regulation (EU) 2021/1060 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy
<b>DAC</b>	Joint Audit Directorate for Cohesion
<b>DG EMPL</b>	Directorate-General Employment, Social Affairs and Inclusion
<b>EDEL</b>	Financial Audit Committee
<b>EEA</b>	European Economic Area
<b>EMFAF</b>	European Maritime, Fisheries and Aquaculture Fund
<b>E.O.P.P.E.P</b>	National Organisation for Certification of Qualifications & Vocational Guidance
<b>ERDF</b>	European Regional Development Fund
<b>ESF+</b>	European Social Fund Plus
<b>HR</b>	Human Resources and Social Cohesion
<b>IB</b>	Intermediate Body
<b>INTOSAI</b>	International Organisation of Supreme Audit Institutions
<b>ISF</b>	Internal Security Fund
<b>ISSAI</b>	International Standards of Supreme Audit Institutions
<b>JDT</b>	
<b>JTF</b>	Just Development Transition
<b>KR</b>	Just Transition Fund
<b>MA</b>	Key Requirement
<b>MCS</b>	Managing Authority
<b>MS</b>	Management and Control System
<b>SCO</b>	Member State
<b>YEKA</b>	Simplified Cost Options
	Special Service – ESIF Executive Structure of the Ministry of Labour and Social Security

## 1. EXECUTIVE SUMMARY

Based on the work carried out, the Commission auditors have identified the following deficiencies:

Finding	Type of finding	Description	Financial impact	Conditions for net FC met
01	System KR04	Insufficient justification for non-division of contracts into lots	N/A	No
02	System KR04	Discriminatory selection criteria laid down in the tender documents	1 622 018.85 and TBD for contracts outside of the audited sample	TBD
03	System KR04	Insufficient definition of the subject-matter of the contract	648 883.54 (not cumulated with the proposed correction under 02)	TBD
04	System KR02	Insufficient assessment of beneficiary capacity	N/A	No
05	System KR02	Overestimation of participants and planned budgets	N/A	No
06	System KR04 Project	Risk of inefficiency and ineffectiveness in training delivery	N/A	No
07	6012165 - Επανένταξη αποφυλακισθέντων επαγγελματιών κοινωνία και την αγορά εργασίας	Ineligible project Non-compliance with contractual requirements and incomplete documentation of training	TBD (expenditure not declared yet)	TBD

### 1.1. Preliminary audit conclusions

The preliminary assessment of the audited key requirements is as follows:

Programme / Auditee	Audited KRs	
	KR 2	KR 4
“Just Development Transition” Programme - Managing authority – Special Service for the “Just Development Transition” Programme	Cat-3 <sup>2</sup>	Cat-3

<sup>2</sup> The assessment in category 3 for both KRs is limited to the operations related to the provision of vocational training.

Programme / Auditee	Audited KRs	
	KR 2	KR 4
<p><b>“Human Resources and Social Cohesion” Programme -</b>  Managing authority – Special Service for the management of the “Human Resources and Social Cohesion” Programme  IB - Ministry of Labour and Social Security</p>	<b>Cat-3</b>	<b>Cat-3</b>

The auditors consider that the above findings, taken together, indicate that the current practices applied by the MA may create a situation where manipulation is not sufficiently prevented, thereby increasing the risk of fraud in the selection of operations and public procurement procedures.

**Net Financial Corrections** At this stage, it is not known whether the expenditure concerned was included in the accounts submitted so far to the Commission. Therefore, the potential impact in terms of Net Financial Correction remains to be determined. Please refer to findings 02 and 03. This may lead to a financial correction decision under Article 104(1)(b) of Regulation (EU) No 2021/1060, reducing funds for the programmes.

## 2. LEGAL BASIS

The legal basis for the Commission audits in Member States for ERDF, ESF+, CF, JTF, EMFAF, ISF, BMVI and AMIF is Article 70(1) of Regulation (EU) 2021/1060, which establishes the Commission’s powers and responsibilities under shared management.

## 3. OBJECTIVES

The audit was performed in the context of the Audit Planning Memorandum ‘Thematic Audits (2021-2027)’. The overall objective of the thematic audits is to address specific cross-cutting risk areas and horizontal themes, not covered by another audit.

The main objective of this mission was to address a series of risks identified by DG EMPL in the implementation of training and upskilling schemes, such as limited competitive processes in the selection of operations, a high degree of subcontracting of the training actions to specific providers, risks linked to certification of competencies, and accreditation requirements. In

Greece, currently these schemes are mainly implemented via the two audited programmes<sup>3</sup>. These risks relate to the following key requirements:

- KR2: Appropriate criteria and procedures for the selection of operations; and
- KR4: Appropriate management verifications.

Additionally, the auditors assessed the existence of "processes and procedures which constitute excess administrative burden and cost or can be simplified without undermining the overall assurance and effectiveness of the management and control system"<sup>4</sup>.

#### **4. A UDIT SCOPE**

The scope of the audit was defined based on the risk assessment conducted annually by the Joint Audit Directorate for Cohesion.

The audit covered the management and control system in relation to selection of operations and management verifications set-up and implemented under the provisions of Articles 69 and 72-76 of Regulation (EU) N° 2021/1060, for the training and upskilling actions funded by the ESF+ and JTF under the two audited programmes. The audit focused on specific risks related to these training and upskilling actions, notably those concerning the selection of operations, subcontracting arrangements, certification of competencies, and compliance with accreditation requirements.

The audit work included a review of the systems and procedures in place and was complemented by substantive testing through a review of selected samples of operations. The audit work was carried out at the level of the following bodies/authorities:

- Managing authority of the programme "Human Resources and Social Cohesion" (ESF+)
- Managing authority of the programme "Just Development Transition" (JTF)
- Intermediate body (IB) of the programme "Human Resources and Social Cohesion" - Special Service – ESIF Executive Structure of the Ministry of Labour and Social Security (YEKA)- (ESF+)

The audit did not include visits to beneficiaries.

The audit work was carried out through on-the-spot visits to the two MAs from 17 to 21 November 2025 and continued through remote, desk-based audit work until 5 December 2025. The wrap-up meeting took place remotely on that same 5 December.

The audit authority (EDEL) took part in the audit as an observer.

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<sup>3</sup> During the audit work, the team was informed that training and upskilling schemes will also be implemented under other programmes.

<sup>4</sup> In agreement with point 26 of the "Draft Council Conclusions on the implementation challenges of the cohesion policy 2014-2020" – 9622/1/15 REV 1 – 17 June 2015

#### 4.1. Sampled items

The following projects were subject to the audit:

	Project / operation code	Project / operation name	Fund and Programme	Beneficiary	Expenditure (*)	Visited on-the-spot
1	6012165	Επανάταξης αποφυλακισθέντων κρατουμένων στην κοινωνία και την αγορά εργασίας	ESF+ 2021 - 2021EL05SFPR0 01	ΓΕΝΙΚΗ ΓΡΑΜΜΑΤΕΙΑ ΑΝΤΕΓΚΛΗΜΑΤΙΚΗΣ ΠΟΛΙΤΙΚΗΣ ( Anti-Crime)	0	N
2	6016511	Απασχόληση για Νέους/Νέες με Αναπηρία	ESF+ 2021 - 2021EL05SFPR0 01	ΕΘΝΙΚΗ ΣΥΝΟΜΟΣΠΟΝΔΙΑ ΑΤΟΜΩΝ με ΑΝΑΠΗΡΙΑ (ΕΣΑμεΑ)	0	N
3	6017558	ΥΕΚΑ- 3.700 άνεργοι ηλικίας 18-29 ετών	ESF+ 2021 - 2021EL05SFPR0 01	ΕΛΛΗΝΙΚΗ ΣΥΝΟΜΟΣΠΟΝΔΙΑ ΕΜΠΟΡΙΟΥ ΚΑΙ ΕΠΙΧΕΙΡΗΜΑΤΙΚΟΤΗΤΑΣ (ΕΣΕΕ)	1 543 788	N
4	6017551	1.600 άνεργοι εγγεγραμμένοι στη ΔΥΠΑ	ESF+ 2021 - 2021EL05SFPR0 01	ΣΥΝΔΕΣΜΟΣ ΕΠΙΧΕΙΡΗΣΕΩΝ ΠΛΗΡΟΦΟΡΙΚΗΣ & ΕΠΙΚΟΙΝΩΝΙΩΝ ΕΛΛΑΔΑΣ (ΣΕΠΕ)	39 585	N
5	6001061	Απασχόληση για άνεργους στις περιοχές ΔΑΜ	JTF 2021 - 2021EL16JTPR0 01	ΟΙΚΟΝΟΜΙΚΟ ΕΠΙΜΕΛΗΤΗΡΙΟ ΤΗΣ ΕΛΛΑΔΑΣ	3 703 140	N
6	6001122	Απασχόληση ανέργων Φλώρινας	JTF 2021 - 2021EL16JTPR0 01	ΕΠΙΜΕΛΗΤΗΡΙΟ ΦΛΩΡΙΝΑΣ	610 500	N
7	6001319	Παρεμβάσεις συμβουλευτικής, κατάρτισης και πιστοποίησης για εργαζόμενους σε επισφαλείς θέσεις σε Δ.Μακεδονία + Πελοπόννησο	JTF 2021 - 2021EL16JTPR0 01	Ε.Υ.Δ. & ΕΦΑΡΜΟΓΗΣ ΤΟΜΕΩΝ ΒΙΟΜΗΧΑΝΙΑΣ, ΕΜΠΟΡΙΟΥ & ΠΡΟΣΤΑΣΙΑΣ ΚΑΤΑΝΑΛΩΤΗ ((ΕΥΔΕ-ΒΕΚ)	1 902 285	N

(\*) The column “Expenditure” refers to amounts declared to the Commission for the accounting year 2024-2025 relating to training and upskilling actions.

The audit covered two programmes, involving two MAs and one IB, and addressed multiple risk areas. To ensure a risk-based and representative approach, the sampling was carried out in two stages.

First, the identified risks were grouped thematically, allowing the audit to focus on areas of higher inherent and control risk. On this basis, targeted samples were selected for each auditee, taking into account the nature of the risks, the characteristics of the population and the audit objectives.

Specifically, a sample of operations were selected from the population of awarded contracts. The sampling criteria focused on operations involving recurrent contractors and subcontractors for training and upskilling actions, to address the risk of concentration and potential non-compliance with selection and public procurement rules. The selected operations also allowed for the testing of the procurement procedures, the contract award decisions and the implementation of contracts and subcontracts. Within this risk-based framework, the operations were selected randomly. The final sample comprised three operations (related to three calls) for the MA JDT and four operations (related to four calls) for the MA HR and the IB YEKA.

An additional sample of participants was selected from the population of training activities. The sampling criteria aimed to ensure adequate coverage of different types of training activities, specialisations and sessions, as well as the involvement of different auditees. A random sample of training activities and participants was selected, covering multiple titles, specialisations and sessions, for a total of 110 participants. This sample was considered sufficient to test the risks related to academic certification and national accreditation requirements.

The selection of operations covered both funds ESF+ 2021 and JTF 2021.

The audit samples ensured sufficient diversification by considering different priorities /measures, expenditure amounts, beneficiary types and operations, and reimbursement modalities (SCOs vs. actual costs) to achieve an adequate operation coverage for the audit performance.

## **5. A PPROACH**

The audit followed the methodology (including checklists) from the abovementioned Audit Planning Memorandum and was carried out in line with ISSAI 4000 (INTOSAI's compliance guidelines).

## 6. PRELIMINARY FINDINGS AND ACTIONS PROPOSED TO BE TAKEN / RECOMMENDATIONS

### 6.1. System findings

#### Finding 01

**Key Requirement(s):** management verifications, including appropriate procedures for checking fulfilment of conditions for financing not linked to costs and for simplified cost options

**Assessment Criteria:** AC 4.3

**Gold plating issues?** No

**Performance data reliability issues?** No

Insufficient justification for non-division of contracts into lots

**Legal basis / Standard / Methodological note:**

*Article 46, Directive 2014/24/EU on public procurement*

**Description of the finding:** The Commission auditors audited seven calls for tenders related to the provision of training courses to specific target groups. These calls covered a wide range of services: counselling services, vocational training (online and in-person), traineeships, and certification services. Despite the functional distinction among these activities, the procurement design grouped all activities into a single lot. The justification provided in the tender documentation for not subdividing the contracts into separate lots was limited to general statements, such as the services being “interlinked and interdependent”. Four out of the seven calls for tenders justified the non-separation into lots with references to operational considerations, including the coordination efficiency and adherence to implementation timelines.

Article 46(1) of Directive 2014/24/EU requires contracting authorities to indicate the main reasons for deciding not to subdivide contracts into lots. Although this formal requirement was met, the reasons provided were generic and lacked sufficient substantiation. In particular, the tender documentation does not provide an explanation why subdivision was inappropriate in light of the nature of the services and their actual delivery, nor did they reflect a reasoned assessment of alternative lot structures.

In practice, contract implementation through groups of economic operators and subcontracting arrangements demonstrated that the services were functionally independent and were effectively implemented separately by different members of groups of economic operators through different contracts. Different members of groups of economic operators were responsible for specific components, and certain activities were subcontracted, indicating that the market could deliver the services through separate lots without compromising operational objectives.

Furthermore, Joint Ministerial Decision 82759/2022, Government Gazette 4581/30-08-2022, Article 5, stipulates that the certification body<sup>5</sup> must not be identical to, or corporately linked with, the training provider. This regulatory requirement further supports the appropriateness of subdividing the proposed provision of services into lots, particularly between training and certification services.

By grouping all activities services into a single high-value contract, the procurement design favoured large operators and groups of economic operators, while smaller or specialised providers were largely relegated to subcontract level. This may have reduced competition, and increased the risk of market concentration, especially given the limited number of authorised certification bodies.

Overall, while the tender documentation formally complied with Article 46(1) of Directive 2014/24/EU, it did not substantively justify the decision not to subdivide the contracts into lots. The generic nature of the reasons provided and the absence of a documented assessment of alternative procurement structures undermined transparency and competitive access. Moreover, the actual execution of the contracts through individual contracts with the different members of groups of economic operators reveals that the reasons put forward in the tender documents as justification do not align with the actual implementation of the contracts.

#### **Action to be taken/recommendation 01.01**

To strengthen transparency, foster wider competition, and support the objectives of Article 46 of Directive 2014/24/EU, notably by promoting SME participation and improving access for specialised providers in public procurement, the Commission auditors recommend the MAs to issue clear guidance and instructions to the contracting authorities to ensure that:

1. at the preparatory stage of public procurement procedures, the contracting authorities assess whether contracts can be divided into separate lots based on the functional independence of services, in line with Article 46 of Directive 2014/24/EU. In particular, the MAs should provide instructions to ensure that contracting authorities examine properly the feasibility of separating certification training and advisory services, where these services can be delivered independently, to avoid unnecessary bundling and to facilitate the participation of specialised economic operators.

2. at the preparatory stage of public procurement procedures, the contracting authorities effectively examine whether the provision of training services could be subdivided into separate lots based on the type (remote or in-person) or the thematic area of the training to be delivered. This assessment should consider differences in subject matter, professional fields, target groups, and required expertise, as well as the structure of the relevant market. Where such differentiation exists, the MA should instruct the contracting authorities to consider designing lots that correspond to distinct training categories or thematic areas, so that economic operators with specialised know-how can bid for the parts of the contract that match their expertise. This approach may reduce

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<sup>5</sup> The certification body is responsible for issuing certificates for the training, and is authorised to assess and formally verify that individuals have acquired specific skills or competencies. The certification body must be independent from the training providers to ensure the validity and credibility of the certificates issued.

barriers to entry, increase competitive pressure, and improve the quality of the services provided.

3. where the contracting authorities decide not to divide the provision of services into lots, they should provide a clear justification, for instance explaining why subdivision is technically, operationally, or economically impractical. This justification should be specific to the procedure concerned and be duly documented in the procurement file.

**Importance of the recommendation:** Important

**Deadline for implementation:** 3 months

**Responsible body:**

MA - Special Service for the “Just Development Transition” Programme

MA - Special Service for the management of the “Human Resources and Social Cohesion” Programme

MA-IB - Ministry of Labour and Social Security (YEKA)

## Finding 02

**Key Requirement(s)** management verifications, including appropriate procedures for checking fulfilment of conditions for financing not linked to costs and for simplified cost options

**Assessment Criteria:** AC 4.3

**Gold plating issues?** No

**Performance data reliability issues?** No

Discriminatory selection criteria laid down in the tender documents

**Legal basis / Standard / Methodological note:**

Article 18(1) of Directive 2014/24/EU

### Description of the finding:

The audited calls for tenders concerned the provision of counselling, vocational training (online and in-person), traineeships and certification services for vulnerable target groups.

The Commission auditors noted that according to the tender documentation reviewed for the entire sample, *Section 2.2.1 “Right to participate”* permitted the participation of economic operators established in EU Member States, EEA countries and eligible third countries, subject to registration in a professional or commercial register or compliance with Annex XI of Appendix A to Greek Law 4412/2016. Furthermore, *Section 2.2.4 “Suitability to pursue the professional activity”* required economic operators to carry out an activity relevant to the subject matter of the contract and to be enrolled in the relevant professional or commercial registers kept in their State of establishment, in accordance with the provisions of Annex XI of Appendix A to Law 4412/2016.

However, in addition to these eligibility provisions, the tender specifications imposed specific technical and regulatory conditions on training providers. In particular, prior to the submission of bids, training providers were required to hold a national Lifelong Learning Centre (LLC) licence, in accordance with Articles 53 and 169(17)(a) of Law 4763/2020.

The licensing procedure requires, inter alia, compliance with the infrastructure and building requirements laid down in Law 4093/2012, including:

submission of a complete building file for each building unit (independent building or floor), including a completed and signed E.O.P.P.E.P.<sup>6</sup> opinion form, an approved building permit for educational use with detailed floor plans and accessibility mapping, a fire-safety certificate, and certification of the main-use premises by a private engineer;

payment of the applicable fees defined in Law 4093/2012;

the availability of at least one duly approved physical training facility located in Greece.

On the basis of these requirements, and especially the need for an approved physical establishment at the time of participating to the tender, economic operators from foreign origin could have been deterred from tendering. Moreover, given that a significant part of the training activities under the audited contracts were delivered online, the obligation to hold an LLC licence – which presupposes compliance with extensive national infrastructure requirements and the existence of a physical facility in Greece prior to bid submission – constituted a disproportionate condition, unrelated to the actual performance of the services linked to online training and effectively restricted participation to economic operators already established in Greece. The economic operators established in other EU Member States, EEA or third countries would, in practice, be required to possess an authorisation (physical infrastructure) in Greece by the time of the tender submissions in order to participate in the tender procedures, even to deliver online training.

In addition, similar discriminatory conditions were imposed in relation to certification bodies involved in the delivery of certification services (i.e. issuing certificates to participants upon completion of training and verifying that they have acquired the necessary competencies and skills) under the audited contracts. While most tenders allowed participation by certification bodies accredited under international standard ISO/IEC 17024 or equivalent recognised standards or by E.O.P.P.E.P, or by another equivalent organization, in two specific tenders (6016511 – ESAMEA project and 6001122 – Florina project) participation was restricted exclusively to certification bodies accredited by the National Accreditation System or by E.O.P.P.E.P. This requirement introduced an unlawful national preference and potentially excluded qualified certification bodies holding internationally recognised accreditations, thereby further limiting competition and access to the procedures.

This existence of discriminatory national licensing requirements for training providers, as well as discriminatory accreditation requirements for certification bodies in specific tenders, is considered disproportionate and contrary to the principles of equal treatment and non-

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<sup>6</sup> National Organisation for Certification of Qualifications & Vocational Guidance

discrimination laid down in Article 18(1) of the Public Procurement Directive 2014/24/EU. These requirements also go beyond what is necessary and proportionate to ensure the suitability of tenderers to pursue the professional activity, considering the general principles governing competition, technical specifications and selection criteria set out in Articles 18, 42 and 58 of the said Directive.

The Commission auditors assessed the finding and consider it is similar to what is described under point 10 of the Annex to Commission Decision C(2019) 3452 final of 14 May 2019 laying down guidelines for determining financial corrections on public procurement. Therefore, a flat rate correction of 25% is to be applied to the concerned public contract.

In view of finding 03, it is recalled that under the above Commission Decision C(2019), the rates of correction are not cumulated. Only the most serious irregularity is taken as an indication to decide the rate of correction applicable to the contracts concerned.

The managing bodies should have identified this in their pre-tender verifications, “ΔΙΑΔΙΚ ΔΙΑ\_2\_ΕΓΚΡΙΣΗ ΔΙΑΚΗΡΥΞΗΣ 21-27”, checklist “Λ.ΙΙ.2\_2 ΔΙΑΚ ΠΡΟΜ\_ΥΠΗΡ\_ΑΝΩ ΟΡΙΩΝ” section B selection criteria.

This irregularity was identified in all sampled items and therefore is considered to be of a systemic nature. Consequently, financial corrections should be applied to all affected contracts related to training and upskilling schemes beyond the audited sample.

#### **Action to be taken/recommendation 02.01**

The national authorities are requested to apply a financial correction of 25% to the declared expenditure related to the audited training and upskilling contracts under both programmes (i.e.  $EUR\ 7\ 799\ 298 \times 25\% = EUR\ 1\ 949\ 824.50$ ). For phased operations and related audited contracts, this level of financial corrections should be applied also to the affected expenditure of the 2014-2020 programming period. Moreover, the national authorities are requested to apply the same level of financial corrections to any further expenditure to be declared under the concerned contracts. The national authorities are also requested to inform the Commission of the amount deducted per programme, type of region, co-financing rate and accounting year.

**Importance of the recommendation:** Very Important

**Deadline for implementation:** 3 months

**Responsible body:**

MA - Special Service for the “Just Development Transition” Programme

MA - Special Service for the management of the “Human Resources and Social Cohesion” Programme

MA-IB - Ministry of Labour and Social Security (YEKA)

**Action to be taken/recommendation 02.02**

Given the systemic nature of the irregularities identified, the MAs are requested to apply the 25% financial correction to all contracts outside the sample that are affected by the same irregularity for both programmes. The MAs are requested to inform the Commission services on the relevant financial impact of this exercise.

**Importance of the recommendation:** Very Important

**Deadline for implementation:** 3months

**Responsible body:**

MA - Special Service for the “Just Development Transition” Programme

MA - Special Service for the management of the “Human Resources and Social Cohesion” Programme

MA-IB - Ministry of Labour and Social Security (YEKA)

**Action to be taken/recommendation02.03**

To prevent further recurrence, theMAsshouldensure, in cooperation with the competent national authorities, that the tenderdocumentsapplicable to the provision of services related to vocational training and upskillingarealignedwith the principles of equal treatment, non-discrimination, transparency andproportionalitylaid down in Article 18(1) of Directive 2014/24/EU. To this end, the MAsshouldprovideguidance to the beneficiaries, and strengthen their verifications in this area bycheckingsystematically the inclusion of such discriminatory criteria and applying the necessaryfinancialcorrections, when needed, thus contributing to broad market access, service quality,andcompliance with the EU public procurement rules. In particular:

- The requirement for providerstoholdaLifelong Learning Centre (LLC) licence and maintain a physical facilityshouldnotbea precondition for tender participation, but may, if justified, be appliedatthestageofcontract performance;
- Certification bodies thatmeetrecognisedinternational accreditation standards (e.g., ISO/IEC 17024) or equivalentstandardsfrom other national accreditation systems should be accepted alongsideGreeknational accreditations.

**Importance of the recommendation:** Very Important

**Deadline for implementation:** 3months

**Responsible body:**

MA - Special Service for the “Just Development Transition” Programme

MA - Special Service for the management of the “Human Resources and Social Cohesion” Programme

MA-IB - Ministry of Labour and Social Security (YEKA)

### Finding 03

**Key Requirement(s):** management verifications, including appropriate procedures for checking fulfilment of conditions for financing not linked to costs and for simplified cost options

**Assessment Criteria:** AC 4.3

**Gold plating issues?** No

**Performance data reliability issues?** No

Insufficient definition of the subject-matter of the contract

**Legal basis / Standard / Methodological note:**

Article 42(1) and (2) of Directive 2014/24/EU

**Description of the finding:** The audited calls for tenders for counselling, vocational training, traineeships, and certification services for vulnerable target groups exhibited a significant weakness in the definition of the subject matter for both programmes. The tender documentation in all audited calls provided detailed descriptions of the activities, type and subject of the training services, specifying, inter alia, estimated participant numbers and total hours per activity (as detailed in Section 1.3 and Annex I of each call for tenders). However, it did not specify the delivery mode for the training services. The final allocation of online or in-person delivery was determined only after the contracts' award, based on participant preferences<sup>7</sup>.

The Joint Ministerial Decision 82759/2022, Government Gazette B' 4581/30-08-2022, specifically Article 6, establishes indicative unit cost ranges differentiated by delivery mode. The costs between online and in-person training differ significantly: namely, EUR 5.30 to EUR 7.00 per hour for in-person training, and EUR 3.50 to EUR 5.50 for online training. The tender documents state that the price for online training will be up to a threshold without specifying the exact price. However, the absence of any conditions regarding the delivery structure and of a clearly defined price for the provision of online training services in the tender documentation may have prevented tenderers from accurately pricing their services and from submitting comparable financial tenders. Subsequently, the lack of clarity regarding the delivery mode and the price of online training may have created uncertainty about the final cost composition, resulting in risks of facing non-comparable tenders, subjective evaluation and unequal treatment of economic operators. It may also have deterred certain economic operators from submitting a tender, as the costs for in person training and online training (which include remote live training as well as e-learning formats) differ significantly in their cost structures. Such deficiencies are inconsistent with Article 42(1) and (2) of Directive 2014/24/EU, which requires technical specifications to clearly define the characteristics of the services and ensure equal access to

<sup>7</sup> Following the contracts' award, the MA launches calls for participants, which invite individuals to submit applications for participation in a subsidised continuing vocational training action. The call describes the programme, including the services offered (consulting, training, practical training and certification), the scope and subjects of the training, the total training hours, and the available modes of delivery from which applicants are required to make a selection.

economic operators without unjustified obstacles to competition. Furthermore, they contravene Article 18(1) of the Directive, which mandates respect for the principles of equal treatment, non-discrimination, and transparency.

The incomplete definition of delivery conditions for key service components led to uncertainty in pricing, risks to fair competition, and potential inefficiencies in the use of EU funds. This constitutes an irregularity, similar to the one covered in point 12 of the Commission Guidelines on Financial Corrections (Ref: C(2019) 3452 final of 14 May 2019).

#### **Action to be taken/recommendation 03.01**

The MAs are requested to apply a financial correction of 10% to the declared and future expenditure for the contracts covered by the audited tender procedures. The financial correction reflects the irregularity arising from the insufficient definition of the subject-matter of the contract, specifically the absence of clear requirements regarding the allocation of training hours between in-person delivery and online delivery, the latter comprising remote training (‘σύγχρονη κατάρτιση’) and e-learning (‘ασύγχρονη κατάρτιση’).<sup>8</sup>

However, as more than one public procurement finding with a financial impact has been identified for these contracts, only the highest financial correction should be applied, in accordance with the abovementioned Guidelines, which state that “*where more than one irregularity is detected in the same procurement procedure, the rates of correction are not cumulated and the most serious irregularity determines the applicable correction rate.*”

**Importance of the recommendation:** Important

**Deadline for implementation:** 3 months

**Responsible body:**

MA - Special Service for the “Just Development Transition” Programme

MA - Special Service for the management of the “Human Resources and Social Cohesion” Programme

MA-IB - Ministry of Labour and Social Security (YEKA)

#### **Action to be taken/recommendation 03.02**

Given the systemic nature of this finding, the MAs are requested to apply the same financial correction to the affected contracts outside the scope of this audit. The MAs are requested to inform the Commission services on the relevant financial impact.

<sup>8</sup> The online training comprises two distinct formats: (i) remote training (‘σύγχρονη κατάρτιση’), delivered in real time with live interaction between trainers and participants; and (ii) e-learning (‘ασύγχρονη κατάρτιση’), delivered through pre-recorded digital learning materials that do not require any interaction with a trainer, either in person or remotely.

**Importance of the recommendation:** Important

**Deadline for implementation:** 3months

**Responsible body:**

MA - Special Service for the “Just Development Transition” Programme

MA - Special Service for the management of the “Human Resources and Social Cohesion” Programme

MA-IB - Ministry of Labour and Social Security (YEKA)

### **Action to be taken/recommendation03.03**

The MAs are requested to provide guidance and give clear instruction to the contracting authorities to ensure that during the preparatory phase of each public procurement procedure the subject-matter of the contract is clearly defined, including the required mix of delivery modes (in-person, remote training, and e-learning). This is necessary to enable tenderers to accurately price their services and to ensure that the evaluation process is transparent and non-discriminatory.

**Importance of the recommendation:** Important

**Deadline for implementation:** 3months

**Responsible body:**

MA - Special Service for the “Just Development Transition” Programme

MA - Special Service for the management of the “Human Resources and Social Cohesion” Programme

MA-IB - Ministry of Labour and Social Security (YEKA)

### **Finding 04**

**Key Requirement(s):** KR02-Appropriate criteria and procedures for the selection of operations

**Assessment Criteria:** AC2.1 and AC 2.4

**Gold plating issues?** No

**Performance data reliability issues?** No

Insufficient assessment of beneficiary capacity

**Legal basis / Standard / Methodological note:**

Article 69(1) CPR principles of sound financial management

**Description of the finding:**

During the audit of calls for proposals under the HR and JDT programmes, the Commission auditors found that the selection of beneficiaries is determined exclusively by their prior

identification in the Specialisation Document (*Εγγραφο Εξειδίκευσης*). This document is prepared by the relevant MA with cooperation of the relevant parties including the involvement of potential beneficiaries providing technical information on needs, target groups, and scope of activities. It outlines the main beneficiaries and operational framework, and establishes key parameters such as timelines, strategic objectives, intervention areas, performance indicators, and budget allocations. Once the call is launched, it is addressed specifically and exclusively to the beneficiaries pre-identified in the Specialisation Document, with the MAs and IB performing a direct award of the grant without actually conducting a proper evaluation process.

For projects MIS 6012165 (Anti-Crime) and MIS 6016511 (ESAMEA), the MA confirmed that no separate market research or feasibility study was conducted prior to the calls, as the interventions concerned areas with institutionally predefined, and in some cases, unique eligible beneficiaries. Consequently, the operations were selected through direct award procedures, with the beneficiaries providing technical information on needs, target groups, and scope of activities, but not information on their capacity to carry out the projects. Although these beneficiaries are generally recognised as competent in their domain, the MAs acknowledged that alternative entities could have acted as beneficiaries in some cases. This applies for example in project MIS 6016511 (ESAMEA) and the JTF projects where the MA JDT selected chambers (*‘Επιμελητήρια’*) as implementing bodies, based on their organization by region and specialization and on the grounds that they possess market-related data relevant to regional needs. However, the availability of market information alone does not constitute sufficient evidence of administrative, financial, or operational capacity to implement the projects effectively.

Furthermore, the inclusion in the Specialisation Document does not automatically confirm that a body has the administrative or operational capacity to implement the operation. Despite this, the MA and/or the IB did not perform any independent verification of the actual capacity of the designated bodies before awarding operations.

The Commission auditors also noted that potential beneficiaries were actively involved in shaping the design, scope, and needs of operations prior to the publication of the call, including cases where the initiative originated from the beneficiary themselves (MIS 6012165 (Anti-Crime) and MIS 6016511 (ESAMEA)). This may reduce the independence and objectivity of the selection procedure, increases the risk of self-selection (biased selection processes), and weakens safeguards intended to ensure that operations are awarded based on a well-documented comparison between policy needs and verified beneficiary capacity.

This practice raises concerns regarding the application of the principle of sound financial management under Article 69(1) CPR, particularly the principle of efficiency. Involving beneficiaries in the selection process and carrying out a direct award without a thorough verification of their operational capacity may lead to underperforming operations. As explained in finding 05 below, in practice, the targets of the operations were often not met, requiring significant reductions in participant numbers and budgets. Overall, the evidence indicates that relying solely on beneficiary-provided data prevented a realistic assessment of needs and resources, increasing the risk of inefficiency and underperformance, and undermining the principle that programme funds should be used to achieve the maximum outputs for the inputs provided.

**Action to be taken/recommendation 04.01**

The MA/IB should strengthen the selection and targeting of beneficiaries by introducing an independent assessment of potential beneficiaries' operational, administrative, and financial capacity. This assessment should not be limited to information provided in the Specialisation Report but should be supplemented by independent verification measures. Such measures should include, but not be limited to, independent research, validation of submitted data, and analysis of the beneficiary's historical performance in similar projects or funding schemes.

Furthermore, the MA and IB should also consider alternative beneficiaries and compare such data in a competitive objective process.

**Importance of the recommendation:** Important

**Deadline for implementation:** 3 months

**Responsible body:**

MA - Special Service for the "Just Development Transition" Programme

MA - Special Service for the management of the "Human Resources and Social Cohesion" Programme

MA-IB - Ministry of Labour and Social Security (YEKA)

**Finding 05**

**Key Requirement(s):** KR02-Appropriate criteria and procedures for the selection of operations

**Assessment Criteria:** AC 2.1

**Gold plating issues?** No

**Performance data reliability issues?** No

Overestimation of participants and planned budgets

**Legal basis / Standard / Methodological note:**

Article 69(1) CPR principles of sound financial management

**Description of the finding:**

During the audit of calls for proposals under the HR and JDT programmes, the Commission auditors found significant shortcomings in the planning and budgeting processes, specifically regarding the estimation of participant numbers and the calculation of budgets.

For projects under the HR programme, participant targets were mainly derived from data submitted by potential beneficiaries, as outlined in the Specialisation Document (more details can be found under finding 04 above) prepared prior to the call, with the MA's verification being limited to this report. In most cases, targets relied heavily on the Specialisation document (including research conducted by the potential beneficiaries themselves) without checks to validate the accuracy of the data. The MA justified this approach by asserting that potential beneficiaries possess the necessary knowledge to define the target group.

However, the significant under-execution observed during implementation — in some cases reaching up to 87% below initial targets — indicate that the original estimates were substantially unrealistic, being much inflated. More specifically:

- Anti-Crime Project (MIS 6012165): The project initially targeted 7,500 prisoners (5,500 adults and 2,000 juveniles), but actual participation reached only 4,195 prisoners, representing an overall achievement rate of approximately 56%. Adult participation amounted to 3,865 (around 70% of the target), while only 330 juveniles participated, corresponding to roughly 17% of the planned target.
- ESAMEA Project (MIS 6016511): The project initially targeted 3,000 disabled persons, but actual participation reached only to 882 disabled participants, achieving approximately 29% of the planned target.
- SEPE Project (MIS 6017551): The project initially targeted 1,600 unemployed persons registered in DYPA<sup>9</sup>, but the actual participation reached only 209, equivalent to about 13% of the initial target.
- ESEE Project (MIS 6017558): The project initially targeted 3,700 unemployed persons aged between 18-29 years, but actual participation reached only 1,750 achieving approximately 50% of the target.

As a result, the above operations were found to have overstated the targeted participants and failed to achieve the targets set in the calls. Consequently, significant downward revisions of participant numbers and budgets were necessary, demonstrating that the initial design of operations was not based on a realistic assessment of needs.

Overall, these discrepancies highlight a risk of overestimating participant numbers and undermine the reliability of programme planning and performance forecasting. The fact that these discrepancies were observed in all four HR audited projects indicates that this risk is inherent to all projects financing similar actions under the same programme.

For both programmes (HR and JDT), at activity level, costs were calculated using the indicative unit cost ranges set out in Joint Ministerial Decision 82759/2022, Government Gazette B' 4581/30-08-2022, Article 6 for the different services (training, consulting, traineeship, certification etc). Specifically, Article 6 defines the following indicative unit costs:

- In-person theoretical training: EUR 5.30 – EUR 7.00 per hour
- Online theoretical training: EUR 3.50 – EUR 5.50 per hour
- One-to-one counselling sessions: EUR 25 – EUR 35 per session
- Certification per beneficiary: EUR 60 – EUR 150 per certification
- Practical exercises / traineeships: EUR 2.10 – EUR 3.00 per hour

The Commission auditors identified that on several occasions the highest unit cost was applied for each activity, without consideration of the actual delivery mode (in-person vs online) or the distinction between remote training ('σύγχρονη κατάρτιση') and e-learning ('ασύγχρονη κατάρτιση') formats in the online delivery model. In practice, most training and counselling activities were delivered online, which typically incurs lower costs than in-person training. The Commission auditors consider that the mechanical application of the highest unit cost,

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<sup>9</sup> DYPA (ΔΥΠΙΑ – Δημόσια Υπηρεσία Απασχόλησης) is the Greek Public Employment Service, responsible for registering unemployed persons and providing employment support, job placement services, and access to active labour market programmes.

regardless of the actual delivery method and without proper assessment, may have led to inflated budgets.

In addition, the current practice of charging training services on per hour basis even for e-learning that does not require any interaction with a trainer, is not aligned with prevailing market practices as it does not reflect that the cost is mainly incurred in producing the pre-recorded digital learning materials and does not increase proportionately with the number of participants and the hours they spend in studying the material.

As observed in the audit sample, the following applied unit prices per service were set at the maximum threshold without any proof that could justify this choice (these are illustrative and not exhaustive examples):

- Project 6001319 (EYDE BEK): in-person theoretical training EUR 7.00, counselling EUR 35, certification EUR 150
- Project 6017551(SEPE) and Project 6017558 (ESEE): certification EUR 150
- Project 6001061 (OEE): practical exercises EUR 3.00, counselling EUR 35, certification EUR 150.

In the specific case of the Anti-Crime project (MIS 6012165), the MA clarified that the operation was transferred from the previous programming period (2014–2020) and that the budget reflected amounts arising from a procurement procedure launched in May 2022. The budget was subsequently aligned with the signed contract value. While this explains the origin of the financial amounts, the budget was not reassessed considering revised targets, actual delivery modalities, or updated cost-efficiency considerations.

This approach may have resulted in over-budgeting of activities. It may also have limited competition and discouraged participation from smaller providers as the inflated budgets may have created barriers to entry due to the increased financial requirements.

Especially for the JDT projects, participant targets and budget envelopes were established at programme level through the approved Methodological Note. While this methodology provides a structured framework for planning and alignment with programme priorities, it is based on general assumptions and does not include project-level verification of realistic demand, delivery capacity, or cost structures. As a result, programme-level estimates were applied to individual calls without sufficient evidence to confirm their feasibility at the operation level.

In conclusion, these practices are inconsistent with the principle of sound financial management as set out in Article 69(1) of the Common Provisions Regulation (CPR), which requires that resources be used in accordance with the principles of economy, efficiency, and effectiveness. The principle of economy specifically requires that the resources used by the institution for the pursuit of their activities are made available in due time, in appropriate quantity and quality, and at the best price. The systematic use of the highest unit cost, without regard to actual delivery method and costs, does not meet this requirement.

The current practices in the reviewed calls do not ensure the application of the principle of sound financial management, particularly the principle of economy under Article 69(1) CPR. The lack of independent verification of participant targets and the frequent application of the highest possible unit cost have led to overestimated budgets and inefficient use of public funds and may have deterred smaller providers from applying.

Finally, the audits of the tenders revealed similar shortcomings regarding the estimated contract values set by the contracting authorities. Specifically, the contracting authorities procured the services without conducting any market analysis but rather directly using the indicative unit

cost ranges set out in Joint Ministerial Decision 82759/2022. The EC auditors did not receive evidence that the administrative management verifications of the MAs/IB covered the completeness of the tender procedure file of the contracting authority, and, in particular, the contract budget and its documentation.

#### **Action to be taken/recommendation 05.01**

In order to reduce the risk of overestimated targets or misaligned operations, the MAs/IB should establish and implement robust procedures to ensure the accuracy and reliability of beneficiary-provided data on targets and to assess the realism of the proposed operation costs prior to the launch of calls for proposals. The following elements should be incorporated into these procedures:

- **Market benchmarking:** The MAs/IB should systematically compare proposed budgets with actual costs from comparable training, counselling, and certification activities, including those involving subcontracted services. This aligns with the requirement that budgeted expenditure must be reasonable in light of market conditions, as outlined in the MCS Procedure DI\_2: Selection and approval of the operation and also reflected in the MA/IBs' checklists (named Evaluation form for operation proposals - 'ΦΑΠ').
- **Cost differentiation by delivery mode:** The MAs/IB should assess the possibility of differentiated unit costs for various delivery modes (e.g., remote vs. e-learning, in-person vs. online training), ensuring that cost structures adequately reflect the differing resource requirements of each mode. The MA should ensure, in cooperation with the competent national authorities, that the Joint Ministerial Decision is revised to reflect the changes in the market and explicitly include provisions for the two formats of online training (remote and e-learning).
- **Subcontracting oversight:** The MA should conduct sample-based reviews of contracts and subcontract to verify whether the unit costs budgeted for subcontracted activities are consistent with actual implementation costs and prevailing market rates.
- **Unit costs per hour:** The MA should in cooperation with the competent national authorities and relevant parties, revise the current per-hour costing approach. Costing should better reflect the actual resources required for each delivery mode (in-person, remote, and e-learning) and consider alternative pricing methods, such as a fixed cost per participant or per course, rather than a flat per-hour rate, to align with market practices.
- **Participant targets:** The MA should ensure that participant targets for each operation are based on a realistic assessment of needs, informed by reliable data on eligible participants, regional labour market conditions etc.

Moreover, the MAs/IB are requested to provide the supporting evidence, if any, that the management verifications addressed the completeness of the tender procedure file of the contracting authority, including, the estimated values of the contracts' budget and the supporting documentation.

<p><b>Importance of the recommendation:</b> Important</p> <p><b>Deadline for implementation:</b> 3months</p> <p><b>Responsible body:</b></p> <p>MA - Special Service for the “Just Development Transition” Programme</p> <p>MA - Special Service for the management of the “Human Resources and Social Cohesion” Programme</p> <p>MA-IB - Ministry of Labour and Social Security (YEKA)</p>
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<p><b>Finding 06</b></p> <p><b>Key Requirement(s):</b> management verifications, including appropriate procedures for checking fulfilment of conditions for financing not linked to costs and for simplified cost options</p> <p><b>Assessment Criteria:</b> AC 4.3</p> <p><b>Gold plating issues?</b> No</p> <p><b>Performance data reliability issues?</b> No</p> <p>Risk of inefficiency and ineffectiveness in training delivery</p> <p><b>Legal basis / Standard / Methodological note:</b> Article 69(1) CPR principles of sound financial management</p>
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**Description of the finding:** The audit identified significant shortcomings in the implementation of training activities under the HR and JDT programmes, specifically concerning the effectiveness of training and the achievement of intended outcomes as defined in the call for proposals and contractual agreements.

A sample of participants was reviewed across the three audited authorities:

1. **HR (MIS 6016511):** For 10 out of 20 sampled participants that selected online training, this training was primarily e-learning (‘ασύγχρονη κατάρτιση’) with 240 hours delivered through e-learning and 60 hours delivered remotely (‘σύγχρονη κατάρτιση’), representing 80% e-learning delivery of the planned 300 hours of training (more details are provided under finding 07 below).
2. **YEKA (MIS 6016660 and MIS 6016661):** All 30 sampled participants received training entirely online and remotely (100%).
3. **JDT:** 30 participants were reviewed across multiple operations, with the following training codes:
  - Chambers of Lesvos –142-L-01-01
  - Chambers of Florina –145-01-01-01
  - Chambers of Kozani –142-K-02-04

- Chambers of Kastoria –141-03-07
- OEE – training code:01-02-29
- Chambers of Arkadia –1.2.1-09
- Chambers of Samos –02-03
- EYDE BEK –01-68

Theoretical training across all these operations was delivered exclusively online, with a clear predominance of e- learning over remote training delivery.

Specifically:

- In programmes without a practical training component—specifically Lesvos, Kozani, EYDE BEK, and Kastoria—e-learning consistently accounted for 80% of the theoretical training. The programme in Florina was an exception, with e-learning representing 65% of the theoretical training.
- In programmes initially including a practical training (internship) component—namely OEE, Arkadia, and Samos— e-learning on average accounted for 80% of the theoretical instruction. In these cases, the practical training was largely replaced by group case studies. An exception was Arkadia, where e-learning represented only 56%, and the practical training component was not replaced by a group case study.

The above evidence demonstrates that currently the vast majority of training hours take place online. Out of these hours, e-learning training (meaning with pre-recorded sessions, not requiring any inter-action with a trainer, either physical or remotely) is the most frequent format. Although the call and tender documents permitted this training format as well as modifications from one training format to another, the predominance of e-learning delivery and the replacement of practical training with theoretical components raises concerns about the adequacy of skill acquisition by participants.

E-learning training is an increasingly viable alternative to traditional methods. Having a high degree of flexibility and scalability, it may be an appropriate training format for a range of training programmes. However, it lacks the direct interaction required for practical exercise of the theoretical knowledge, complex skill acquisition and rapid feedback. Therefore, the effectiveness of e-learning training depends on the target group of the training programme, the particularities of the subject matter and the objectives the training programme intends to achieve. This means that e-learning training is not always appropriate, and it should only be offered to participants after assessing the above elements. Nevertheless, the MAs/IB did not carry out any assessment regarding the appropriateness and adequacy of this (or any other) delivery format during the evaluation of the project proposal.

Furthermore, the managing authority did not systematically verify the participant engagement or compliance with training requirements for e-learning. Although system-generated reports are an important verification tool, they only record completion hours. Therefore, they do not provide any indication on the quality of the training or whether its content was attended and properly understood.

In addition, while the replacement of practical internships with theoretical exercises (case studies) (e.g OEE – training code:01-02-29, Chambers of Samos –training code 02-03 etc) or synchronous training (e.g MIS project 6016660) was justified by the contracting authority due

to limited participation from companies able to provide hands-on experience, this adaptation undermines the intended practical component of the training, and participants may not have acquired the job-ready skills envisaged by the call.

These practices are not consistent with the principle of effectiveness as set out in Article 69(1) of the CPR, which requires that programme resources be used in accordance with the principles of sound financial management, including effectiveness and efficiency. The lack of assurance regarding the achievement of planned outcomes and the absence of systematic verification of participant engagement increase the risk that resources were not used to maximise results, or to obtain any concrete result at all.

#### **Action to be taken/recommendation 06.01**

The MAs/IB should ensure that the training operations under the programmes of their responsibility are designed and implemented to achieve the planned objectives, in line with the principles of sound financial management under Article 69(1) of the CPR, in particular the principles of effectiveness and efficiency. Specifically:

- **Delivery Modes:** Training operations should clearly specify delivery modes in the call and tender documentation, ensuring an appropriate balance between in-person, synchronous online, and e-learning formats. The MAs/IB should verify that the delivery method of each session is designed taking into consideration the subject matter of the training courses and that the format (or combination of formats) of each training programme is adapted based on the training needs and the learning objectives. For example, when practical components are necessary to cover those needs and objectives, then hands-on activities or internships should be preserved as a core element. In such cases substitutions with theoretical exercises should only be permitted in exceptional and duly justified cases. The MAs/IB should exercise such considerations during the ~~depending on the target groups~~ of the training programme, the particularities of the subject matter and the objectives the training intends to achieve.
- **Participant engagement and verification:** Systematic monitoring and verification mechanisms should be implemented to effectively allow the MAs/IB to verify participant engagement and compliance with training requirements, particularly for e-learning delivery. There is a wide range of practices to improve the effectiveness of e-learning training, among which: random checks, video analytics, active user verification, microlearning<sup>10</sup>, embedded quizzes, checkpoint assessments, completion verification and post-training assessments. The above non-exhaustive list may improve significantly the management verifications when checking the completion of e-learning training.

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<sup>10</sup> Breaking training into short segments rather than long videos, thus improving retention and making it easier for the MAs/IB to track completion.

**Importance of the recommendation:** Important

**Deadline for implementation:** 3months

**Responsible body:**

MA - Special Service for the “Just Development Transition” Programme

MA - Special Service for the management of the “Human Resources and Social Cohesion” Programme

MA-IB - Ministry of Labour and Social Security (YEKA)

## 6.2. Project findings

### Finding 07

**Project code and name:** 6012165-Επανάταξηςαποφυλακισμένων κρατουμένων στην κοινωνία και την αγορά εργασίας

**Beneficiary:** ΓΕΝΙΚΗΓΡΑΜΜΑΤΕΙΑΑΝΤΕΓΚΛΗΜΑΤΙΚΗΣ ΠΟΛΙΤΙΚΗΣ ( Anti-Crime)

**Category and sub-category of error:** Ineligibleproject (Other.)

**Audited amount (€):**18580500.00 €

**Ineligible expenditure (€): - Net financial correction?** N/A

**Gold plating issues?** No

**Performance data reliability issues?** No

Non-compliance with contractual requirements and incomplete documentation of training activities

Project: Social and labour market reintegration of released prisoners.

**Legal basis / Standard / Methodological note:**

Article 74 management verifications and Article 69(6) Responsibilities of MS

**Description of the finding:** The Commission auditors selected a sample of 30 participants covering different training activities and specialisations under the Anti-Crime Project (MIS 6012165). The project, with a total allocation of EUR 24 million, aimed to support the reintegration of detainees into society and the labour market, with a focus on reducing recidivism and improving employable skills. It targeted adult and minor detainees across 35 detention facilities in Greece, covering up to 5,500 adults and 2,000 minors.

The intervention combined counselling, career guidance, and vocational training. Counselling involved multiple sessions per participant addressing psychosocial and professional needs. The vocational training was planned for 300 hours for adults and 350 hours for minors, covering general education, thematic skills and professional competencies.

The Commission auditors consider that the training activities under the Anti-Crime Project did not comply with contractual and regulatory requirements. Specifically, the following were identified:

- Delivery method: Training was delivered both online and in person, contrary to the contract requirement for in-person sessions at the detention facilities. The online training was delivered as e-learning via tablets. Several participants faced language barriers, as some detainees did not speak the language used in the training, thus minimising their understanding and constructive participation. The e-learning format further reduced interaction, raising concerns whether this format of training was the most effective one for the concerned target group.
- Training hours: The contract stipulated that adults complete 300 hours of training and minors 350 hours, covering all planned modules. The audit found that 26 out of 30 sampled participants did not complete the required hours.
- Certification and Examinations: The certifications were to be awarded only upon successful completion of the required training hours and formal examinations. However, although the Commission auditors requested the complete examination documentation, only the examination questions were provided for all sampled participants, without the participants' answer sheets or corresponding marking records. Consequently, the examination outcomes could not be verified, and trainees' performance could not be assessed. This lack of such documentation calls into question the validity of the certificates and the credibility of the programme's outputs and results.
- Attendance records: No signatures could be recorded in the attendance register for any of the sampled participants, at either the beginning or the end of the course; only the trainer signed.

It is noted that the MA carried out unannounced on-the-spot inspections between 15/10/2024 and 18/10/2024, which confirmed that the contractual physical deliverables had not been achieved. The related on-the-spot verification report was approved on 19/11/2025 and was provided to the Commission auditors during the audit at the MA JDT's premises. However, the preparation of the report did not comply with the written procedures under *Procedure DII\_8: On-site verification*, which require the verification report to be prepared within 30 calendar days from the completion of the inspection. During the audit on the spot, the MA indicated that a decision had been taken to withdraw the operation from EU co-financing.

The Commission auditors conclude that no expenditure can be deemed eligible under this project/operation, as essential contractual and regulatory conditions were not fulfilled.

These irregularities are not consistent with the requirements of Article 69(6), which obliges the Member State to maintain systems and procedures to ensure that all documents required for the audit trail are kept, nor with Article 74 on management verification, which requires the MA to verify the eligibility, accuracy, and compliance of declared expenditures before reimbursement.

**Action to be taken/recommendation 07.01** The MA HR should formally confirm the withdrawal of the operation and ensure that no expenditure declared for this project is accepted as eligible. This confirmation should be documented and communicated to all relevant bodies, including the body carrying out the accounting function and the AA, to maintain a clear audit trail and prevent any ineligible expenditure from being included in payment applications to the Commission.

Furthermore, the MA HR is invited to ensure that management and on-the-spot verifications intended to monitor the progress of implementation cover sufficiently and timely the delivery of training, the completion of examination requirements, and the issuance of certifications. Moreover, the MA should systematically collect and review the required supporting documentation to ensure that all contractual and regulatory requirements are fulfilled prior to the acceptance of expenditure as eligible.

Also, the MA should strictly adhere to the written procedures, including *Procedure DII\_8: On-site verification*, ensuring that all inspections, reports, and approvals are carried out within the prescribed deadlines.

**Importance of the recommendation:** Important

**Deadline for implementation:** 3months

**Responsible body:**

MA - Special Service for the management of the “Human Resources and Social Cohesion” Programme

### **6.3. Excessive procedures and rules constituting unnecessary administrative burden (gold-plating)**

The Commission auditors did not identify any further procedures and rules constituting unnecessary administrative burden.

**Signatures of the EC audit team**



(Lead auditor)



(Associated auditors)



**Approved by (Team Leader)**



**Approved by (Head of Unit)**

## ANNEX I – IMPORTANCE OF RECOMMENDATIONS

### **Recommendations related to system findings:**

**Critical:** Corrective action is needed to address a fundamental weakness in key controls, which puts in question the reliability of the whole management and control systems and has led or may lead to widespread irregularities. There is a substantial risk to the reliability of (financial and other) reporting for the programme, the effectiveness and efficiency of the operations and activities and the compliance with national and EU regulations.

**Very Important:** Corrective action is needed to address a significant weakness in key controls, affecting the reliability of a significant part of the management and control systems, which has led or may lead to irregularities. There is a high risk to the reliability of (financial and other) reporting for parts of the programme, the effectiveness and efficiency of some of the operations and activities and/or the compliance with national and EU regulations.

**Important:** Corrective action is needed to address a weakness or deficiency in the management and control systems, which has a moderate impact at the programme level but which, combined with other weaknesses, may lead to irregularities. Improved controls would benefit the implementation of the programme and/or allow for greater effectiveness and/or efficiency.

### **Recommendations related to Project findings:**

**Critical:** Corrective action is needed to address a serious irregularity (including irregularity of systemic nature) with high financial impact.

**Very Important:** Corrective action is needed to address an irregularity with medium financial impact.

**Important:** Corrective action is needed to address a weakness or an irregularity with no or limited (potential) financial impact.

## ANNEX II – SUMMARY OF FINANCIAL CORRECTIONS

The amounts indicated in the table below are estimated based on the currently available information. The Member State is requested to confirm these amounts and, if needed adjust them to reflect the exact expenditure reported to the Commission concerning the irregularities in question.

Finding	Project / Operation	Fund and programme	Basis for calculation of financial correction <sup>11</sup>	% Rate of assistance (12)	EU expenditure in EUR	% Financial correction	Amount of financial correction in EUR	Conditions for net financial correction met?	State of the financial correction
			(a)	(b)	c=(a*b)	(d)	e=(c*d)		
2	6012165,6016511,6017558,601755 1	ESF+	1 583 373	80%	1 266 698,40	25%	316 674,60	TBD <sup>13</sup>	Proposed
2	6001061,601122,6001319	JTF	6 215 925	84%	5 221 377	25%	1 305 344,25	TBD	Proposed
3	6012165,6016511,6017558,601755 1	ESF+	1 583 373	80%	1 266 698,40	10%	126 669,84	TBD	Proposed
3	6001061,601122,6001319	JTF	6 215 925	84%	5 221 377	10%	522 213,70	TBD	Proposed
<b>TOTAL</b>	<b>All sampled projects</b>		<b>7 799 298</b>		<b>6,488,075,40</b>	<b>25%<sup>14</sup></b>	<b>1 622 018,85</b>	TBD	Proposed

*Additionally, financial corrections may be required under finding 2 for contracts outside of the audited sample (recommendation 2.02).*

(11) Amount of ineligible expenditure declared to the Commission

(12) Co-financing rate of the priority axis

<sup>13</sup> Depending on whether the amounts are included in accounts submitted to the Commission  
More than one public procurement irregularity with financial impact was identified for these contracts; only the highest correction applies (finding 3)

<sup>14</sup>