

ESF THEMATIC NETWORK ON SIMPLIFICATION

REPORT ON SCO PRACTICES

(Draft for the 6th Meeting of the Thematic Network - The Hague – 8-9 June, 2017)

References:

Member State / Region	Latvia
Reference number (TN's map of SCO practices)	7

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Type of SCO reported <i>(Please choose one of these types of SCO: flat rate financing, standard scale of unit costs, lump sum).</i>	STANDARD SCALE OF UNIT COSTS + FLAT RATE
Type of activities covered by the SCO <i>(Please indicate what type of activities is targeted by the SCO).</i>	CONSULTATIVE SUPPORT FOR ENTERPRISES OF HIGH RISK INDUSTRIES

A. PROJECT DESCRIPTION

A1. Description of the type of operation <i>(Please describe in brief what types of operations are covered by SCO)</i>
Standard scale of unit cost in SO 7.3.1 project determined by the methodology is applied by the State Labour Inspectorate (hereinafter - SLI), institution which in compliance with the State Labour Inspection Law provides state supervision and control in the fields of labour legal relations and labour protection, and which is as a beneficiary in SO 7.3.1 project.

Standard scale of unit cost is applied for assessment costs of SLI, in order to provide assessment of enterprises of high risk industries, which applied for consultative support:

1. pre-inspection and preparation of initial assessments (hereinafter – pre-inspection);
2. post-inspection on introduction of recommendations proposed while receiving consultation support (hereinafter – post-inspection).

A2. Definition of outputs/results *(Please give a short definition of outputs and/or results)*

To justify the eligibility of performance indicator and unit cost to carry out pre-inspections the following conditions are taken into account:

1. Enterprise is applied for support;
2. SLI has taken the decision on providing the support to enterprise in the framework of SO 7.3.1. project;
3. The pre-inspection has been carried out in the enterprise and the initial assessment has been prepared.

To justify the eligibility of performance indicator and unit cost to carry out post-inspections the following conditions are taken into account:

1. SLI has taken the decision on providing the support to enterprise in the framework of SO 7.3.1. project;
2. The pre-inspection has been carried out in the enterprise and the initial assessment has been prepared;
3. the post-inspection has been carried out in the enterprise;
4. In the framework of 7.3.1 project assessment of the received consultative support has been carried out.

A3. Beneficiaries *(please indicate the types of beneficiaries involved in the operations covered by SCO)*

State Labour Inspectorate, enterprises

A4. Target group(s) *(Please list target groups within projects covered by SCO)*

Target groups are:

1. Workers and employers, enterprises of high risk industries that are economically active;
2. Occupational health and safety professionals;
3. State Labour Inspectorate officers and employees.

B. METHODOLOGY AND CALCULATION METHOD

B.1 Methodology (please indicate which methodology/ies has/have been used: Fair, equitable and verifiable method / use of existing EU schemes for similar types of operation and beneficiary / Use of existing own national schemes for similar types of operations and beneficiaries / use of rates and specific methods enshrined in the regulation or in a delegated act / use of a draft budget /combination of methodologies).

Please indicate if the concerned SCO has been covered by Art. 14(1) ESF)

Fair, equitable and verifiable method - Calculation of unit cost is based on substantiated information and data and it is based on SLI data of 2013, 2014 and 2015 on human and time resources, and additional costs (use of rates and specific methods enshrined in the regulation – 15% flat rate) necessary to provide one inspection carried out by SLI.

B.2 Calculation Methods (please describe how the calculations have been made)

Calculation of unit cost is based on substantiated information and data and it is based on State Labour Inspectorate 3 year historical data for the same type of operations (average salary for one inspection = 3 year average salary for inspections / 3 years average number of inspections = unit cost).

B.3 Data source (please indicate the type of data used and the data source)

State Labour Inspectorate 3 year historical salary data for one inspection and inspection total number in each year.

State Labour Inspectorate is under the Ministry of Welfare supervision. State Labour Inspectorate governed by the State Labour Inspectorate law. Wages in State Labour Inspectorate are set in national regulation (Regulations of the Cabinet of Ministers).

C. IMPLEMENTATION OF SCO

(Please describe in brief what implementation rules and conditions have been set out)

Methodology determine the standard rate of unit cost applied to remuneration of SLI employee involved in action and overhead expenses of one pre-inspection or post-inspection in one enterprise which applied for consultative support within SO 7.3.1 project according to the Regulations of the Cabinet of Ministers No.127 of 1 March 2016 "Regulations for implementation of Operational programme "Growth and Employment" specific support objective 7.3.1. "To improve labour safety, especially in enterprises of hazardous industries"".

Pre-inspections are carried out in enterprises of high risk industries, which have not received free of charge assessment of work environment risks within EU funds before, and for which SLI adopts a decision for granting consultative support.

Post-inspections are carried out in enterprises of high risk industries, for which SLI adopted a decision for granting consultative support and which received consultative support determined by initial assessments made during pre-inspections, e.g. consultations for employers on assessment of work environment risks, laboratory measurements, training.

D. AUDIT TRAIL

(Please provide a brief description of the audit trail for the concerned SCO, including documents, key contents/conditions and procedures)

Copies of the justifying documents are enclosed to payment requests:

1. For justification of carried out pre-inspections: application of enterprises for getting support, decision of SLI for granting support, initial assessment;
2. For justification of carried out post-inspections: assessments of implementation of given recommendations made within given support.

E. ASSESSMENT BY THE AUDIT AUTHORITY(IES) INCLUDING EVENTUAL EX ANTE ASSESSMENT

(If relevant, please explain how the audit authority has been involved in preparation and assessment of the SCO).

National audit authority hasn't been involved in preparation and assessment of the SCO.

F. IMPACT OR ADDED VALUE FOR THE MA, BENEFICIARIES AND OTHER STAKEHOLDERS

(Please explain how you have perceived impact/added value of the SCO for the MA, beneficiaries and other stakeholders).

1. Less documentation for payment requests.
2. Less mistakes in salary calculation.
3. Not necessary to prepare payment approval documentation for indirect costs.

4. Faster payment request checking (focus on outputs/results achieved).
5. Faster money flow.

G. SPECIFIC ISSUES FACED WITHIN CALCULATION AND IMPLEMENTATION OF THE SCO

(Please indicate any issues/problems/challenges you have experienced when setting out or implementing the SCO, i.e. high workload, state aid, public procurement, national legislation, revenues etc.)

Setting out the standard scale of unit costs was a very long and demanding process. At the beginning it is complicated to define unit and definition of outputs/results and documentation which will prove results. Second complicated part of process was valid data collection.

H. LESSONS LEARNED AND POINTERS

(Please indicate any unforeseen practical implications that have emerged and any key lessons you have learned from the development and implementation of the concerned SCO practice).

If it is possible to use wage numbers in unit cost calculation which are defined in national regulations, all methodology development process isn't too long, because it is possible to use safe data for calculation. In this methodology responsible authority use salary data from national organization where salaries (maximum limits are set) are defined in national regulation and use EC defined 15% flat rate for indirect costs. MA must make a decision without any before audited experience, and it cannot be predicted how these non-standard situations will be assessed by audit authority in future.

I. ANNEXES OR LINKS TO ONLINE DOCUMENTS

(Please list documents or links to online documents like complete methodology, calculation methods, documents submitted to the Commission, guidance for MAs and beneficiaries, calls for proposals, audit trail, legal acts etc.).

- Regulations of the Cabinet of Ministers No.127 of 1 March 2016 "Regulations for implementation of Operational programme "Growth and Employment" specific support objective 7.3.1. "To improve labour safety, especially in enterprises of hazardous industries"" - <https://likumi.lv/ta/id/280645-darbibas-programmas-izaugsme-un-nodarbinatiba-7-3-1-specifiska-atbalsta-merka-uzlabot-darba-drosibu-it-ipasi-bistamo>
- All documentation for project proposal - <http://cfla.gov.lv/lv/es-fondi-2014-2020/izsludinas-atlases/7-3-1>
- State Labour Inspectorate law - <https://likumi.lv/doc.php?id=177910>