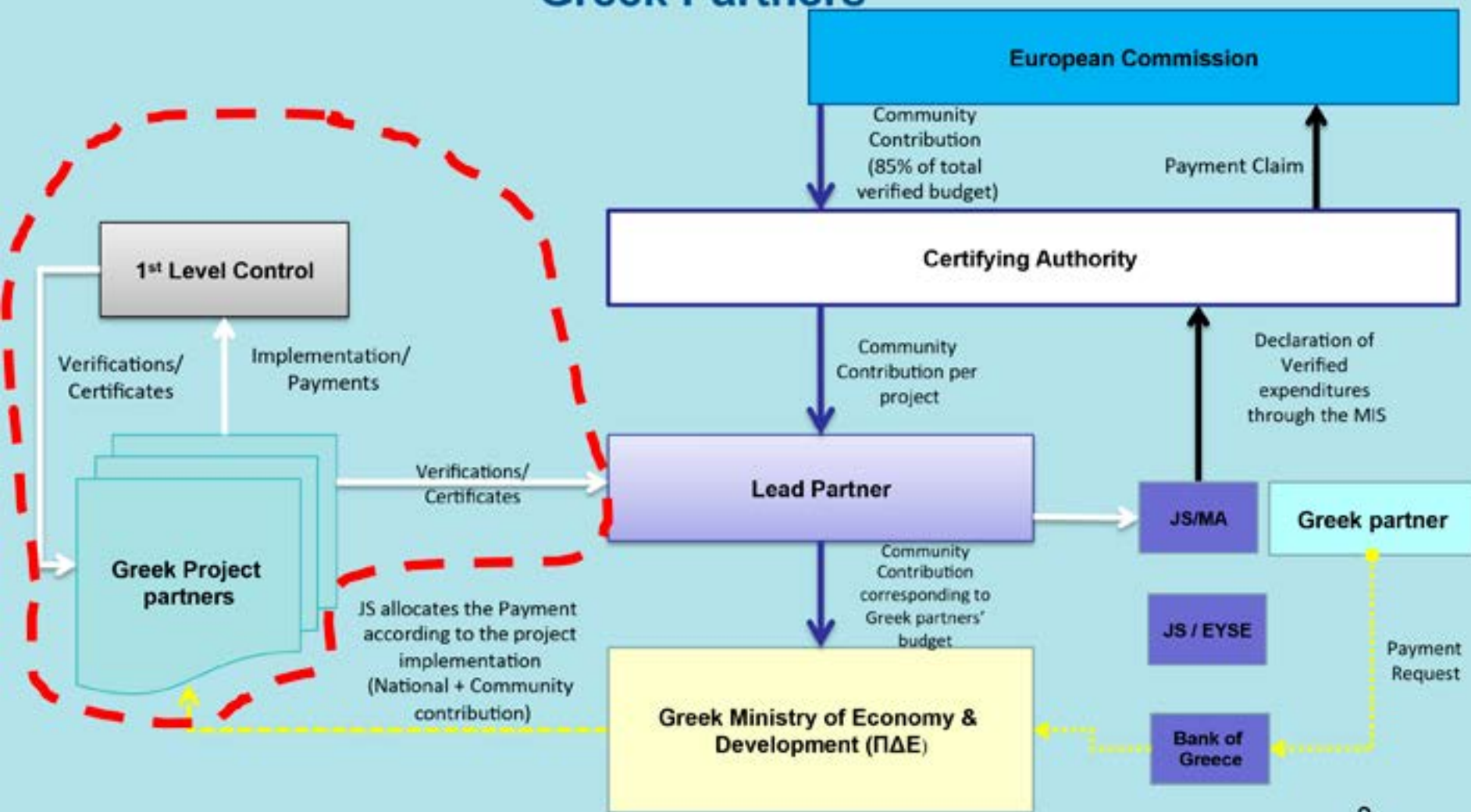


INTERREG V-A GREECE-ITALY PROGRAMME 2014-2020

PATRA 24/04/2018
PREVEZA 26/04/2018

FIRST LEVEL CONTROL – GUIDELINES & PROCEDURES

PROJECT'S LIFE CYCLE - Financial and Information Flow of Greek Partners



General Guidelines (1/8)



- Regulation (EU) 1303/2013, Article 125 – Functions of the Managing Authority
- Regulation (EU) 1299/2013, Article 23 – Functions of the Managing Authority
- Regulation (EU) 481/2014, specific rules on eligibility of expenditure for cooperation programmes
- *European Commission Guidance for Member States on Management Verifications (EGESIF_14_12_final - 17/9/2015)*
- *Project Implementation Manual*

General Guidelines (2/8)



- 1. Centralized System - *Public FLC body at national or regional level*
- 2. De-Centralized System - *Private FLC body*

GREECE

Decentralised System
Register of Controllers

ITALY

Decentralised System
Independent Controllers
(Internal / External)

General Guidelines (3/8)

According to Article 125 of Regulation (EU) 1303/2013
The Managing Authority must:

(a) verify that:

- the co-financed products and services have been delivered
- that expenditure declared by the beneficiaries has been paid and
- that it complies with applicable law, the operational programme and the conditions for support of the operation;

(b) ensure that:

- beneficiaries involved in the implementation of operations reimbursed on the basis of eligible costs actually incurred, maintain either a separate accounting system or an adequate accounting code for all transactions relating to the operation

General Guidelines (4/8)

The verifications should cover in particular:

- ✓ That expenditure relates to the eligible period and has been paid;
- ✓ That the expenditure relates to an approved operation;
- ✓ Compliance with National and Union eligibility and procurement rules;
- ✓ Adequacy of supporting documents and existence of an adequate audit trail;
- ✓ Compliance with State aid rules, sustainable development, equal opportunity and non-discrimination requirements;
- ✓ The respect of EU and National rules on publicity;
- ✓ Physical progress of the operation measured by common and Programme specific output and, where applicable, result indicators;

General Guidelines (5/8)

According to Article 125 of Regulation (EU) 1303/2013

Verifications shall include the following procedures:

- a. **administrative** verifications of operations
- b. **on-the-spot** verifications of operations

General Guidelines (6/8)

Administrative verifications during project implementation



All applications for reimbursement by beneficiaries, whether intermediate or final, shall be subject to *administrative verifications* based on an examination of the claim and relevant supporting documentation such as :

invoices	delivery notes
bank statements	timesheets
progress reports	

General Guidelines (7/8)

On the spot verifications

EFFECTIVENESS: On-the-spot verifications should be planned in advance to ensure that they are effective, in particular in view of the certification that the expenditure entered in the accounts complies with applicable law.

AVAILABILITY: Generally, notification of the on-the-spot verifications should be given in order to ensure that the relevant staff (e.g. project manager, engineer, accountant) and documentation (in particular, financial records including bank statements and invoices) are made available by the beneficiary during the verification.



General Guidelines (8/8)

ADMINISTRATIVE VERIFICATIONS

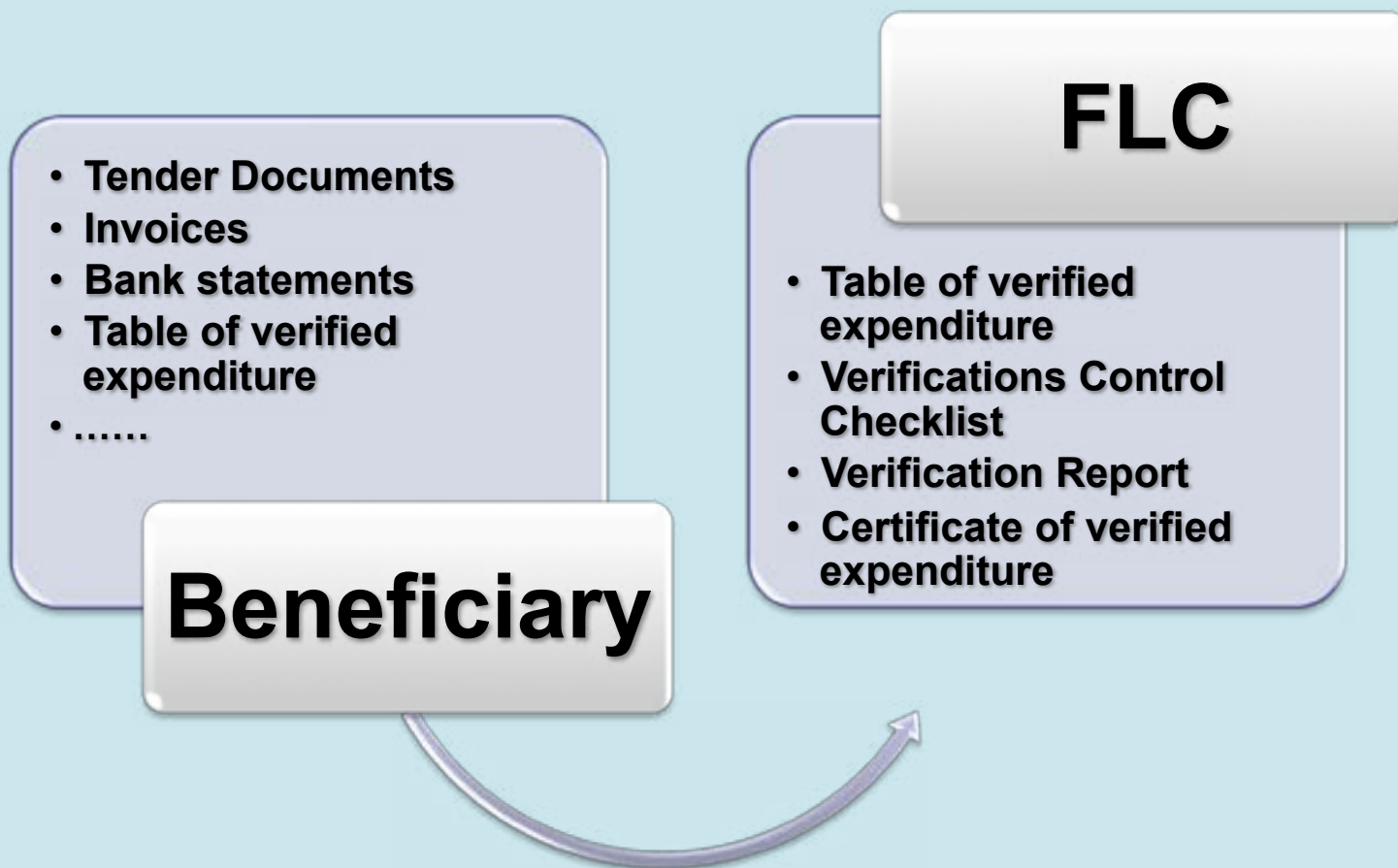
Management verifications of **100%** of the applications for reimbursement submitted by beneficiaries are required by the Regulation CPR.

ON-THE-SPOT VERIFICATIONS

The intensity, frequency and coverage of on-the-spot verifications is dependent upon:

- the complexity of the operation,
- the amount of public support to an operation,
- the level of risk identified by management verifications,
- the extent of detailed checks during the administrative verifications and audits of the AA.

Procedures(1/9)



Procedures(2/9)

Common Documents



- | | |
|--|--------------------------|
| 1. Guidance for Management verifications | } Beneficiaries & FLCs } |
| 2. Table of verified expenditure | |
| <hr/> | |
| 3. Verifications Control Check list | } FLCs } |
| 4. Verification Report | |
| 5. Certificate of verified expenditure | |
| <hr/> | |
| 6. Working Timesheet | } Beneficiaries } |
| 7. Personnel Timesheet | |

Procedures(3/9)

Guidance on management verifications

<p>1. Introduction</p>	<p>4. Guidance for beneficiaries</p> <ul style="list-style-type: none"> • The expenditure reporting procedure • Supporting documents • Guidelines for following the public procurement regulations
<p>2. General</p> <ul style="list-style-type: none"> • Regulatory requirements • General principles and scope of management verifications 	<p>5. Annexes</p> <ul style="list-style-type: none"> I. Control Checklist II. Certificate of Verified Expenditure III. Table of Expenditure IV. Control Report
<p>3. Guidance for Controllers</p> <ul style="list-style-type: none"> • The role of the controllers • Guidance for the conduction of verifications • Guidance for verifications of public procurement • Guidance for verifications of State aid schemes • Verifications in the environment area • Equality and non-discrimination • Audit trail 	

Procedures(4/9)

Table of verified expenditure

- ❖ Beneficiary's information
- ❖ Contractor's payment documents
- ❖ Beneficiary's payment documents
- ❖ FLC results

Procedures(5/9)

Verification Control Check list

- ❖ Beneficiary Information
- ❖ Audit trail of Project documents
- ❖ Audit Trail Checklist of expenditure
- ❖ Categories of eligible expenditure
- ❖ Compliance with information and publicity requirements
- ❖ Compliance with public procurement rules
- ❖ Compliance with EU policies
- ❖ Physical Implementation
- ❖ Fraud Indication
- ❖ Recommendations

Procedures(6/9)

Verification Report

- ❖ Information on project and progress report
- ❖ Information on Designated Controller
- ❖ Verification methodology
- ❖ Expenditure declared and certified by budget line
- ❖ Description of findings during on the spot check
- ❖ Conclusions and recommendations

Procedures(7/9)

Certificate of verified expenditure

- ❖ Information for the project and progress report
- ❖ Information for the Beneficiary
- ❖ Verification / certified amount

3. Verification			
Methodology	desk-based on-the-spot		
Date(s) of on-the-spot verification	DD.MM.YYYY - DD.MM.YYYY		
Amount certified	Total certified EUR	ERDF in EUR	National contribution in EUR

Procedures(8/9)

Working Timesheet

- ❖ General Information for the personnel
- ❖ Working hour per day and deliverable
- ❖ Hourly rate
- ❖ Requested amount per deliverable
- ❖ Total requested amount for the specific application for reimbursement
- ❖ Signatures by the employee and the responsible supervising person

Procedures(9/9)

Personnel Timesheet

- ❖ General Information for the personnel
- ❖ Working hour per day and beneficiary's project
- ❖ Hourly rate
- ❖ Requested amount per project
- ❖ Total requested amount for the specific application for reimbursement
- ❖ Signatures by the employee and the responsible supervising person



(1/3)

- ❑ **Each Beneficiary (Lead or Project) submits electronically a request for the verification of expenditure to the respecting FLC body of each country, which is accompanied by a file with all proper documentation.** The Beneficiary enters the expenditure data in predefined MIS screens that include the project data, but also uploads specific documents, which are in fact the verification file (e.g. tender documents, proof of publicity actions, invoices, payments, receipts etc.).
- ❑ Also, each Beneficiary fills in the “Table of Expenditure” in a predefined MIS form. In this stage, the MIS conducts a series of logical validation checks (e.g. the declared expenditure of a specific deliverable, or/and a specific type of cost don’t exceed the approved budget in the AF).



(2/3)

- ❑ The Controllers proceed to the administrative check of the above file (when it is complete).
- ❑ The Controller fills in the “Table of Expenditure” in the MIS Screen with the verified and not verified expenditure amounts.
- ❑ The Controller fills in the “Verification control checklist” in a predefined MIS Screen.
- ❑ Finally, the Controller fills in the “Verification Report” in a predefined MIS Screen.
- ❑ The Controller prints for signature the above mentioned 4 documents through the MIS and submit them to the partner, according to “Programme implementation manual”.



(3/3)

- ❑ The MA/JS, in order a payment application to be done, checks/validates the relevant data which have submitted by the Controller, through a specific MIS Screen.
- ❑ The Certifying Authority will be able to draw, through a specific MIS Screen, the table of eligible verified expenditure per budget line that will include in the following payment application to the European Commission. The payment applications per accounting year, are made on the basis of the validated by the MA expenditure, within the accounting year.

Procedures for Greek Partners(1/4)

- ❑ [The first time](#), the Beneficiary submits to the Unit C of the MA a complete file of the paid-out expenditures and supporting documentation
- ❑ The MA [issues a Decision](#) for the selection of the controller/s (random selection of at least three members of the Register)
- ❑ The Beneficiary proceeds to the relevant award of the service contract with a Controller according with its legal framework
- ❑ From [the second submission](#) for expenditure verification and onwards, the beneficiary submits all documentation to the selected controller and cc to Unit C of MA



Procedures for Greek Partners(2/4)

- ❑ The submitted data **MUST** be correct, on-time and detailed and concern:
 - ✓ The beneficiary (legal framework, VAT status, declarations, organization chart, methodology of indirect cost calculation, etc.)
 - ✓ Project's data (Application Form, Subsidy Contract, Partnership Agreement, declarations, management team definition, etc.)
 - ✓ Application's for verification data (tender procurements, contracts, invoices, payments, staff time sheets, etc.)



Procedures for Greek Partners(3/4)

- ❑ The Controller, within 5 working days from the day he/she receives the electronic file (or 7 working days after the end of the on-the-spot verification) shall issue and submit to the Beneficiary by e-mail, copying to Unit C, the relevant FLC documents
- ❑ The Beneficiary can submit an objection within five (5) working days after receiving the aforementioned documents
- ❑ The Controller, within five (5) working days after receiving the objection, examines the objection and the accompanying documentation and submits the final Verification Certificate



Procedures for Greek Partners(4/4)

- ❑ In case of clarifications and/or supplementary data, from the Beneficiary, the above deadlines shall be interrupted until the Beneficiary sends a reply, but not more than five (5) working days, as proved by the email communication between the Controller and the Beneficiary (the Unit C of the MA shall always be in copy).



The Beneficiaries shall submit their applications for expenditure verification at least every semester/trimester and preferably whenever the expenditure exceeds 15.000€



**UNIT C “VERIFICATION OF EXPENDITURES”
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