

INTERREG V A GREECE - BULGARIA 2014-2020

- PART A -

DRAMA 26-09-2017

FIRST LEVEL CONTROL – GUIDELINES & PROCEDURES

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

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 in respect of each application for reimbursement by beneficiaries verify,
- 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. However, in some cases, where the reality of the operation may be difficult to determine after the project has been completed, it may be appropriate to carry out on-the-spot verifications during implementation and without prior notice to the beneficiary.



General Guidelines (8/8)

ADMINISTRATIVE VERIFICATIONS

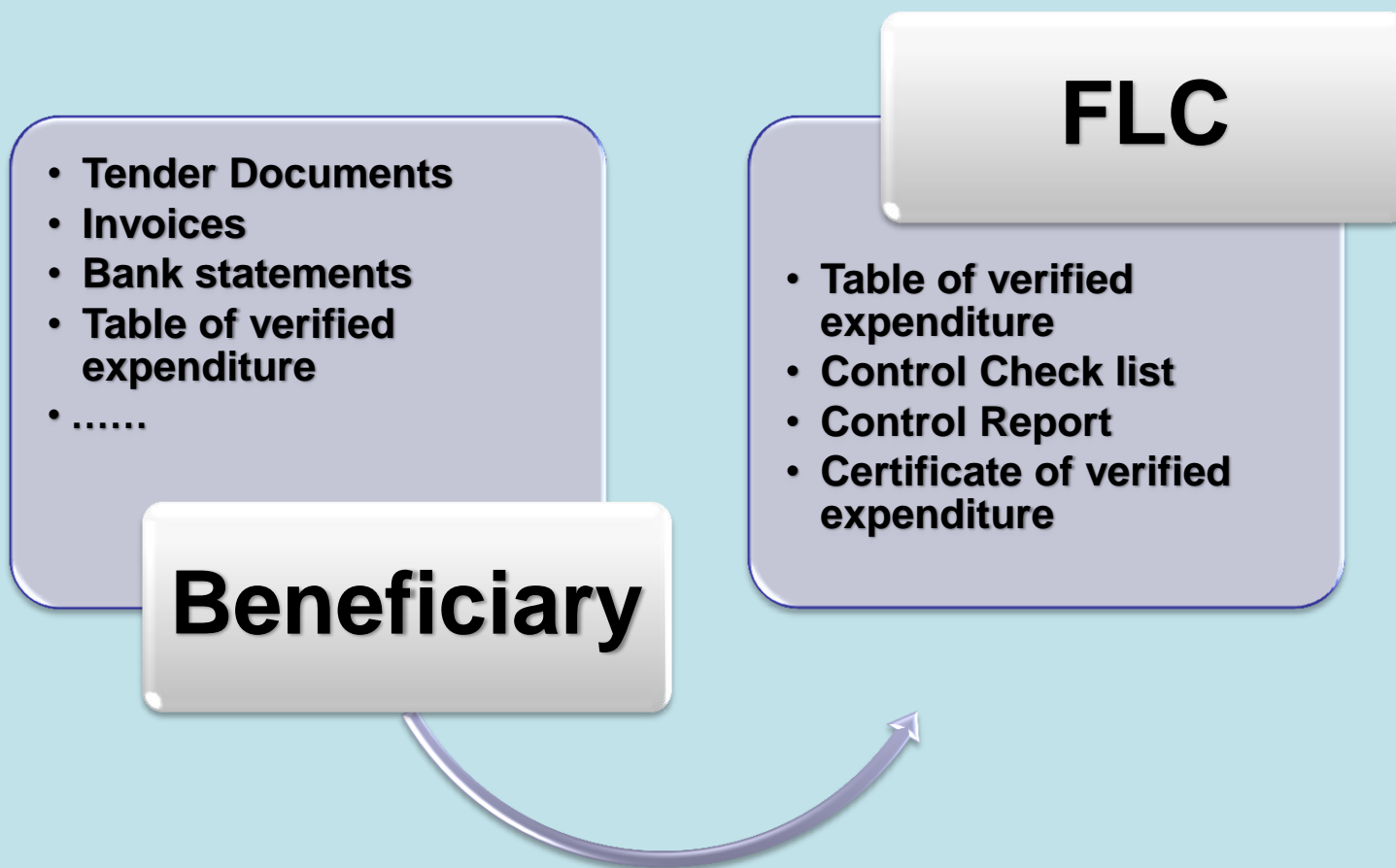
Management verifications of **100%** of the applications for reimbursement submitted by beneficiaries are required by the Regulation CPR.

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(1/7)



Procedures(2/7)

Common Documents



1. Guidance for Management verifications
2. Table of verified expenditure
3. Control Check list
4. Control Report
5. Certificate of verified expenditure

Procedures(3/7)

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> <ol 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(4/7)

Table of verified expenditure

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

Procedures(5/7)

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
- ❖ Recommendations

Procedures(6/7)

Control 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

Procedures(7/7)

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



(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 Expenditures” 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 (if it is complete).
- ❑ The Controller fills in the “Table of Expenditures” in the MIS Screen with the verified and not verified expenditure amounts by providing the proper validation.
- ❑ The Controller fills in the “control checklist” in a predefined MIS Screen.
- ❑ Finally, the Controller fills in the First Level Control Report in a predefined MIS Screen.
- ❑ The Controller prints for signing the following 4 first level control documents through the MIS: certificate of expenditure, table of expenditures, control check list and administrative verification report.



(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 the table of expenditure, the eligible verified expenditure per budget line that will include in the following payment application through a specific MIS Screen. 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(1/3)

- ❑ The first time, the Beneficiary submits to the Unit C of the MA a complete file of the paid-out expenditure and supporting documentation. 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
- ❑ **The submission data MUST be correct, on-time and detailed**
- ❑ The submitted data concern:
 - ✓ The beneficiary (legal framework, VAT status, declarations, organization chart, methodology of indirect cost calculation, etc.)



Procedures for Greek Partners(2/3)

- ✓ 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.)



- ❑ **The Beneficiaries shall submit their applications for expenditure verification at least every semester/trimester and preferably whenever the expenditure exceeds 15.000€** ²²

Procedures for Greek Partners(3/3)

- ❑ 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





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