

POLAND  
First Level Control system

4th March 2010 – Madrid



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IMPLEMENTING AUTHORITY FOR  
EUROPEAN PROGRAMMES



General information

- state budgetary unit
- established on September 19th, 1994 in the result of the agreement between the Government of the Republic of Poland and the European Commission
- subordinate to the Minister of Interior and Administration, who supervises its activities

Funds administrated by the IAEP

- pre-accession funds – Phare Programme
- Schengen Facility
- European Refugee Fund
- National Cohesion Strategy 2007-2013
- Solidarity and Management of Migration Flows (SOLID)
- Norwegian Financial Mechanism and EEA Financial Mechanism
- Swiss – Polish Cooperation Programme



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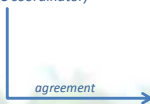
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IMPLEMENTING AUTHORITY FOR  
EUROPEAN PROGRAMMES

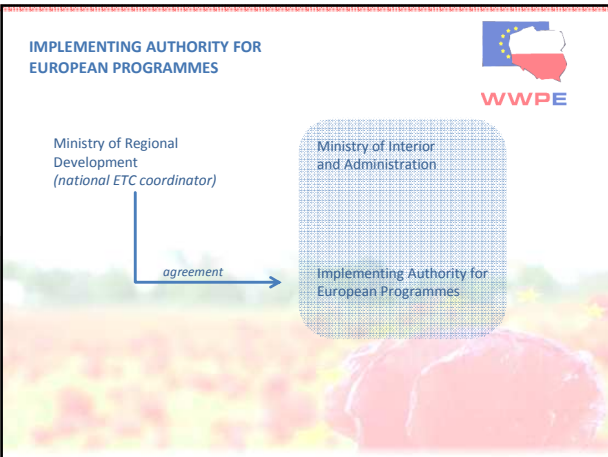


Ministry of Regional  
Development  
(national ETC coordinator)



Ministry of Interior  
and Administration

Implementing Authority for  
European Programmes



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## IMPLEMENTING AUTHORITY FOR EUROPEAN PROGRAMMES



- Programming period 2004 - 2006:
  - First Level Control:
    - INTERREG IIIC
    - INTERREG IIIB Baltic Sea Region
    - INTERREG IIIB CADSES
    - ESPON
    - INTERACT
  - Joint Technical Secretariats:
    - Poland – Slovak Republic Programme
    - Poland – Ukraine – Belarus Programme
- Programming period 2007 - 2013:
  - First Level Control:
    - INTERREG IVC
    - Baltic Sea Region Programme
    - Central Europe Programme
    - ESPON 2013
    - URBACT II

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## EUROPEAN TERRITORIAL COOPERATION FIRST LEVEL CONTROL SYSTEM



In general, Polish system of FLC is centralised. There is one exception – in case of INTERREG IVC, BSR Programme and CEP Programme - Marshal Offices, Voivode Offices, ministries and other central offices have possibility of appointing their own internal controllers independent from project's implementation. In such cases partner propose a controller who must be approved by the Ministry of Regional Development based on the standard questionnaire on controller's qualifications. At the later stage of project implementation, MRD also supervises work done by these decentralised controllers.



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## FIRST LEVEL CONTROL SYSTEM DESK-BASED CHECK



- ✓ covers 100% expenditures of all projects implemented by Polish partners – no sampling is made
- ✓ partners prepare all necessary documentation and send it to FLC
- ✓ documentation prepared according to the requirements set in the manuals IAEP issued for every programme
- ✓ first level control carried out by financial experts – however in case of specific small scale investments or problematic law issues controller consults engineers and lawyers from other IAEP's units
- ✓ FLC documentation produced:
  - checklist (templates developed on the programme level)
  - internal report (templates developed on the programme level)
  - certificate (templates developed on the programme level ) and
  - if applicable - additional checklist for complying with the Polish Public Procurement Law (template developed on national level)

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**FIRST LEVEL CONTROL SYSTEM  
ON-THE-SPOT CHECKS**



- ✓ on-the-spot checks are designed to be complementary to the desk-based checks
- ✓ checks based on the sample of projects – risk analysis used to sample
- ✓ sampling methodology, size of the sample, procedure of on-the-spot checks and templates of reports – described in the manual for first level controllers
- ✓ every project analysed in terms of identified risk factors – every factor with assigned weight to indicate the difference in importance between individual factors:
  - approved budget – weight 25%
  - project financial progress – weight 20%
  - controller's opinion – weight 20%
  - partner's legal status – weight 15%
  - investments in the project – weight 10%
  - partner's activity – weight 10%
- ✓ within each factor there is a point scale determined in order to help award points to the project

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**FIRST LEVEL CONTROL SYSTEM  
ON-THE-SPOT CHECKS**



- ✓ the total number of points for every project is the basis for creating the ranking of projects according to the risk they generate – projects that receive the greatest number of points are selected to be checked on-the-spot
- ✓ results of risk analysis has written form and are kept for purposes of further audits and controls
- ✓ elements verified on the spot:
  - physical existence of equipment and investments (where they are located, are they used in line with project's goals, are they properly marked with labels)
  - physical existence of project original documentation
  - proper archiving of project documentation
- ✓ documentation produced – internal report from on-the-spot visit
- ✓ apart from these planned on-the-spot visits controller is entitled to carry out ad-hoc on-the-spot controls in case when during desk-based checks he has serious doubts on documents submitted by the partner, his reliability etc.

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**FIRST LEVEL CONTROL SYSTEM  
PROBLEMATIC ISSUES**



**WEAK POINTS – PROGRAMME LEVEL**

- ✓ different programmes = different rules on eligibility
- ✓ different programmes = different requirements regarding documentation
- ✓ different programmes = different requirement regarding scope of control
- ✓ different programmes = different scope of control according to checklists' templates
- ✓ many questions in checklist not clear – problems in interpretation and necessity to consult JTS

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**FIRST LEVEL CONTROL SYSTEM  
PROBLEMATIC ISSUES**



**OUR SOLUTIONS**

- ✓ internal manual for first level controllers including procedures and checklists with additional questions
- ✓ efficient internal communication:
  - coordination meetings for first level controllers – once a month
  - emails to controllers (mailing list) with important news e.g. correspondence with JTSs, changes of templates etc.
  - consultations
- ✓ direct consultations of all problematic issues with Joint Technical Secretariats of the controlled programmes
- ✓ participation in training sessions/international events
- ✓ defined project partner every time is controlled by the same controller -> better knowledge of programme, project and partner

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**FIRST LEVEL CONTROL SYSTEM  
PROBLEMATIC ISSUES**



**PROBLEMS WITH SOLUTIONS „UNDER CONSTRUCTION“**

- ✓ changes of project made on the JTS-LP level are not communicated directly to first level controllers - FLC receives modified Application Form from project partner at the later stage
  - our suggestion – to convince JTS to communicate all modifications directly to first level controller or to develop a database of updated AFs with access granted to controllers

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**FIRST LEVEL CONTROL SYSTEM  
PROBLEMATIC ISSUES**



**WEAK POINTS – PROJECT LEVEL**

- ✓ documentation sent too late to meet deadlines for FLC set by the programmes
- ✓ not asking for controller's opinion before bearing costs - especially the fancy ones
- ✓ signing partnership agreement without thorough reading it or consulting with financial experts / lawyers
- ✓ missing documents (e.g. tickets, boarding passes), errors in staff costs calculations/ overheads calculations and roundings in Excel sheets
- ✓ problems in communication between LP-PP
- ✓ shared costs – problems with reporting – who and when report them and how to avoid double reporting

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**FIRST LEVEL CONTROL SYSTEM  
PROBLEMATIC ISSUES**



**OUR SOLUTIONS**

- ✓ national manuals on eligibility and FLC for project partners – separate manual for every programme with many examples but no exhaustive list
- ✓ intensive trainings for partners – separate for each programme
  - theoretical part – presentation of programme rules and respective national rules
  - workshop – presentation how documentation should be prepared, case studies and practical exercises with staff costs calculations + overheads calculations
- ✓ important information presented on the IAEP website or sent via email (partners' mailing list)
- ✓ common documents obligatory for all project partners controlled by the IAEP - Statement of eligible expenditure, timesheets, other necessary statements – simple templates but fulfilling all the minimum requirements set by the programmes

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**THANK YOU FOR YOUR  
ATTENTION!**

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