
 Ministry of Economy, Innovation and Development
FIRD. Financial Institute for Regional Development, PI


2nd Network of First Level Controllers of IP Valencia zone

Practice of administrative and on-the-spot checks

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 Practice of administrative and on-the-spot checks

Topics


1. What's FIRD
2. FIRD in the role of Central Approbation Body
3. Portuguese situation



 What's FIRD

What it is ...


- It executes regional development policy through the application of EU funds, in particular of the ERDF and of the Cohesion Fund
- 20 years of experience - it stemmed from the restructuring of the GDRD, General Directorate of Regional Development
- Public body
- Flexible structure
- Jurisdiction over the whole of the national territory
- Joint responsibility for the Ministry of Finance and Ministry of Economy, Innovation and Development



IFDR What's FIRD

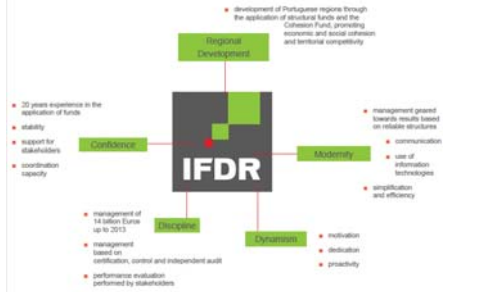

What it does ...

- Global financial coordination of the EU funds ERDF and of the Cohesion Fund
- Coordination, management and physical and financial monitoring of the ERDF and of the Cohesion Fund and of technical assistance measures of these funds
- Payment authority of the ERDF and Cohesion Fund, within the CSF III, and certifying authority and paying entity, within the NSRF, relating to these funds and territorial cooperation programs
- 2nd level control authority of the ERDF and of the Cohesion Fund, within the CSF III, and of audit of operations, within the NSRF



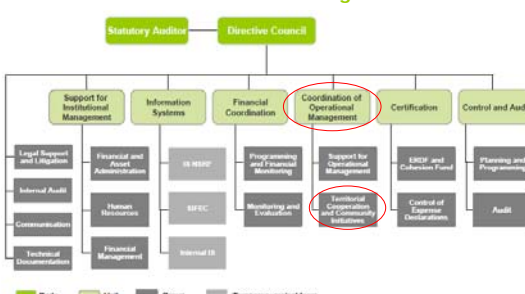

IFDR What's FIRD

How it does ...

IFDR What's FIRD

Organizational model ...

Functions in the European Territorial Cooperation ...

	Operational Programmes	National Correspondent	Central Approbation Body	Certifying Authority	Paying Authority
Cross border	Spain/Portugal	✓		✓	✓
	ENPI CBC MED	✓	✓		
Transnational	Atlantic Area	✓	✓	✓	✓
	IVB SUDOIE	✓	✓		
	MAC	✓		✓	✓
	MED	✓	✓		
Interregional	INTERREG IVC	✓	✓		
	INTERACT II	✓			
	URB/ACT II		✓		
	ESPO 2013		✓		



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Role of Central Approbation Body

Legal framework ...

Community:

REGULATION (EC) 1080/2006 , from EP and Council, from 5 July and Amendment 397/2009 – ERDF

REGULATION (EC) 1083/2006 , from Council, from 11 July and corrigenda's and Amendment 284/2009 – general provisions on the SF

REGULATION (EC) 1828/2006, from EC, from 8 December, corrigenda and Amendment 846/2009 – implementing regulation on structural funds

National:

General Regulation on ERDF and Cohesion Fund, from 18 September 2009, from Ministerial Commission on QREN coordination

FIRD Manual on European Territorial Cooperation, from 8 February 2010

Guideline 950/2010 on Auditing ECT Programmes (published as soon as possible), from Portuguese Institute of Statutory Auditors (OROC – Ordem dos Revisores Oficiais de Contas, www.oroc.pt)



Role of Central Approbation Body

What is stated in Article 16 of Reg. 1080/06 ...

1. In order to validate the expenditure, each Member State shall set up a control system making it possible to verify the delivery of the products and services co-financed, the soundness of the expenditure declared for operations or parts of operations implemented on its territory, and the compliance of such expenditure and of related operations, or parts of those operations, with Community rules and its national rules.

For this purpose each Member State shall designate the controllers responsible for verifying the legality and regularity of the expenditure declared by each beneficiary participating in the operation. Member States may decide to designate a single controller for the whole program area.



Role of Central Approbation Body

What is stated Article 13 of Reg. 1828/06 ...

The verifications to be carried out by the Managing Authority under ... shall cover administrative, financial, technical and physical aspects of operations, as appropriate.

Verifications shall ensure that the expenditure declared is real, that the products or services have been delivered in accordance with the approval decision, that the applications for reimbursement by the beneficiary are correct and that the operations and expenditure comply with Community and national rules. They shall include procedures to avoid double-financing of expenditure with other Community or national schemes and with other programming periods.

Verifications shall include the following procedures:

- a) administrative verifications in respect of each application for reimbursement by beneficiaries;
- b) on-the-spot verifications of individual operations.



Role of Central Approbation Body

Controllers designation ...

For 2007-2013 framework Portugal decided for a decentralized system to apply the First Level Control in some CTE Programs.

A contract between FIRD and Portuguese Institute of Statutory Auditors (OROC - Ordem dos Revisores Oficiais de Contas) will allow beneficiaries to select a controller from a set of licensed entities or persons, who comply with international standard auditing qualifications.

This contract include the working program established by the FIRD in order to comply with Community and National laws. The license granted by OROC gives assurance of the professional competence of their affiliates to carry on the First Level Control under art. 13° of EC Regulation n° 1828/2006 and Article 16 of Regulation 1080/2006.





Role of Central Approbation Body

Controllers submission ...

FIRD established the following documents and procedures to support the submission of controllers:

- Questionnaire for description of controller profile, to be signed by the beneficiary and the controller;
- Check List with requirements for FIRD evaluation, to be signed by FIRD officer;
- Terms of Reference for public tender for controller selection;
- Standard Contract for control services;
- Declaration Letter for FIRD controller approval.

In compliance with the public procurement rules, the project partner will select the controller and will propose him to the FIRD, through the submission of the questionnaire established, duly signed by the project partner and the proposed controller.





Role of Central Approbation Body

Controller qualifications ...

Controller qualifications evaluated by FIRD:

- are OROC affiliate;
- are professional independent from the unit carried out the project;
- have a sound knowledge of the EU regulatory framework for Structural Funds;
- are experienced in doing FLC for national operational programs;
- have professional skills and experience in international and national auditing standards and accountancy in general;
- hold knowledge of English language;
- are comfortable with information systems technologies;
- give assurance that this work is properly documented;
- give assurance that the work will be carried out within 2 months.





Role of Central Approbation Body

Controller approval ...

Based on the verification of the information given by the questionnaire, FIRD will then formalize the approval of the controller by sending to project beneficiary a declaration letter with the necessary confirmation.

After approval, the controller is able to perform the FLC verifications according to the working program established by contract between the FIRD and the OROC.

The cost of FLC verifications will be borne by the project partner and can be reported as eligible cost within the project.



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Role of Central Approbation Body

Controller skills ...

The controller will perform the FLC verifications under the supervision of the FIRD.

To develop FLC in CTE projects the controller must have intensive knowledge about:

- Community and National Rules of Structural Funds;
- Operational Programs;
- Program Manuals and Guidelines;
- Portuguese Manuals and Guidelines;
- Application form and subsequent modifications;
- Subsidy contract and partnership agreement;
- Financial and Progress reports applied;
- Portuguese Financial Package;
- Information's Systems of the programs.




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Role of Central Approbation Body

Controller verification ...

The controller must verify:

- 100% of declared expenses;
- over original documents of expenditure and proof of payment properly stamped;
- if the account system is adequate and the expenditure is registered;
- the coherence between the financial report and the progress report;
- the reality of products or services related with declared expenses;
- the public procurement procedures taken into account in procurement of products or services for the project;
- if the Structural Funds and National rules are respected.




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Role of Central Approbation Body

Controller declaration ...

After doing the FLC verification the controller is able to declare that:

- the expenditure declared is real;
- the products or services have been delivered in accordance with the approval decision;
- the expenditure are supported by accountable documents;
- the expenditure is paid and supported by bank statements;
- the expenditure declared is registered on the accounting system of the beneficiary;
- the expenditure is directly linked to the project;
- all the contracts respect public procurement rules;
- the Structural Funds publicity rules are respected.

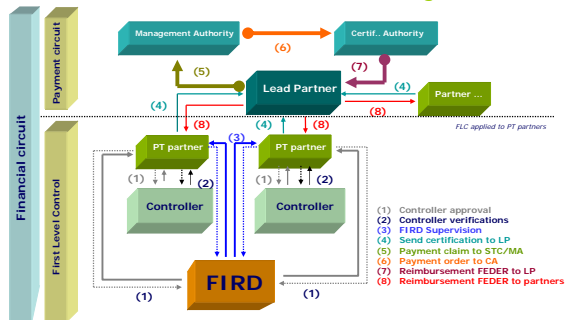


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Analogical circuit ...



Summary of PT participation ...

Programs	PT approved total funding	Approved projects with PT partners	PT approved partners	Controllers approved
Atlantic Space	22.418.778,03	47	93	30
IVB SUDOE	8.666.615,20	44	60	24
MED	2.404.903,06	10	12	5
IVC	3.992.738,64	21	29	8
URBACT II	662.585,11	12	14	11
ESPN 2013	8.600,00	1	1	1
Total	38.154.220,04	135	209	79



More information

www.ifdr.pt

Thanks for your attention