

 MINISTERIO DE ECONOMIA Y HACIENDA DIRECCION GENERAL DE FONDOS COMUNITARIOS

SEMINAR INTERACT

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DIRECCION GENERAL DE FONDOS COMUNITARIOS

Differences and analogies between the controls of first level of Objectives, Convergence, Competitiveness and Territorial Cooperation

- Common points:
 - Application of art.13 in the enforcement of controls
 - Responsibility of the certifying authority with respect to the recovery of amounts unduly paid (art.17, R. 1080/2006)
- Differences:
 - Controller responsible:
 - Objectives 1 and 2: Management authority
 - Objective 3: Member state
 - Eligibility:
 - Obj. 3: Possibility that in a programme different rules on eligibility coexist according to the location country of the beneficiary
 - Objs. 1 and 2: Such possibility does not occur since the programs are of national scope

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DIRECCION GENERAL DE FONDOS COMUNITARIOS

Verifications 1st level

Elements:

- Justification of the declared expense
- The products or services have been delivered in accordance with the approval decision
- The applications for reimbursement are correct
- Fulfillment of Community and national rules
- Avoidance of double-financing

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Procedures

- Administrative verifications of each application for reimbursement by beneficiaries (100%)
- On-the-spot verifications of individual operations (sampling possibility)

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Aspects of administrative verifications

- Administrative
 - Verification that the expenditure declared is in accordance with community and national rules as regards eligibility, public procurement, environment, state aids, etc
- Financial
 - Applications are correct
 - Non-existence of double-financing of expenditure with other community or national schemes and with other programming periods

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Aspects of on-the spot verifications

- Technical
 - Products or services delivered in accordance with the approval decision of project
- Physical
 - Reality of the operation and service to be delivered

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Check - list

- They are a guide to carry out the verifications
- They are evidence of the verifications carried-out and their results
- They have to be adequately detailed (adequate scope)

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Scope

- Minimum checks:
 - o The expense has to correspond with the eligible period
 - o The expense has to correspond with the approved operation
 - o Compliance with programme conditions (action lines, financing rate)
 - o Compliance with the eligibility rules
 - o Adequacy of supporting documents and of the existence of an adequate audit trail
 - o Conformity with the rules:
 - Public procurement
 - Environmental
 - State aid
 - Equal opportunity and non-discrimination requirements
 - Publicity

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Intensity in administrative verifications

- Our objective is to check the 100% of invoices, payments and contracts
- To have available a detailed listing of the invoices on which the payment applications are based
- Data about the awarded contracts

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Timing

- Administrative verifications
Before the related expenditure is declared to the next level above (lead beneficiary, Management Authority)
- On-the-spot verifications
They can be carried out when the project is well under way (both in terms of physical and financial progress). They should be planned in advance to ensure that they are effective

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On-the-spot verifications (1)

They are checks "in situ" and the objective is to verify:

- The reality of the project
- That delivery of the product / service is in full compliance with the conditions of the grant agreement
- The observance of the Community rules on publicity and environment

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On-the-spot verifications (2)

- Where sampling is used, the following requirements should be fulfilled:
 - The size of the sample has to provide a reasonable assurance with regard to the level of risk identified for the type of beneficiaries and operations concerned
 - There should be a written record of the following:
 - A description and justification of the sampling method
 - Transactions or operations selected
 - The sampling method should be reviewed every year
 - Where problems are identified in the verifications of the sample, the size of the sample should be increased in order to determine whether similar problems exist in the unchecked projects

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**Some aspects related to 1st level controls in
the Obj. "Territorial Cooperation"**

- Check-lists: Common to all beneficiaries
Art.15 R 1080/2006: "The MA shall lay down the implementary arrangements for each operation, where appropriate in agreement with the lead beneficiary"
- Detection of irregularities in contracts: financial corrections to be applied
- Statements of staff expenses and TA (time sheets)
- Statements of contributions in kind and indirect costs
- Documentation provided in contradictory phase (in justification processes)

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Thanks for your attention;

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