



**INTERact**

Sharing Expertise

## First Level Control in Territorial Cooperation and IPA CBC programmes under shared management

FLC, JTS and MA - who does what?

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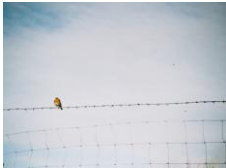
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INTERact Sharing Expertise

FLC and MA/JTS



MA and FLC:



or



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INTERact Sharing Expertise

FLC and MA/JTS



TASK/FUNCTION	MA/JTS	FLC
Verifying capacity of beneficiaries	x	
Ensuring that projects are approved, delivered and monitored in accordance with agreed criteria	x	
Inform beneficiaries of the terms of the grants	x	Remind beneficiaries of rules? Report shortcomings to MA/JTS
Administrative checks		x
On-the-spot checks	Involvement in sampling method recommended	x

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TASK/FUNCTION	MA/JTS	FLC
Ensuring compliance with national, programme and community rules	Partly possible	x
Monitoring project financial and technical progress	x	FLC to report related shortcomings
Ensure maintenance of the project audit trail	x	FLC to verify and report shortcomings to MA/JTS
Certification of project expenditure		x
Ensure that amounts were certified correctly	x (incl. verification of FLC reports)	

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**MA/JTS checks project activities and finances during monitoring**

- Some 'FLC issues' can also be included in programme progress report checks:
  - Compliance of activities with programme decision
  - Financial and technical progress
  - Compliance with publicity rules, public procurement
  - Others
- **Activities of the MA/JTS can duplicate, supplement or replace FLC controls.**
- MA may be involved in on-the-spot-checks on at least a sample of projects

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**MA supervises the work of national controllers**

- Supervisory role of MA expected to be strong → European Court of Auditors criticism of past MA work:
  - Too passive
  - Insufficient management verification in general and insufficient on-the-spot checks
  - Failure to check whether claims were supported by appropriate evidence
  - Failure to identify weaknesses in tender processes
- MAs can't afford significant negative findings on FLC in system audits
- MA must identify and manage programme risks - also at control level

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It is vital to ensure that the **interface** is well defined:

no overlaps - no checks forgotten



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