



## Control system in Hungary

- In Hungary VÁTI is officially designated as the Control Body by Government Decree 49/2007 for all cross-border co-operation programmes Hungary is involved in
- CENTRALISED control system
- Control Body within VÁTI
  - Central Control Unit (CCU) in Budapest (separate unit within VÁTI headquarters)
  - Regional Control Units (RCUs) in the border area (Territorial Offices of VÁTI)



---

---

---

---

---

---

---

---

## Division of tasks

- Central Control Unit
  - FLC activities in transnational and interregional programmes (Interreg IVC, SEE, CE, URBACT, ESPON)
  - Preparation for signature of contracts for national co-financing in transnational and interregional programmes
  - Co-ordination of the control activities of the RCUs
  - Contribution to the preparation of common guidelines on programme level
  - Preparation of national guidelines for control (checklists, reporting formats)
  - Preparation of sample documents (templates for contracting, reporting)
- Regional Control Units
  - FLC activities in cross-border co-operation programmes (AT-HU, SI-HU, HU-SK, HU-RO, HU-HR, HU-SRB, HU-RO-SK-UA)
  - Preparation for signature of contracts for national co-financing in cross-border co-operation programmes
  - Co-operation in the preparation of programme-level FLC documents, national level procedures manuals, guidelines, etc.



---

---

---

---

---

---

---

---

## Legal basis

- Government Decree 160/2009. (VIII. 3.) on the implementation of certain programmes related to European territorial cooperation, funded by the European Regional Development Fund and the Instrument for Pre-Accession
- Detailed rules of implementing FLC
  - Definition of the content of FLC
  - Detailed list of aspects to be checked
  - Regulation of on-the-spot checks



---

---

---

---

---

---

---

---

## Tasks of a controller

- Preparation for signature of contracts for national co-financing
- Checking of submitted partner reports
  - Administrative check
  - On-the-spot check
- Documenting implemented FLC tasks
- Keeping contact with project partners
- Organisation of partner seminars
- IT-tool for the needs of FLC: IMIS 2007-2013 system
  - elaboration and submission of partner level reports (Front Office)
  - registration of partner level data, validation of partner level reports (Back Office)




---

---

---

---

---

---

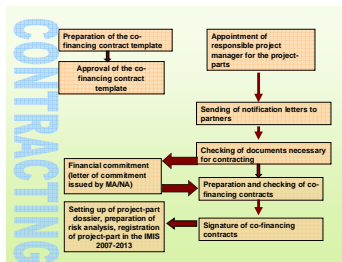
---

---

---

---

## Preparation for signature of contracts for national co-financing




---

---

---

---

---

---

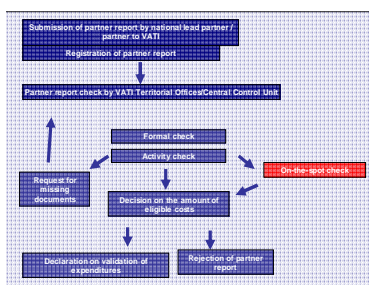
---

---

---

---

## Validation process




---

---

---

---

---

---

---

---

---

---

## On-the-spot checks – LEGAL BACKGROUND

- Government Decree 160/2009. (VIII. 3.) on the implementation of certain programmes related to European territorial cooperation, funded by the European Regional Development Fund and the Instrument for Pre-Accession
  - an on-the-spot check of each project part is compulsory before the acceptance of the final partner report. Further on-the-spot checks are carried out according to the followings:
  - in case the total subsidy of the project part (including the Community contribution and the national state contribution as well) is below EUR 200.000, further on-the-spot check(s) are carried out on a sample basis, only if deemed necessary based on the results of risk assessment;
  - in case the total subsidy of the project part is between EUR 200.000 and 1.000.000, at least one further on-the-spot check is carried out; further on-the-spot check(s) are carried out only if deemed necessary based on the results of risk assessment;
  - in case the total subsidy of the project part exceeds EUR 1.000.000, on-the-spot checks are carried out before the acceptance of each partner report. However, this rule can be disregarded in case an on-the-spot check had been carried out within 12 months prior to the acceptance of the partner report concerned. Further on-the-spot check(s) are carried out only if deemed necessary based on the results of risk assessment.

→ ON-THE-SPOT CHECKS PLAN




---

---

---

---

---

---

---

---

---

---

## On-the-spot checks – RISK ANALYSIS, SAMPLING

- In case of each partner report
- **Aspects to be considered:**
  - Fiscal information about the last year
    - Amount of equity
    - Short-term debts/liabilities
    - Long-term debts/liabilities
    - Fixed assets
    - Total assets
    - Receivables
    - Operating budgetary balance
    - .....
  - Other Information
    - Experience in EU programmes
    - Date of foundation
    - Co-financed project effected by irregularity
    - number of partners
  - Contents of the report:
    - Investment or purchase of equipment
    - own contribution rate
    - the total duration of the project




---

---

---

---

---

---

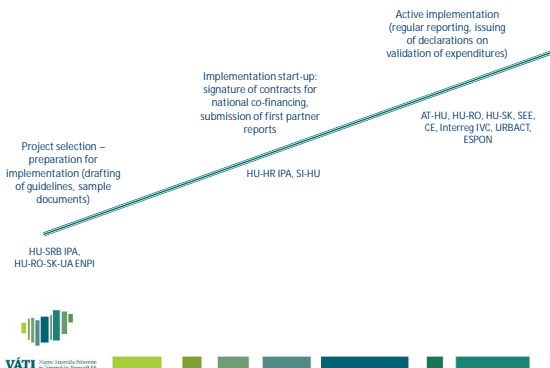
---

---

---

---

## Overview – where are we now?




---

---

---

---

---

---

---

---

---

---

Thank you for your kind attention!



---

---

---

---

---

---

---

---