

Interreg IPA CBC Italy–Albania–Montenegro Programme

PROGRAMME MANUAL

4.4 Financial management and FLC guidelines

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Introduction

This factsheet provides technical guidance to Partners on Financial Management and First Level Control guidelines.

1. NATIONAL CONTROL SYSTEMS

Member States participating in the Interreg IPA CBC Italy-Albania-Montenegro Programme have set in place national control systems. In compliance with Article 23(4) of the ETC Regulation designated bodies or authorised individuals are responsible for verifying expenditures of beneficiaries in their territories.

They have to verify at least that:

- Expenditure relates to the eligible period and has been paid;
- Expenditure relates to an approved project;
- Expenditure complies with programme conditions;
- Expenditure complies with applicable eligibility rules;
- Supporting documents are adequate and an adequate audit trail exists;
- In case of simplified cost options (flat rates and lump-sums): that conditions for payments have been fulfilled;
- Expenditure complies with State aid rules, sustainable development, equal opportunity and non-discrimination requirements;
- Where applicable, expenditure complies with Union, national and programme public procurement rules;
- Applicable rules on branding are respected;
- The project physically progresses;
- The delivery of products/services is in full compliance with the content of the subsidy contract, including the latest version of the approved application form (which is an integral part of the contract itself);
- An effectively functioning accounting system exists on the level of each beneficiary allowing a clear identification of all project-related expenditure.

Expenditure incurred and paid by beneficiaries can be claimed within the project only after it has been verified by their respective national controllers.

1.1. Types of national control systems

There are two types of national control systems in the Member States participating in the Interreg IPA CBC Italy-Albania-Montenegro Programme:

- **Centralised systems**, in which the Member State appoints one body to perform the verification of expenditure of all beneficiaries located in its territory. In these Member States, beneficiaries must submit their expenditure for verification to this body.

- **Decentralised systems**, in which each beneficiary is free to appoint its own controller, according to instructions/procedures set in place at national level. Controllers appointed by the beneficiaries can be either internal (functionally independent department inside the beneficiary organisation) or external (auditors belonging to independent institutions or selected on the market). Controllers chosen by the beneficiaries are subject to approbation by a body designated at national level for this purpose.

Controls performed on the expenditure submitted by beneficiaries can either be free of charge or charged to the beneficiary. In the latter case, costs of control are also eligible as project expenditure and can therefore be reimbursed if they have been both calculated and included in the project budget as well as claimed in the progress report.

The overview of the different control systems in the Member States participating in the Interreg IPA CBC Italy-Albania-Montenegro Programme is displayed in the following table.

| STATE | TYPE | COSTS OF CONTROL |
|------------|---------------|----------------------------------|
| ITALY | DECENTRALIZED | Charged to beneficiaries |
| ALBANIA | CENTRALIZED | Free of charge for beneficiaries |
| MONTENEGRO | CENTRALIZED | Free of charge for beneficiaries |

2. QUALIFICATION AND CAPACITY OF CONTROLLERS

The whole management and control system, and ultimately the sound implementation of the Interreg IPA CBC Italy-Albania-Montenegro Programme and its co-financed projects, strongly relies on the quality of the national control systems set in place.

Minimum qualification requirements of controllers are set at national level, however the following requirements should be held by a controller:

- Preferably degree in accounting, finance and relevant fields;
- Work experience in control and audit, preferably in controlling projects co-financed by EU Funds;
- Knowledge of relevant EU, programme and national rules;
- Command of English.

In addition, knowledge and skills of controllers should be regularly updated through targeted trainings. In this respect, at national level (national bodies responsible for control or the NIPs) regularly organise training and information events. Furthermore, the MA/JS periodically organise opportunities for exchanging knowledge and experiences among national control bodies.

While in centralised systems, the qualification of controllers is ensured directly by the Member States when designating the body in charge of national controls, in decentralised systems it is a responsibility of the beneficiary, within the selection procedure, to ensure that controllers respect programme and national requirements. If the performance of controllers in decentralised systems casts doubts on their professional standards, the MA reserves the right to require that the selected controller is replaced, in consultation with the national responsible body.

Irrespective to the type of control system, national controllers must have enough capacity for processing the expenditure submitted by the beneficiaries without delays. According to Article 23(4) of the ETC Regulation, the Member State (i.e. participating country) shall ensure that the expenditures can be verified within a period of **three months** following the submission of the documents by the beneficiary. The designated controllers shall aim at submitting a signed certificate to the **LP/PP within an appropriate time**¹ after the end of the reporting period.

A timely verification of expenditure by the controllers largely depends on the **completeness and accuracy of documents submitted by the beneficiary** which, in turn, must also be ready to respond quickly to requests for clarification that the controller may pose.

2.1. Independence of controllers

The controllers must be independent from the beneficiary. Whereas this requirement is met de facto in countries with a centralised system, beneficiaries located in countries with a decentralised system must bear in mind the following considerations:

- In case of internal controllers, the de facto independence of the organisational unit in which the controller is placed from the project activities and financial management must be ensured. This independence may not be easily given in small institutions and for such cases this option should be whenever possible avoided.
- The independence of external controllers may not always be given in cases in which tight commercial relations already exist between the partner institution and the selected controller.

Minimum requirements on independence are set at the national level in Member States with a decentralised control system.

2.2. Selection and approbation of controllers in decentralised systems

When a beneficiary from a Member State with a decentralised control system chooses its controller, the selection of the external body or person must respect procurement rules as described in factsheet 4.3 (except in the case that the controller is internal, as explained above).

The qualification and independence of controllers must be a key point of the selection process and compulsory requirements set at programme level as well as at national level must be fulfilled.

Furthermore, it is highly recommended to foresee contractual clauses, which:

- Define the liability of controllers linked to the quality of their performance (quality and accuracy of the control work but also timely delivery of outputs);
- Ensure the availability of selected controllers also in the project closure phase, i.e. after the project end and until the last instalment has been paid out following the project end.

¹ According to specific administrative settings of each partner, the Lead Partner shall agree with Project Partners and the Project Partners shall agree with their own controllers on suitable deadlines to enable the submission of the Joint Progress Report within three months from the end of the reporting period, as set in the Subsidy Contract. This means they shall plan sufficient time for each partner to report its expenditures, for the first level controller to verify and for the Lead Partner to fill in and submit the Joint Progress Report, within the three months.

2.3. Information on controllers in eMS

The controllers of the LP and each PP must be indicated in the section of the eMS, in which supplementary information has to be provided by the LP following the approval of the project.

During project implementation, the LP and, in a second stage, the programme bodies have to verify that all the certificates of expenditure have been issued by the authorised controllers.

3. ADMINISTRATIVE AND ON-THE-SPOT VERIFICATION OF EXPENDITURE

The verification of expenditure is performed by the independent national controller of each beneficiary (LP and PP) on incurred expenditure to be included in each progress report. This is done through administrative verifications (i.e. desk-based verifications) as well as on-the-spot verifications. Each progress report submitted to the MA/JS can contain only expenditure claims that have been verified by national controllers in accordance with national requirements and procedures set up by each Member State.

During **administrative verifications**, expenditure submitted by a beneficiary to its national controller shall be verified in its

entirety.

On-the-spot checks have to cover verifications from financial, technical and physical aspects of the project, and are mandatory accordingly to a sampling methodology as specified in the relevant factsheet of the Programme Manual (see factsheet “Sampling for on-the-spot verifications”).

On-the-spot verifications are performed by the controller at the premises of the beneficiary as well as in any other place where the project is being implemented. On-the-spot verifications should check the existence of the project, especially with regard to cost items referring to the budget lines equipment and infrastructure/works as well as of accounting documents forming part of the audit trail. Furthermore, on-the-spot verifications should check the existence and effective functioning of an accounting system on the level of the controlled beneficiary.

3.1. Control documents

The documentation of the control work carried out by the controller is an essential element of the audit trail. It occurs through the filling-in and issuing of the following documents:

- **Control check list**, i.e. the document in which the controller gives evidence of the verifications performed (*Annex 1*).
- **Certificate of expenditure**, i.e. the document certifying the compliance of the expenditure verified by the controller with the principles of eligibility, legality and relevance as listed above in this chapter. The certificate of expenditure must be signed by the authorised controller (*Annex 2*). In eMS, annexes 1 and 2 are an integral part of the FLC certificate automatically generated by the system.
- **Control report**, i.e. the document in which the controller describes the methodology used for the verifications, including an assurance that controls covered 100% of expenditure, explanation of the nature of the documents tested, of national and EU rules checked, etc. If

applicable, the ineligible expenditure found during the verifications also needs to be described, including the reasons leading to this judgement (*Annex 3*).

- **Inherent risk check list**, i.e. assessment of the risk associated with this type of project or entity; the template is primarily for internal use of FLC; it can also be made available to JS/MA or authorised third parties (*Annex 4*).
- **Control risk check list**, i.e. assessment of the risk associated with the quality of internal controls of the beneficiary; to be filled in after control work for the first report is completed and updated after each subsequent control. It serves as a basis for controlling the subsequent report (*Annex 5*).

Offline templates of the above documents (**in English language only**) are developed by the Interreg IPA CBC Italy-Albania-Montenegro Programme and attached at the end of this documents. The **above documents must be compulsorily filled-in and issued by the controllers through eMS, please consult factsheet 4.8 on how to manage and fill the above mentioned annexes**. The national controller will then either confirm or reject (in part or in full) expenditure submitted by the beneficiary for verification. The amount verified and confirmed by the national controller will then be stated in the “certificate of expenditure” to be included by the LP in the joint progress report. For any detailed procedure on eMS, see Factsheet 3.2.

3.2. On-the-spot verifications by the MA/JS

These focus on the overall progress of the project, the results achieved, the existence of project outputs and the consistency with the approved project application. This is done at least once in the project life cycle for all projects (100%), addressed to the project lead partner, therefore at its premises or where the main outputs of the project may be verified, as well as at an advanced stage of project implementation, i.e. third or fourth project report for the first call for standard projects. This may be carried out together or separately with an on-the-spot verification by the national controllers.

Where specific deficiencies in project implementation arise, such as a substantial delay in project implementation or requests of major changes in the project, the MA-JS reserve the right to carry out additional on-the-spot verifications together with or in addition to national controllers.

During the lifecycle of the single funded project, the Managing Authority will carry out initiatives aimed at ensuring a satisfactory level of quality and effectiveness of FLC activities.

In particular, the MA will carry out:

1. Annual training sessions and technical workshops with FLCs, dealing with eligibility rules of expenditure, and aimed at disseminating best practices in the control procedures via eMS platform;
2. Elaboration and delivery to FLCs of an on-line test in order to test the degree of knowledge of the issues related to control activities. Each FLC, within the first reporting period, will have to make a test of 20 multiple-choice questions in 30 minutes. If the error rate exceeds over 30%, additional technical workshops will be organized in order to increase the average skills of the FLC.

4. AUDITS PERFORMED BY AUDIT AUTHORITY AND GROUP OF AUDITORS

The Audit Authority (AA) is the body that, in compliance with Article 127 of the Common Provisions Regulation is responsible for:

- Ensuring the effective functioning of the management and control system in the programme, by performing audits on the MA/JS as well as on the national control systems;
- Ensuring that audits are carried out on an appropriate sample of projects for the verification, according to internationally accepted audit standards, of expenditure claimed by the beneficiaries and certified by the CA to the EC.

In the framework of the Interreg IPA CBC Italy-Albania-Montenegro Programme, the AA is supported by the Group of Auditors (GoA) which, in compliance with Article 25(2) of the ETC Regulation, is composed of a representative from each Member State participating in the programme. The AA and GoA must be independent from other programme bodies (MC, MA, JS, national controllers) as well as from the projects co-financed by the programme.

The audit work is performed by the AA and the GoA on the basis of an audit strategy setting out the audit methodology, the sampling method for audits on projects and the planning of the audits. In the framework of the Interreg IPA CBC Italy-Albania-Montenegro Programme, the AA and the GoA entrust the performance of audit work to an external audit firm. This firm carries out its work in accordance with the audit strategy set in place by the AA and GoA and under their supervision.

Audits on projects are performed during the entire programme lifetime. When a project is selected for an audit, the LP as well as one or more PPs are audited. The same beneficiary might be audited more times if the same project is selected more than once or if the beneficiary is involved in more than one project.

During the audit, the company in charge of carrying out the audits analyses a number of processes related to the implementation of the project, including the following:

- Existence of the project;
- Compliance with obligations set in the subsidy contract and partnership agreement;
- Eligibility of expenditure;
- Actual payment of expenditure;
- Compliance with EU and national rules (including public procurement);
- Existence and soundness of the audit trail;
- Review of the control work carried out by the national controller.

The audit is performed on-the-spot, at the premises of the audited body and/or in any other place where the project is being implemented and is complemented by desk verifications.

In case of detected non-compliances/infringements, audit findings are raised, clearly stating for each finding the reasons and providing requirements for clearance of the finding. All findings are presented to the audited body upon completion of the audit.

The outcomes of audits performed on the LP and PPs of a project are aggregated in a project specific audit report and submitted for comment and approval to the concerned national representatives in the GoA. Following the approval of the draft audit report by the concerned GoA members, the **draft audit report** is submitted to the LP and PP(s) as well as to their national

controllers in order to undergo a contradictory procedure. Within the contradictory procedure the LP, PP(s) and controllers have the possibility to make comments on each finding. At the end of this procedure, the AA and GoA have to confirm or renounce the findings and following this the audit report becomes final and the audit follow-up process starts.

The **audit follow-up** is different in relation to the type of findings detected:

- In case of findings having financial consequences (i.e. in case of detecting irregular amounts), the amounts considered as not eligible will be withdrawn from the next payment claim submitted to the MA/JS or be recovered from the LP if the project is already closed or if the amount claimed by the concerned beneficiary is lower than the irregular amount;
- Should the findings have no financial consequences, the affected beneficiary (and/or its controller if applicable) will have to document that recommendations set by the auditors have been followed up.

As a precautionary measure, and in compliance with provisions in the subsidy contract, the MA is entitled to withhold any IPA payment to projects undergoing an audit, until its conclusion. The MA/JS support the communication flows between all parties involved in the audit process, i.e. the AA, GoA members, audit company, LP, PPs and national controllers.

5. OTHER CONTROLS AND AUDITS

As provided for in the subsidy contract, and in addition to the programme bodies, the European Commission, the European Anti-Fraud Office (OLAF), the European Court of Auditors (ECA) and, within their responsibility, the auditing bodies of the Member States or other national public auditing bodies, are entitled to audit the proper use of funds by the beneficiaries.

The concerned beneficiaries are notified in due time about any audit to be carried out by authorised persons of such bodies. Beneficiaries undergoing an audit have to provide any project-related information to the above auditing bodies and give access to their business premises. Audits may occur at any time until the end date for the retention of documents.

6. SETTING UP THE AUDIT TRAIL

For the purposes of this document, an audit trail is to be understood as a chronological set of accounting records that provide documentary evidence of the sequence of steps undertaken by the beneficiaries and programme bodies for implementing an approved project.

According to this definition, the proper keeping of accounting records and supporting documents held by the beneficiary and its national controller plays a key role in ensuring an adequate audit trail.

6.1. Requirements of an adequate audit trail

At the level of each beneficiary, an adequate audit trail is composed of the following elements:

- The subsidy contract (and its amendments);

- The partnership agreement;
- The latest version of the approved application form;
- Adequate documentation of all outputs and deliverables produced during the project lifetime;
- Documents proving, for each cost item claimed within the project, the expenditure incurred and the payment made (invoices or other documents of equivalent probative value, extract from a reliable accounting system of the beneficiary, bank statements, etc.)
- Adequate documentation of all procurement procedures implemented for selecting experts, service providers and suppliers (from the planning of the procedure until the signature of the contract and its possible amendments);
- Any other supporting document applicable to each budget line (staff reports, timesheets, contracts with providers, etc.);
- Physical and financial reports submitted to the national controller with the purpose of validating project expenditure;
- Documents issued by the national controller validating all expenditure claimed within the project;
- A copy (as pdf) of all project progress reports and final report submitted and approved by the MA/JS.

In the project start-up phase it is essential for each beneficiary participating in a project to set up adequate arrangements that allow ensuring the availability of:

- A separate accounting system or an adequate accounting code set in place specifically for the project;
- A physical and/or electronic archive which allows storing data, records and documents concerning the physical and financial progress of the project - as listed above – until the end of the document retention period.

All documents composing the audit trail shall be kept either in the form of originals, or certified true copies of the originals, or on commonly accepted data carriers including electronic versions of original documents or documents existing in electronic version only. The certification of conformity of documents held on commonly accepted data carriers with original documents shall be performed in compliance with national rules on the matter.

In case of beneficiaries using e-archiving systems, where documents exist in electronic form only, the systems used shall meet accepted security standards that ensure that the documents held comply with national legal requirements and can be relied on for audit purposes.

As good practice, e-archiving or image processing systems (original documents are scanned and stored in electronic form) should ensure that each e-document scanned is identical to the paper original and that the accounting and payment process for each e-document is unique (it should not be possible to account for or pay the same e-document twice).

The audit trail shall also include evidence of all payment flows, including for the Lead Partner the payments to all project partners. It is necessary to upload in the eMS section “Official attachments” the payment mandates or any payment documentation required for or used by the organisation of the Lead Partner.

6.2. Annuling of documents

One important element to be taken into account when setting up the audit trail is the need to avoid double funding from different co-financing sources for the same expenditure item.

Whereas analytical accounting systems help in this respect, more straightforward measures must also be foreseen, as for instance the annulling of invoices and other probative documents.

Irrespective of the control system in place in the different Member States, the practice of annulling the originals of invoices and other probative documents is compulsory in the framework of the Interreg IPA CBC Italy-Albania-Montenegro Programme.

Where available, the annulling of originals of expenditure documents should be carried out by means of a stamp bearing at least the following information:

- The information that the expenditure has been co-funded by the Interreg IPA CBC Italy-Albania-Montenegro Programme;
- The number and the name (acronym) of the project;
- The amount ascribed to the project;
- The reporting date.

If invoices (and/or other probative documents) are available only on electronic support (i.e. no original can be identified) the minimum information listed above has to be incorporated in the subject and/or in the body of the electronic document.

6.3. Retention of documents

All supporting documents composing the audit trail must remain available at the premises of each beneficiary at least for a period of three years. This period starts from 31 December following the submission of the payment claim to the EC by the MA that contains the last expenditure of the project following its completion. Furthermore, documents referring to project activities and expenditure carried out in the framework of aid granted under the de minimis rule must be retained for a period of 10 fiscal years from the date on which the aid was granted (date of signature of the subsidy contract).

At the closure of projects, the MA/JS will individually inform each LP and on the exact start date of the abovementioned retention periods. Other possibly longer document retention periods, according to the applicable national and internal rules, remain unaffected.

For the entire retention period, all bodies entitled to perform controls and audits are entitled to access the project and all relevant documentation and accounts of the project.

7. GUIDELINES FOR FIRST LEVEL CONTROL

Verifications shall cover administrative, financial, technical and physical aspects of projects. Verification process shall ensure that the expenditure declared is real, that the products and

services have been delivered and that the operations and expenditures comply with relevant EU, Programme and National Rules.

Each phase of this flow is conveyed through the eMS Platform. Each First Level Controller has its own profile to access to the eMS and review all documents attached from Beneficiaries.

All originals of primary accounting documents (invoices, pay slips, travel bills payment orders etc.) proving the expenditure made and the tender documentation, contracts, lists of participants, reports, materials produced under the project, etc. must be present on the eMS and at the beneficiary premises, and the Controller must check them, either in scanned copies or in original, depending on the type of the check performed (desk-based, or on-the-spot).

7.1 The Reporting System and Process

The main methods of FLC are:

- 100% administrative verifications (desk - based check)
- On-the-spot checks, on the basis of a sample drawn on information derived from specific variables or risk factors.

Administrative check:

Administrative check is performed by the Controller at his/her own premises. In this case LP/PP submits the documentation of the expenditure for verification to the Controller through eMS platform. FLC must verify 100% of the expenditure declared by the LP/PP, covering all the items mentioned in the relevant **check list (Annex 1+2)**.

On-the-spot checks:

FLC must verify all the items mentioned in the relevant **check list (Annex 1 – section “On-the-spot visit”)**, within the deadlines set by the MA with a specific notice sent to the sample of selected beneficiaries and their respective controllers and for knowledge of lead partners.

In case of beneficiaries having in their own budget “Equipment” and/or “Infrastructure and works” budget lines, whose amount is higher than 100.000 €, an on-the-spot check must be carried out at least once, when they are installed or executed, adopting the specific check list **Annex 6 - Equipment and infrastructure on-the-spot visit**, which must be filled in, printed, signed/stamped, scanned and uploaded onto the eMS system.

Review of the accounting system

For the purposes of the first level control based on strict adherence to the principle of sound financial management as per Art.53 of the No 966/2012 of the European Parliament and the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002) as well as to the specific rules of the Interreg IPA CBC Programmes, the beneficiaries should maintain a computerised accounting system where to keep separate accounting on project level for the analytical project expenditure.

The first level control on the accounting system begins with documentary administrative checks followed by the on-the-spot checks (planned or ad-hoc) conducted by the controller.

While performing on the spot checks, the Controller should verify:

the provided by the PPs print-out of the accounting system for the respective period subject to the particular control check together with the supporting documents; the print-out set of documents should contain the analytical accounting for each type of expenditure, generated within the reporting period; the controller makes cross-check of each accounting record with the respective supporting accounting documents, the invoice report and the bank account statements as well;

- the submitted of the PPs print-outs/copies of records/registers required under the respective national law (e.g. cash books, VAT journals, etc.) and their correctness, completeness regarding the expenditures generated and recorded in the list of expenses;
- evidence of the accounting system (either separate accounting system or adequate accounting code/cost centre) for all project-related transactions;
- completeness of accounting systems, selecting at least one invoice per reported budget line expenditures and check if it is included in the analytical accounting system of the beneficiary and whether or not the same invoice appears in more than one cost centre.

7.3 Treatment of VAT as eligible expenditure

The first level controllers should make in-depth check of the expenditure declared by the PPs on Value Added Tax (VAT), in respect of its eligibility on separate expenditure basis following the national legislation. The documentary administrative check and on-the-spot check should be focused on:

- whether the tax cannot be recovered in any way;
- evidence that the payment is borne by the PP organisation;

The Controller checks the following documents (non-exhaustive list):

- VAT status of the PP;
- correspondence between the items with non-recoverable VAT and payment documents;
- as part of the check of the accounting system – availability of VAT records, as appropriate;
- evidence of VAT recovered, if applicable;
- VAT exemption documents, where applicable.

7.4 Overview of the European Union horizontal policies

Information and publicity

During the implementation of the project, the beneficiary should provide publicity on the implemented projects by conducting communication and promotional activities (publicity campaigns, events, promotional and informational materials, electronic media, etc.) as per approved application form (incl. budget limits). The controller checks the proofs provided by the beneficiary for the undertaken information and publicity measures (e.g. photos of billboards, promotional brochures, project homepages, visualisation of the project documents

(when applicable), outputs etc.).

While executing its check, the controller should verify whether the information and publicity actions taken are in accordance with the rules of the programme, the approved application form, the approved progress reports and those regarding information and publicity requirements expected by the European Commission in terms of transparency, clear management and publicity as per annex XII of Regulation (EU) No 1303/2013 of the European Parliament and of the Council – the Common Provisions Regulation.

Horizontal issues

In performing his functions, the Controller is relied on his professional assessment based on the information submitted by the PPs for respecting the following issues:

1. Promotion of equality between men and women and non - discrimination (Art. 7 of the CPR):
 - During the verification, the Controller should check whether the PP did not commit any discrimination based on gender or other social attribute in the implementation of project activities.
 - The check covers also an assessment whether each potential participant/sub-contractor, etc. had equal opportunities to participate in the project or was affected by the impact of actions (e.g. during project activities, the controller could verify whether the number of the women and men are approximately equal, how different religions are represented in the events, etc.).
 - In general, in fulfilling his obligations, the Controller checks and verifies cumulatively:
 - Information and Publicity - equal opportunities for access to information for the general public regarding the execution of activities according to the European guidelines on visibility and publicity and those of the Programme;
 - Trainings, seminars, conferences and other events – that participants are not selected on the basis of any discriminatory features (race, sex, religion, etc.), unless the activities are not aimed at a specific target group.
 - The procedures for sub-contracting:
 - technical specifications (requirements are not restrictive in terms of defining characteristics, scope and volume of needed products and services);
 - tenders are not prepared in a manner that limits the participation of a specific participant (e.g. indicating the brand and model);
 - equal information is provided to all tenderers, etc
2. Sustainable Development (Art. 8 of the CPR):
 - During the verification process, the Controller assesses the overall PPs balanced use of resources, the appropriate choice of logistics and raising public awareness on sustainable development issues (e.g. by inserting messages on printed materials or in the e-mails).

8. FINDING AND REPORTING IRREGULARITIES

Irregularity² (any infringement of a provision of Community law resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the Communities or budgets managed by them, either by reducing or losing revenue accruing from own resources collected directly on behalf of the Communities, or by an unjustified item of expenditure) and **Fraud** (any intentional act or omission relating to: 1) the use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misappropriation or wrongful retention of funds from the general budget of the European Communities or budgets managed by, or on behalf of the European Communities; 2) non-disclosure of information in violation of a specific obligation, with the same effect; 3) the misapplication of such funds for purposes other than those for which they were originally granted) could be found by the FLC in the course of desk based checks as well as while executing on-the-spot checks.

While checking the documents, the financial, administrative, technical and physical aspects of the operations the Controllers could assess the presence of the following possible irregularity cases or fraud indicators (non-exhaustive list):

1. The information presented in the request for FLC does not correspond to attached evidence.
2. Data suggesting discrepancies about the authenticity of submitted invoices, attendance lists, etc.
3. Evidence of disproportion between the amount paid and products delivered.
4. Contracts do not comply with the specificities of the activities and/or do not correspond with the general and specific objectives of the project.
5. Suspected double financing - duplicate financial records; repetitive content of products, present in various project activities, etc.
6. Presence of more than one original document with different content or suspicious of replacement of the evidentiary material in the reporting of project activities - presented several different content contracts, lists or other proofs;
7. Lack of original documents at the responsible partner;
8. Documents not complying with the relevant legislation, or failure to comply with ones requisites;
9. Lack of accounting records;
10. Partial booking;
11. Lack of separate analytical accounting;
12. Discrepancy between the value of invoices and accounting;
13. Differences between requested funds and the approved budget;
14. Weak or un-enforced controls in the receipt of goods and payment of invoices;
15. Inadequate, copied or apparently altered supporting documents;

² Article 1(2) of Regulation (EC) No 2988/95

16. Incorrect choice of a procedure in accordance to Public Procurement Programme rules;
17. Beneficiaries invite companies/organizations whose registered line of business is not one required for the tender, thus violating the principle of competitiveness;
18. Failure to comply with the horizontal principles;
19. Conflict of interests in compliance with the definitions set out in Public Procurement Programme rules;
20. Discriminatory conditions in the prepared tender documentation;
21. Violation in the evaluation process;
22. Amendment of requirements first set in tender documents during the contracting phase;
23. Winning offer is too high compared to cost estimates, published price lists, similar or industry averages; persistent high prices over time;
24. Rotation of winning offers by type of economic activities or geographical area;
25. The information is incomplete, identical or similar with other bid;
26. Apparent connections between tenderers: common addresses, personnel, phone numbers, etc.;
27. Failure to meet contract specifications;
28. Discrepancies between actual deliveries, inspection results and contract claims and specifications;
29. Low quality, poor performance and high volume of complaints;
30. Indications from the contractor's expense records that the contractor did not e.g. purchase materials necessary for the works, does not own or did not lease equipment necessary for the work or did have the necessary labor on the site.
31. Poor control and inadequate tender procedures;
32. Acceptance of late offers;
33. A qualified tenderer, excluded from a public procurement for questionable reasons.
34. Two or more similar procurements from same supplier in amounts just under competitive threshold or upper level review limits;
35. Unjustified separation of purchases, e.g. separate contracts, each of which is below competitive threshold limits, but when their value is combined, it comes over such limits;
36. Sequential purchase orders or invoices under upper level review or competitive threshold limits;
37. Contracts under the competitive bid limit, followed by change orders that increase amounts of the contract, Incorrect choice of a procedure in accordance to Public Procurement Programme rules;
38. A significant number of qualified bidders fail to bid;
39. Unreasonably narrow contract specifications;
40. Allowing an unreasonably short time limit to bid;

41. The failure to adequately publicize requests for offers, concerning the respective tender procedure.
42. Violations of tax legislation
43. Contracts with suppliers of goods and services, which agreed price including VAT and in invoices issued by contractors that tax is not charged.
44. Not respected requirements for publicity and visualization;
45. Indications of change in the circumstances declared by the beneficiary regarding the presence/lack of an economic nature of the activities.

In case a suspicion for irregularity arises, the expenditures concerned have to be excluded from the Certificate for verified amount issued by FLC. All the suspicions are to be written down in detail in the relevant check-lists filled in by the controllers along with an exact indication of the related national or EU rules which have been infringed.

ANNEXES – offline version

ANNEX1 FIRST LEVEL CONTROL CHECK LIST OFFLINE VERSION

1. Partner Information

Note: Information in this section is normally filled-in once ('section for one-time checks'). In electronic systems, information can be entered once and transferred to the subsequent reporting periods.

| | | | | |
|--|--|---------------------------------------|---|--|
| 1.1 Project and progress report | | | | |
| Project logo | Filled-in once (automatic in electronic systems) | | | |
| Project title | Filled-in once from AF (automatic in electronic systems) | | | |
| Project acronym | Filled-in once from AF (automatic in electronic systems) | | | |
| Project number | Filled-in once from AF (automatic in electronic systems) | | | |
| Name of Lead Partner (if different from controlled entity) | Pre-filled from most recent AF (automatic in electronic systems) | | | |
| Reporting period | (DD.MM.YYYY - DD.MM.YYYY) (automatic in electronic systems) | | | |
| 1. 2 Project partner | | | | |
| Name of controlled project partner | Pre-filled from most recent AF (automatic in electronic systems) | | | |
| Partner role in the project (Lead partner, Project partner) | Pre-filled from most recent AF (automatic in electronic systems) | | | |
| 1.3 Accounting System | | | | |
| [according to Art. 125 4(b) of Reg. (EU) No 1303/2013] The project partner uses for accounting purposes (filled-in once) | A separate accounting system <input type="checkbox"/> | | An adequate accounting code <input type="checkbox"/> | |
| Double-financing is excluded by: | e.g., invoices are stamped, marked; on-the-spot inspection of originals, etc. (Pre-filled from previous report and updated if changed) | | | |
| 1.5 VAT | | | | |
| The partner organisation has the right to recover VAT. Please provide comments if 'partially' is ticked. (filled-in once). | Yes <input type="checkbox"/> | Partially <input type="checkbox"/> | No <input type="checkbox"/> | Pre-filled from previous report and updated if changed |
| 1.6 Bank Account | | | | |
| The correct IBAN and BIC is communicated to the Lead Partner and the account belongs to the project partner's organization (filled-in once). | <input type="checkbox"/> Yes | <input type="checkbox"/> No | Comment | |
| 1.7 Partnership agreement | | | | |
| The partnership agreement is according to programme rules signed by the project partner. (filled-in once) | <input type="checkbox"/> Yes | <input type="checkbox"/> No | Comment | |

| 1.8 Format of documents | | | |
|---|------------------------------------|-------------------------------|-------------------------------------|
| Documents were made available to FLC in the following format (tick all that apply) (filled-in once) (multiple selection possible) | <input type="checkbox"/> Originals | <input type="checkbox"/> Copy | <input type="checkbox"/> Electronic |

2. Audit Trail Checklist

| General considerations / eligibility criteria | Accepted | | | Comments ³ |
|---|--------------------------|--------------------------|--------------------------|--|
| | Yes | Not (fully) | N.A. | |
| The list of expenditure is available for the reporting period from the project partner. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Costs are directly related to the project and necessary for the development or implementation of the project. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>e.g. Verified that costs:</i> <ul style="list-style-type: none"> <i>have been initially planned in the application form under this budget line.</i> OR <ul style="list-style-type: none"> <i>Have budget shift formally approved accordingly the Programme rules.</i> |
| Costs are correctly allocated to the relevant budget lines. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>e.g. Inspected list of expenditures.</i> |
| Costs are declared only once. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>e.g. Inspected the list of expenditure and verified that expenditures have not been declared twice in different budget lines or in previous reporting periods.</i> |
| (NOT needed for flat rates, standard scales of unit costs or lump sums): [according to Art 67(1)(a) of Reg. (EU) No 1303/2013] Expenditure was incurred and paid within the eligibility period of the project. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>e.g. Implementation expenditure is incurred and paid within the starting date of the project set in the subsidy contract and the end of the relevant reporting period.</i> |
| (NOT needed for Flat rates, standard scale of unit costs or lump sums): [according to Art 131 (2) of Reg. (EU) No 1303/2013] Expenditure is supported by invoices or documents of equivalent probative value, which are correct in content and accounting terms. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| (NOT needed for Flat rates, standard scale of unit costs or lump sums): [according to Art 125(4)(a) of Reg. (EU) No 1303/2013] Expenditure is supported by a proof of payment (bank account statements, bank transfer confirmations, cash receipts, etc.). | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Ineligible costs according to Art. 69(3)(a+b) of Reg. (EU) No 1303/2013 and Art 2(2) of Delegated Reg. (EU) No 481/2014 are not included. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

³ Text in the 'comments' box are EXAMPLES only..

| | | | | |
|--|--------------------------|--------------------------|--------------------------|---|
| [according to Art 69(3)(c) of Reg. (EU) No 1303/2013] Recoverable VAT was deducted. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| [according to Art 20(1) of Reg. (EU) No 1299/2013] Expenditure was incurred within the eligible programme area. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| (in case expenditure was incurred outside the eligible programme area) The part of the expenditure incurred outside the programme area and is eligible according to Art 44(2)(3) of Reg. (EU) No 447/2014 and programme rules. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>e.g. verified that the costs are outlined in the AF or have been approved by the programme bodies prior to their occurring</i> |
| [according to Art 28 of Reg. (EU) No 1299/2013] The exchange rate used for the conversion into Euro is correctly applied, using the monthly accounting exchange rate of the Commission in the month during which that expenditure was submitted for verification to the controller. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>e.g. Verified that foreign currency has been converted into Euro by the following method: [describe method: e.g., using the exchange rate of the month in which the expenditures were incurred].</i> |
| [according to Art. 125(4)(a) of Reg. (EU) No 1303/2013] The co-financed products and services were delivered or are in progress to be delivered. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>e.g. Inspected project evidence provided with the partner report, in particular agendas and signed attendance lists of meetings, written outputs, pictures, etc; OR performed own research, in particular search on the internet, OR obtained external confirmation of the project's existence, in particular from...' or 'Inspected the project partner and activities on the spot.</i> |
| Partner has received the IPA share from the previous periods. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| The partner total budget, budget per budget line and budget per work package budget was respected. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>e.g. Verified that accumulated partner expenditure is within the partner budget of the latest version of the approved Application Form. If not, differences have been explained/approved by the [Select: Joint Secretariat, Managing Authority, Monitoring Committee].</i> |
| [according to Art. 61(2) and 65(8) of Reg. (EU) No 1303/2013] Net revenue has been deducted from the total eligible expenditure. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>e.g., Inspected information on conferences, events, website, etc. for evidence of potential generation of net revenue and verified that project-related net revenues have been declared by the project partner. Verified that declared net revenues have been calculated correctly and can be attributed to the project.</i> |
| General comments, recommendations, points to follow-up; NOTE: deductions (if any) are allocated to the relevant budget lines | | | | |

Closure Costs

| Closure Costs | Accepted | | | Comments |
|---|--------------------------|--------------------------|--------------------------|----------|
| | Yes | Not (fully) | N.A. | |
| The lump sum is in line with programme rules (e.g.: PLEASE CHECK THAT DOUBLE FUNDING ARE EXCLUDED). | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

| | | | | |
|---|--------------------------|--------------------------|--------------------------|--|
| The lump sum option is calculated correctly. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Option for programmes to add mandatory verification(s) (if necessary) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| General comments, recommendations, points to follow-up; NOTE: deductions (if any) are allocated to the relevant budget lines | | | | |

On-the-spot verifications

| On-the-spot verifications | Accepted | | | Comments |
|---|--------------------------|--------------------------|--------------------------|----------|
| | Yes | Not (fully) | N.A. | |
| Documents submitted match the originals. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Documents are correctly archived. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| A separate accounting code/ technical code or other technical arrangement on single bank account of the organisation available for the project is used allowing to identify, track and report all financial transfers and expenditure related to the project. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| A separate set of accounts specifically for the project or specific accounting codes or other transparent methods are used for the project in the accounting system which allow the identification of costs allocated to the project | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Computerised list of project expenditure can be obtained from the accounting system | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| The expenditure declared corresponds to the accounting records and supporting documents held by the Lead Partner / Project Partner. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Original invoices related to the expenditure already declared are available at the premises of the Project Partner, and invoices are not annulled. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| If VAT was declared as non recoverable, it was not reclaimed later by the Project Partner by any means | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Audit trail relevant for the project partner exists and complete at the premises of the Lead Partner / Project Partner (as listed in the IPA Implementation Manual) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| If the Project Partner reported revenues, evidence exists in the | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

| | | | | |
|---|--------------------------|--------------------------|--------------------------|--|
| accountings documents of the project partner on the revenues generated by the project. | | | | |
| The project partner is provided accurate information regarding the physical and financial implementation of the part of operation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Office & Administration costs are allocated proportionally to a project (flat rates based on STAFF costs) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Relevant accounting documents supporting the calculation method and proofs of payment are made available for the controllers at the partners' premises | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Services already declared within the project have been delivered in reality, and are available at the premises of the project partner | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Services are used in line with the project purposes. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Equipments already declared within the project have been purchased in reality, and exist at the place traceable from the Application Form; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Equipments are in line with the description given in the approved Application Form | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Equipments are used only for the project purposes | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Purchases of equipment are properly accounted and documented in the project partner's accounting system and related files. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Investments already declared within the project have been implemented in reality, and exist at the place traceable from the Application Form | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Investments are in line with the description given in the approved Application Form; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Investments are used only for the project purposes; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Investments are properly accounted and documented in the project partner's accounting system and related files | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Evidence is available that the selected public procurement procedure is in line with the Programme and national public procurement rules considering, the | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

| | | | | |
|---|--------------------------|--------------------------|--------------------------|--|
| procurements of the institution as well. | | | | |
| According to the evidence obtained, the Community rules on publicity and the publicity requirements of the Programme are respected. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Mechanisms are applied by the project partner to avoid double financing | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| On the basis of the verifications performed, it can be excluded that expenditure has already been supported by any other funding (double-financing of expenditure with other Community or national schemes and with other programming periods is avoided) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| The requirements concerning durability of operations, including those related to ownership, provided in Art 71 (1) Reg. 1303/2013 are respected. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| General comments, recommendations, points to follow-up; NOTE: deductions (if any) are allocated to the relevant budget lines | | | | |

3. Eligibility along Budget Lines

3.1 Staff Costs

Staff Costs - ONLY in case of SIMPLIFIED COST OPTIONS

| Criteria - Simplified Cost Option [according to Art 67(1)(b) and (d) of Reg. (EU) No 1303/2013 and Art 19 of Reg. (EU) No 1299/2013] | Accepted | | | Comments ⁴ | Index No. ⁵ |
|---|--------------------------|--------------------------|--------------------------|---|------------------------|
| | Yes | Not (fully) | N.A. | | |
| The staff calculation option is in line with programme rules. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| The controlled beneficiary has at least one employee involved in the project. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Staff costs are calculated correctly. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>e.g. Recalculated simplified staff costs using the calculation scheme: In case of 20% flat rate, Staff costs calculated on a flat rate basis are up to 20% of the direct costs other than staff and O&A costs of that project partner.</i> | |

Staff Costs - ONLY in case of REAL COSTS reimbursement

| Criteria - Real cost [according to Art 67(a) of Reg. (EU) No 1303/2013] and Art (3) of Delegated Reg. (EU) No 481/2014] | Accepted | | | Comments | Index No. |
|--|--------------------------|--------------------------|--------------------------|----------|-----------|
| | Yes | Not (fully) | N.A. | | |
| Persons that declared staff costs are employees of the project partner or work | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |

⁴ Text in the 'comments' box are EXAMPLES only.

⁵ Refers to the Index number assigned by the controller to inspected documents.

| | | | | | |
|--|--------------------------|--------------------------|--------------------------|--|--|
| under a contract considered as an employment/equivalent employment contract. | | | | | |
| Written agreements/official assignment exist outlining work for the project. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Staff costs are based on gross remuneration and other eligible components. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <p>e.g. Inspected e.g., payrolls/pay slips, print-out of accounting system, etc. of employees working on the project (part-time and full-time) and verified that staff costs are based on salary payments plus any other costs directly linked to salary payments incurred and paid by the employer such as employment taxes and social security including pensions provided that they are:</p> <ul style="list-style-type: none"> (i) fixed in an employment document or by law; (ii) in accordance with the legislation referred to in the employment document and with standard practices in the country and/or organisation where the individual staff member is actually working; and (iii) not recoverable by the employer. | |
| Option for FLC to add risk-based verification (if necessary) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |

Staff Costs - ADDITIONAL verifications for employees working PART TIME on the project including staff costs calculated on the basis of 1720 hours - REAL COSTS

| Criteria - Part Time - Real Costs [according to Art 67(1)(a) and 68(2) of Reg. (EU) No 1303/2013] and Art (3)(4)-(7) Delegated Reg. (EU) No 481/2014] | Accepted | | | Comments | Index No. |
|---|--------------------------|--------------------------|--------------------------|--|-----------|
| | Yes | Not (fully) | N.A. | | |
| The calculation method is in line with programme rules. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | e.g. Verified that the method to calculate the staff costs (fixed percentage of the gross employment cost or hourly rate based on monthly/annual gross employment cost) is in line with the programme rules. | |
| <u>(only in case of fixed percentage of time worked per month)</u> Fixed percentage of gross employment cost is in line with fixed percentage of time worked on the project. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | e.g. verified that the fixed percentage worked is in line with the document setting out the percentage of time to be worked on the project for each employee and correctly calculated. | |
| <u>(only in case of flexible shares varying from one month to the other OR hourly rates)</u> The number of hours worked on the project is documented in a time Registration system. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | e.g. verified that the time sheets of persons claiming staff costs based on flexible shares document the time worked on the project and show 100% of the work of the person. | |
| Staff cost are calculated correctly. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <p>e.g. FIXED PERCENTAGE: verified that the percentage was correctly applied to the gross employment costs for each person declaring staff costs under this option. FLEXIBLE SHARES: verified that staff cost are correctly calculated by multiplying the number of hours worked on the project with the hourly gross employment cost. Hourly rate calculated either</p> | |

| | | | | | |
|--|--|--|--|---|--|
| | | | | <p>1) by dividing the monthly gross employment cost by the maximum monthly working time fixed in the employment/work contract expressed in hours, or</p> <p>2) by dividing the latest documented annual gross employment cost by 1720 hours (Art 68(2) of Reg. (EU) No 1303/2013).</p> <p>HOURLY RATES: Verified that staff cost are correctly calculated by multiplying the number of hours worked on the project with the hourly rate agreed in the employment/work contract.</p> | |
| The periodic staff report has been provided and is signed by both the employee and the supervisor. | | | | | |
| The detailed monthly working time registration has been provided. | | | | | |
| Payslips or other documents of equivalent probative value have been provided. | | | | | |
| Proof of payment of gross employment costs have been provided. | | | | | |
| Option for FLC to add risk-based verification (if necessary). | | | | | |

Results, comments, recommendations, points to follow-up.⁶

3.2 Office and Administration

Office and Administration - ONLY in case of SIMPLIFIED COST OPTIONS

| Criteria - Simplified Cost Option [according to Art 68(1) of Reg. (EU) No 1303/2013] | Accepted | | | Comments | Index No. |
|--|--------------------------|--------------------------|--------------------------|---|-----------|
| | Yes | Not (fully) | N.A. | | |
| The flat rate is in line with EU and programme rules and does not exceed the limit set in Art 68(1) of Reg. (EU) No 1303/2013. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | e.g. Verified that the flat rate for office and administration is in line with the programme rules, the subsidy contract and the limits set in Art 68(1) of Reg. (EU) No 1303/2013. | |
| The flat rate is calculated correctly. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | e.g. Recalculated costs using the calculation scheme. | |
| There is no double declaration of the same cost item in other budget lines. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | e.g. Verified that no cost items listed in Art. 4 of Delegated Reg. (EU) No 418/2014 have been included in other budget lines. | |

Office and Administration - ONLY in case of REAL COSTS reimbursement

| Criteria - Real Costs [according to Art 67(a) of Reg. (EU) No 1303/2013] and Art (4) of Delegated Reg. (EU) No 481/2014] | Accepted | | | Comments | Index No. |
|---|--------------------------|--------------------------|--------------------------|---|-----------|
| | Yes | Not (fully) | N.A. | | |
| The types of costs listed under the budget line are eligible according to EU | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | e.g., verified that the types of costs listed under the budget line are eligible according to Art 4 of Delegated Reg. (EU) No | |

⁶ Option to add comments, recommendation etc. immediately under each budget line in the FLC checklist (the other option is to enter this information directly in the FLC report). In electronic systems text inserted in the checklist can be automatically transferred to the relevant sections of the FLC report.

| | | | | | |
|---|--------------------------|--------------------------|--------------------------|--|--|
| rules. | | | | 481/2014. | |
| Costs are in line with applicable programme, national and internal rules of the partner organisation. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Cost items belonging to this budget line are not charged under any other budget line. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| <i>(only in case of indirect administration costs)</i> The pro rata allocation of costs to the project is plausible, i.e. based on a fair, equitable and verifiable calculation method. No lump sums, overall estimations or arbitrary keys were used. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>e.g. Verified that the calculation scheme for office and administration uses a fair, equitable and verifiable calculation method for pro rata allocation of costs to the project.</i> | |
| <i>(only in case of indirect administration costs)</i> The pro rata allocation of costs to the project is calculated correctly. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>e.g. Recalculated costs using the calculation scheme for pro rata allocation.</i> | |
| Option for FLC to add risk-based verification (if necessary) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |

Results, comments, recommendations, points to follow-up.

3.3. Travel and Accommodation

| Criteria - Real Costs [according to Art 67(a) of Reg. (EU) No 1303/2013] and Art (5) of Delegated Reg. (EU) No 481/2014] | Accepted | | | Comments | Index No. |
|---|--------------------------|--------------------------|--------------------------|---|-----------|
| | Yes | Not (fully) | N.A. | | |
| Travel and accommodation costs relate to staff of the partner organisation or natural persons working under work contracts considered as employment/equivalent employment contracts of the partner organisation or associated partners. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>e.g. Inspected invoices and documents of equivalent probative value to ensure that costs were incurred by employees or persons working under contracts considered as employment or equivalent contracts.</i> | |
| Costs are in line with applicable EU, programme, national and internal rules of the partner organisation. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>e.g., verified that the types of costs listed under the budget line are eligible according to Art 5 of Delegated Reg. (EU) No 481/2014.</i> <i>e.g. Inspected invoices and documents of equivalent probative value to ensure that they comply with the respective national rules/internal rules of the partner organization</i> | |
| Expenditure is limited to cost items as defined in the Programme Manual | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Travel and accommodation costs are clearly linked to the project. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| The most cost-efficient mean of transportation has been used according to the programme rules. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |

| | | | | | |
|--|--------------------------|--------------------------|--------------------------|---|--|
| The duration of the mission is in line with its purpose. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>i.e. the duration was not longer than from the day before to the day after the meeting. In the case of a longer duration it is proved that the additional costs do not exceed the savings eventually made in the costs for transportation.</i> | |
| Hotel rating is equal or below 4 * or, if not, is it justified. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Daily allowances are in line with national/internal rules. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Unused travel tickets have been excluded, or, if not, is it justified. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Authorisation of the mission is available. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Travel and accommodation costs have been borne by the beneficiary. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| If paid directly by a staff member of the beneficiary, proof of reimbursement from the employer is available. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Any of the costs referring to travels, meals, accommodation or visa already included in the daily allowance are not claimed in addition to the daily allowance. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Costs partially covered by third parties have been reduced from the daily allowance. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>e.g. breakfast included in the hotel fee, lunch or dinner paid by the organisers of a meeting/event</i> | |
| Supporting documents concerning travel and accommodation costs are available. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Expenditure is supported by invoices or documents of equivalent probative value which are correct. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Expenditure is supported by proof of payment (bank account statements, bank transfer confirmations, cash receipts etc.) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Travel and accommodation costs that occurred outside the programme area were planned in the approved application form or a written consent was provided by the JS. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>e.g. Inspected the latest approved version of the application form to ensure that travels have been initially planned in the application form OR a written agreement of these costs exists from the MA/JS.</i> | |
| Option for FLC to add risk-based verification (if necessary) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |

Results, comments, recommendations, points to follow-up.

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3.4. External Expertise and Services

| | | |
|---|------------------------------|-----------------------------|
| New external expertise and services were acquired and paid in this reporting period | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (if yes) Refer to Section 4 for verifying public procurements | | |

| Criteria - Real Costs [according to Art 67(a) of Reg. (EU) No 1303/2013] and Art (6) of Delegated Reg. (EU) No 481/2014] | Accepted | | | Comments | Index No. |
|--|--------------------------|--------------------------|--------------------------|---|-----------|
| | Yes | Not (fully) | N.A. | | |
| Contracted external expertise and services were foreseen in the application form. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Providers of services or expertise are external to the project partnership. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>e.g. Interviewed the project partner to verify that external expert or service providers are not employees of the project partnership.</i> | |
| Expenditure is limited to the elements listed in the Programme Manual. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>e.g. Verified that the types of costs listed under the budget line are eligible according to Art 6 of Delegated Reg. (EU) No 481/2014.</i> | |
| Costs are paid on the basis of contracts/written agreements and against invoices/request for reimbursement, indicating also, if applicable, information required by National Laws on transparency and control of public investments and traceability of financial flows. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Invoices or documents of equivalent probative value are in line with the contract(s) - or where applicable- with the selected offer- in terms of amount and nature. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>e.g. Inspected invoices and documents of equivalent probative value to verify that they are in accordance with the contract(s).</i> | |
| External expertise and services are clearly linked to the project and are essential for its effective implementation. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| (In case of experts or services that are NOT exclusively used for the project) The share allocated to the project is plausible, i.e. calculated according to a fair, equitable and verifiable method. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>e.g. Verified that only a share of the expenditure is allocated to the project and that this share is calculated according to a fair, equitable and verifiable method.</i> | |
| Deliverables or other evidence of the work carried out by the provider are available. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>e.g. Inspected delivery notes, verified existence of outputs, etc.</i> | |
| Where applicable, the applicable information, communication and branding requirements have been respected. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Promotional materials refer to items included in the programme pre-defined list of eligible materials or previously approved by the MA/JS. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |

| | | | | | |
|--|--------------------------|--------------------------|--------------------------|--|--|
| Gifts do not exceed the maximum value of EUR 50 per item and are linked to promotion, communication and publicity or information activities. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Expenditure is supported by proof of payment (bank account statements, bank transfer confirmations, cash receipts etc.). | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Option for FLC to add risk-based verification (if necessary) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |

Results, comments, recommendations, points to follow-up.

3.5. Equipment

| | | |
|---|------------------------------|-----------------------------|
| New equipment is reported | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (if yes) Refer to Section 4 for verifying public procurements | | |

| Criteria - Real Costs [according to Art 67(a) of Reg. (EU) No 1303/2013] and Art (7) of Delegated Reg. (EU) No 481/2014] | Accepted | | | Comments | Index No. |
|---|--------------------------|--------------------------|--------------------------|--|-----------|
| | Yes | Not (fully) | N.A. | | |
| Purchased equipment items were foreseen in the application form or prior approval of the relevant programme body was granted. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| The types of costs listed under the budget line are eligible according to EU and Programme rules. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Equipment is clearly linked to the project and is essential for its effective implementation. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Equipment has not already been financed by other EU or third part subsidies and/or has not already been depreciated. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| The contract/written agreement laying down supplies to be provided with a clear reference to the project and programme is available. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Invoices or documents of equivalent probative value are in line with the contract(s) or - were applicable- the selected offer in terms of amount and nature, indicating also, if applicable, information required by National Laws on transparency and control of public investments and traceability of financial flows. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>e.g. Inspected invoices and documents of equivalent probative value to verify that they are in accordance with the contracts in terms of amount and nature.</i> | |
| A calculation scheme for depreciation is available and it is in compliance with | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |

| | | | | | |
|---|--------------------------|--------------------------|--------------------------|---|--|
| national accountancy rules. | | | | | |
| The depreciation of the office equipment was applied and it was correctly calculated. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Only in case of depreciation of office equipment. In case of equipment that, according to national and internal accountancy rules is not depreciable (e.g. low-value asset) please mark n.a. and provide further explanation in the comment box | |
| The method to calculate equipment expenditure (full costs, depreciation or pro rata) is correctly applied. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | e.g. Verified that the calculation methods used complies with rules . | |
| Where applicable information, communication and branding rules have been respected. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| (In case of purchases used only partially by the project - full costs and depreciations) The share allocated to the project is based on a fair, equitable and verifiable calculation method. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Equipment is available, physically exists. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Inspected on-the-spot. In case the equipment is not checked on-the-spot, existence was verified by other means (e.g. photo documentation and delivery notes). | |
| In case of second-hand equipment all requirements are respected. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | i.e. its price does not exceed the generally accepted price on the market in question; it has the technical characteristic necessary for the project and it complies with applicable norms and standards. | |
| In case of equipment leased or rented, all Programme requirement are respected. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Expenditure is supported by proof of payment (bank account statements, bank transfer confirmations, cash receipts etc.) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Option for FLC to add risk-based verification (if necessary) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Results, comments, recommendations, points to follow-up. | | | | | |
| | | | | | |

3.6 Infrastructure and works

| | | |
|---|------------------------------|-----------------------------|
| Infrastructure and works are reported | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (if yes) Refer to Section 4 for verifying public procurements | | |

| Criteria - Real cost [according to Art 67(a) of Reg. (EU) No 1303/2013] | Accepted | | | Comments | Index No. |
|---|--------------------------|--------------------------|--------------------------|----------|-----------|
| | Yes | Not (fully) | N.A. | | |
| Infrastructure and works were foreseen in the approved application form or prior approval of the relevant programme body was granted. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |

| | | | | | |
|--|--------------------------|--------------------------|--------------------------|--|--|
| Infrastructure and works have not been sub-contracted to another project partner. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| If applicable, evidence that all compulsory requirements set by Community and national legislation on environmental policies were verified and authorised by national/regional/local authorities, where appropriate, is available. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| The land and/or building where the infrastructure and works were implemented is in the ownership of the beneficiary. OR The beneficiary has the use of it and proper long-term legally binding arrangements between the beneficiary and the owner of the land/building in order to ensure the accomplishment of durability (including maintenance) requirements. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Infrastructure and works are clearly linked to the project and are essential for its effective implementation. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Contract/written agreement laying down the infrastructure and works to be provided, is available. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Invoices or documents of equivalent probative value are sufficiently detailed and in line with the contract(s) or - were applicable- the selected offer in terms of amount and nature, indicating also, if applicable, information required by National Laws on transparency and control of public investments and traceability of financial flows. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Expenditure is supported by proof of payment (bank account statements, bank transfer confirmations) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| The part realized by the project is clearly and univocally identifiable. (In case of infrastructure and works being part of a larger infrastructural investment) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Infrastructure and works exists or evidence of work in progress is available. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>Inspected on-the-spot. In case it is not checked on-the-spot, existence was verified by other means e.g. photo documentation.</i> | |
| Infrastructure and works were implemented in the programme area. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Where applicable, the infrastructure and works respect the relevant information, communication and branding requirements. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Infrastructure and works expenditure has not already been financed by other EU or | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |

| | | | | | |
|--|--------------------------|--------------------------|--------------------------|---|--|
| third part subsidies and/or has not already been depreciated. | | | | | |
| A temporary billboard of a significant size on the infrastructure or construction, or (if not possible) at a place nearby readily visible to the public has been installed. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>In case the public support for a project carrying out infrastructure or construction measures exceeds EUR 500.000.</i> | |
| At least one poster (minimum size A3), was placed on the infrastructure or construction or (if not possible) at a place nearby visible to the public. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>In case the total public support for a project with infrastructure or construction measures does not exceed EUR 500.000.</i> | |
| If applicable, any amendment of the contract is in line with the applicable public procurement rules without any relevant impact on the validity of the initial procurement procedure. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>Only in case a contract amendment/extension has been issued.</i> | |
| Is the Certificate of regular execution/final test issued accordingly to the national legislation. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Option for FLC to add risk-based verification (if necessary) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |

Results, comments, recommendations, points to follow-up.

4. Compliance with public procurement rules

| | | | |
|---|-------|----------|--------|
| Title of the procurement - if applicable | | | |
| Name of contractor - if applicable | | | |
| The value of the procured, works, goods or services is above the EU threshold. | yes | | no |
| The type of tender - if applicable | works | services | supply |
| The procurement procedure chosen (open, restricted, negotiated, direct contracting, etc.) | | | |
| Total value of the tender (specified in the publication) | | | |
| Total value of the tender (specified in the contract) | | | |
| Date of the signature of the contract | | | |
| Date of project start | | | |
| Date specified in the contract of delivering of works/goods/services | | | |
| Total amount paid to the contractor | | | |
| The media chosen for publication and the | | | |

| date of publication - if applicable | Accepted | | | Comments | Index No. |
|---|--------------------------|--------------------------|--------------------------|----------|-----------|
| Criteria - Real cost [according to national and - if applicable - programme, regional and internal public procurement rules (cfr. article 45 of the IPA II Commission Implementing Regulation No. 447/2014; Chapter 3 of Title IV of Part Two of Regulation (EU, Euratom) No 966/2012 and of Chapter 3 of Title II of Part Two of Delegated Regulation (EU) No 1268/2012) and - above the EU threshold for public procurement - national implementations of Directives No. 2014/24/EU and 2014/25/EU as of 18 April 2016]. | Yes | Not (fully) | N.A. | | |
| 1. Tender Documentation verify that the tender documentation includes: a) criteria for selection and award | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 1. Tender Documentation verify that the tender documentation includes: b) an evaluation grid | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 1. Tender Documentation verify that the tender documentation includes: c) the possibility or not of variants | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 1. Tender Documentation verify that the tender documentation includes: d) the possibility of subcontracting | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 2. Publication a) as for the publication of the notice, were the obligations of the current legislation on information and advertising complied with? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 2. Publication b) Are the deadlines set for the submission of tenders in line with existing procurement rules? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 2. Publication c) Does the published notice contain the evaluation criteria to be used in the selection of bids submitted? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 3. Adopted tender procedure a) Is the tendering procedure adopted in line with existing procurement rules? Explain the tender procedure used | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 3. Adopted tender procedure b) Have all the requirements of current public procurement law been met for using the procedure used? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 3. Adopted tender procedure c) In the event that an open procedure was | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |

| | | | | | |
|---|--------------------------|--------------------------|--------------------------|--|--|
| not used, did the motivations for the chosen operation be specified? | | | | | |
| 4. Procedure for opening tenders a) Did all bids received have been registered and registered? Verify that the date and time of receipt of the bids are in line with the terms set out in the notice of invitation to tender | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 4. Procedure for opening tenders b) Was the opening procedure performed on the date specified in the notice? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 4. Procedure for opening tenders c) Is the opening procedure duly formalized in one or more minutes? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 4. Procedure for opening tenders d) Review the opening note on the following topics: - number of tenders submitted - retreats - non-compliance and reasoning - price quotation registration | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 5. tender evaluation procedure a) Is there any documentation attesting the evaluation of the submitted offers? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 5. tender evaluation procedure b) Does Appointment and Evaluation Commission have been appointed and composed in accordance with existing procurement rules? Verify the composition of the Evaluation Commission (members, bodies represented, experience and roles) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 5. tender evaluation procedure c) Are the members of the Evaluation Commission independent with respect to the tender applicants? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 5. tender evaluation procedure d) Did the evaluation of the offers be formalized in specific minutes from which the scores were assigned? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 5. tender evaluation procedure e) Have all the submitted offers been evaluated? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 5. tender evaluation procedure f) Are the criteria used for the selection in accordance with the criteria set out in the notice of invitation to tender and the applicable public procurement rules? (specifications - get copies of the relevant section on specifications) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 6. Award procedure a) Has the contracting authority approved the results of the evaluation phase with due regard? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 6. Award procedure | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |

| | | | | | |
|---|--------------------------|--------------------------|--------------------------|--|--|
| b) Are the outcomes of the selection of tenders, including any exclusionary reasons, communicated in accordance with the terms of the current procurement law? | | | | | |
| 6. Award procedure c) Are the results of the award procedure published in accordance with the provisions of current legislation on information and advertising? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 6. Award procedure d) Have claims been filed? If so, examine the content of the single complaint and the answer given by the contracting authority | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 7. Signature of the Contract a) Verify the presence of a legal binding document between the contracting Authority and the contractor | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| | | | | | |
| 7. Signature of the Contract b) Is the content of the contract consistent with the provisions contained in the notice/tender notice? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 7. Signature of the Contract c) Is the contract concluded in accordance with the terms of the law and after the controls required by the relevant rules? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 8. Tender documentation storage a) Is the documentation relating to the tendering procedure properly stored up by the contracting authority? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 9. Contract performance a) When the contract was executed, the amount paid to the contractor was equal or less than the amount specified in the contract? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 9. Contract performance b) Has the competent Authority carried out the relevant conformity/test checks? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 9. Contract performance c) Did the competent authority and/or the contractor introduce changes to the contract (e.g. changes to the quantities / physical objects / services specified in the contract)? If so, fill in the following "Modifications" tab and check the variation discipline | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 9. Contract performance d) Did the contractor comply with the contractual obligations? If not, did the competent authority activate the terms of the contract on penalties? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 10. Negotiated procedure for additional works / services / supplies (if any) a) additional works / services / supplies have been made necessary by unforeseeable circumstances? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 10. Negotiated procedure for additional works / services / supplies (if any) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |

| | | | | | |
|---|--------------------------|--------------------------|--------------------------|--|--|
| b) Was the motivation for such unforeseeable documented circumstances? | | | | | |
| 10. Negotiated procedure for additional works / services / supplies (if any) c) If the justification is convincing, such unforeseeable circumstances are the result of omissions or negligence on the part of the contracting authority? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 10. Negotiated procedure for additional works / services / supplies (if any) d) The aggregate value of contracts awarded for additional works / services / supplies exceeds 50% of the value of the main contract? If so, fill in the following data: | | | | | |
| ▪ titles of the additional contracts; | | | | | |
| ▪ date of the additional contracts; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| ▪ total amount specified in the additional contract; | | | | | |
| ▪ date of delivery of works/supplies/services specified in the additional contracts; | | | | | |
| ▪ duly justification of additional contracts | | | | | |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Option for FLC to add risk-based verification (if necessary) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| GENERAL CONCLUSION ON PROCUREMENT PROCEDURE General comments, recommendations, points to follow-up | | | | | |

“Modifications Tab”

| Contract Modifications | 1 st Modification Date and Value (€) | 2 nd Modification Date and Value (€) |
|--|--|--|
| extra-contractual additional works / services / supplies that have been executed (not included in the original contract) | | |
| Works / services / contractual supplies that have not been executed: | | |

5. Compliance with information and publicity requirements

| Criteria - Real cost [according to Annex XII of Reg. (EU) No 1303/2013] | Accepted | | | Comments | Index No. |
|--|----------|-------------|------|----------|-----------|
| | Yes | Not (fully) | N.A. | | |

| | | | | | |
|---|--------------------------|--------------------------|--------------------------|---|--|
| Information and publicity rules of the EU and the programme were complied with. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | e.g., Inspected project publicity items, including, brochures, agendas of conferences, studies and deliverables to ensure they meet the publicity requirements outlined in Annex XII of Reg. (EU) No 1303/2013. | |
| General comments, recommendations, points to follow-up | | | | | |

6. Compliance with other EU rules

FLC is asked to confirm that you have not come across anything that made you doubt that the EU horizontal principles are not adhered to.

| Criteria - Real cost | Accepted | | | Comments | Index No. |
|---|--------------------------|--------------------------|--------------------------|---|-----------|
| | Yes | Not (fully) | N.A. | | |
| [according to Articles 4 and 8 of Reg. (EU) No 1303/2013] There is no evidence that the project activities do not comply with the EU horizontal objectives of sustainable development. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | e.g. Compared the partner report to the application form and verified that activities are in line with the application form and do not raise any new issues. | |
| There is no evidence that equipment purchased does not comply with EU and national legislation in terms of environmental impacts, required permits, etc. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | e.g. Verified based on my professional judgement as a controller that compulsory requirements set by the EU and national legislation related to respective equipment are fulfilled (e.g. environmental impacts, permits, etc.). | |
| There is no evidence that infrastructure and works do not comply with EU and national legislation in terms of environmental impacts, required permits, etc. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | e.g. Verified based on my professional judgement as a controller that compulsory requirements set by the EU and national legislation related to respective infrastructure and works are fulfilled (e.g. environmental impact assessment, building permissions, etc.). | |
| [according to Articles 4 and 7 of Reg. (EU) No 1303/2013] There is no evidence that the project activities do not comply with the EU horizontal objectives of equality between men and women and non-discrimination. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | e.g. Compared the partner report to the application form and verified that activities are in line with the application form and do not raise any new issues. | |
| [according to Article 6 of Reg. (EU) No 1303/2013] There is no evidence that the project activities do not comply with Community rules on State aid. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | e.g. Compared the partner report to the application form and verified that activities are in line with the application form and do not raise any new issues. e.g. Verified that the project partner does not exceed the de minimis threshold and is not 'in difficulty'. | |
| General comments, recommendations, points to follow-up | | | | | |

7. External public contribution

| Criteria - Real cost | Accepted | | | Comments | Index No. |
|----------------------|----------|-------------|------|----------|-----------|
| | Yes | Not (fully) | N.A. | | |

| | | | | | |
|---|--------------------------|--------------------------|--------------------------|--|--|
| (in case of external contributions) The controlled entity received external (public) contribution for the previous report. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| (if yes) The total public contribution has not been exceeded. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| (if yes) The contribution does not come from other EU financial instruments. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| General comments, recommendations, points to follow-up | | | | | |

8. Lead Partner-specific verifications (filled-in in the case of Lead Partners only)

| Criteria - Real cost | Accepted | | | Comments | Index No. |
|---|--------------------------|--------------------------|--------------------------|--|-----------|
| | Yes | Not (fully) | N.A. | | |
| The Lead Partner forwarded IPA shares for the previous report to the project partners without unnecessary delays and in full. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>e.g. Inspected the bank account statement to verify that the Lead Partner forwarded IPA shares for the previous report to the project partners without delays taking into consideration shared costs.</i> | |
| General comments, recommendations, points to follow-up | | | | | |

| Controller's signature | |
|---|--|
| Location | |
| Date | |
| Name | <i>pre-filled in automatic systems</i> |
| Signature | |
| Official stamp of the institution (if applicable) | |

ANNEX 2

INDEPENDENT FIRST LEVEL CONTROL CERTIFICATE

OFFLINE VERSION

| 1. Project and progress report | | | |
|--|--|--|---|
| Project title | Filled-in once from AF (automatic in electronic systems) | | |
| Project acronym | Filled-in once from AF (automatic in electronic systems) | | |
| Project number | Filled-in once from AF (automatic in electronic systems) | | |
| Approved implementation period | (DD.MM.YYYY - DD.MM.YYYY); Pre-filled and updated if changed | | |
| Name of Lead Partner (if different from controlled entity) | Pre-filled from most recent A (automatic in electronic systems) | | |
| Reporting period | (DD.MM.YYYY - DD.MM.YYYY) (automatic in electronic systems) | | |
| Report Number | Pre-filled (automatic in electronic systems) | | |
| Report dated by project partner (date of signature) | DD.MM.YYYY (automatic in electronic systems) | | |
| 3. Project partner | | | |
| Name of controlled project partner | Pre-filled from most recent AF (automatic in electronic systems) | | |
| Partner role in the project (Lead partner, Project partner) | Pre-filled from most recent AF (automatic in electronic systems) | | |
| Designated Project Partner Controller | | | |
| FLC body responsible for the verification ⁷ | Pre-filled from the previous report and updated if changed | | |
| FLC organization doing the verification (if applicable) ⁸ | Pre-filled from the previous report and updated if changed | | |
| 4. Verification | | | |
| General methodology (allowing 2 ticks) | <input type="checkbox"/> desk-based | <input type="checkbox"/> on-the-spot | |
| (if on-the-spot) Date(s) of on-the-spot verification | DD.MM.YYYY - DD.MM.YYYY | | |
| Amount declared | Total declared EUR; pre-filled from financial report. | Programme co-financing (eg IPA) in EUR; pre-filled | Nat./Pri. contribution in EUR; pre-filled |
| Amount certified | Total certified EUR; pre-filled from FLC report. | Programme co-financing (eg IPA) in EUR; pre-filled | Nat./Pri. contribution in EUR; pre-filled |

I. Based on the documents provided and my verification and professional judgement as a first level controller, for the amount certified I certify that:

⁷ The nominated FLC body responsible for FLC on a programme, national, regional or local level in the centralized FLC system.

⁸ In case FLC work is done by external/internal experts in the decentralized FLC system.

- a) The entire amount certified is free from any reservation casting doubts on its eligibility.
- b) Expenditure is in line with European, programme and national eligibility rules and complies with conditions for support of the project and payment as outlined in the subsidy contract;
- c) Expenditure was actually paid with the exception of costs related to depreciations and simplified cost options;
- d) Expenditure was incurred and paid (with the exceptions above under “c”) within the eligible time periods of the project and was not previously reported;
- e) Expenditure and related supporting document were submitted to the controller within the applicable deadlines as specified in the programme Implementation Manual;
- f) Expenditure based on simplified cost options (if any) is correctly calculated, the calculation method used is appropriate and the conditions for payments, as specified in the Programme Manual, have been fulfilled;
- g) Expenditure reimbursed on the basis of eligible costs actually incurred is either properly recorded in a separate accounting system or has an adequate accounting code allocated. The necessary audit trail exists and all was available for inspection;
- h) Expenditure in currency other than Euro was converted using the correct exchange rate in accordance to relevant provisions as in the Programme Manual;
- i) Relevant EU, National, Institutional and Programme public procurement rules were observed;
- j) Co-financed products, services and works were actually delivered;
- k) Expenditure is related to activities in line with the application form and the subsidy contract;
- l) Expenditure and related supporting document were submitted to the controller within the applicable deadlines as specified in the programme Implementation Manual;
- m) EU and programme rules on information, publicity, communication and branding were observed;
- n) Any net revenues generated were deducted from the eligible expenditure;
- o) There is no evidence that there is double-financing of expenditure through other financial sources;
- p) There is no evidence that rules concerning sustainable development, equal opportunities and non-discrimination, equality between men and women and State aid are not respected;
- q) Progress made has been fully and fairly reflected in the partner report and there is evidence that reported activities have taken place;
- r) Co-financed products, services and works are in progress or were actually delivered and properly documented;
- s) Expenditure is related to activities in line with the subsidy contract and the latest version of the approved application form;
- t) The control work has been documented in a control report and the control checklist issued by the Interreg IPA CBC Italy-Albania-Montenegro electronic Monitoring System.

II. I hereby confirm that the verification of the project financial report was done precisely and objectively.

The control methodology and scope, control work actually done as well as eligible and ineligible expenditure per budget line are documented in the FLC report (based on the programme template).

I and the institution/department I represent are independent from the project's activities and financial management and authorised to carry out the control.

| Controller's signature | |
|--|--|
| Location | |
| Date | |
| Name | <i>pre-filled in automatic systems</i> |
| Signature | |
| Official stamp of the institution (if applicable) | |

ANNEX 3

FIRST LEVEL CONTROL REPORT

OFFLINE VERSION

| 1. Project and progress report | | |
|---|--|--|
| Project title | Filled-in once from AF (automatic in electronic systems) | |
| Project acronym | Filled-in once from AF (automatic in electronic systems) | |
| Project number | Filled-in once from AF (automatic in electronic systems) | |
| Approved implementation period | (DD.MM.YYYY - DD.MM.YYYY); Pre-filled and updated if changed | |
| Name of Lead Partner (if different from controlled entity) | Pre-filled from most recent AF (automatic in electronic systems) | |
| Reporting period | (DD.MM.YYYY - DD.MM.YYYY) (automatic in electronic systems) | |
| Report Number | Pre-filled (automatic in electronic systems) | |
| Report dated by project partner (date of signature) | DD.MM.YYYY (automatic in electronic systems) | |
| Type of project report | <input type="checkbox"/> Progress report | <input type="checkbox"/> Final report |
| 2. Project partner | | |
| Name of controlled project partner | Pre-filled from most recent AF (automatic in electronic systems) | |
| Partner role in the project (Lead partner, Project partner, Assimilated partner) | Pre-filled from most recent AF (automatic in electronic systems) | |
| 3. Designated Project Partner Controller | | |
| FLC body responsible for the verification ⁹ | Pre-filled from the previous report and updated if changed | |
| FLC organization doing the verification (if applicable) ¹⁰ | Pre-filled from the previous report and updated if changed | |
| Name of the controller | Pre-filled from the previous report and updated if changed | |
| Job title | Pre-filled from the previous report and updated if changed | |
| Division/Unit/Department | Pre-filled from the previous report and updated if changed | |
| Address | Pre-filled from the previous report and updated if changed | |
| Country | Pre-filled from the previous report and updated if changed | |
| Telephone Number | Pre-filled from the previous report and updated if changed | |
| Email | Pre-filled from the previous report and updated if changed | |

⁹ The nominated FLC body responsible for FLC on a programme, national, regional or local level in the centralized FLC system.

¹⁰ In case FLC work is done by external/internal experts in the decentralized FLC system.

| 4. Verification | | | |
|---|--|---|--|
| General methodology (allowing 2 ticks) | <input type="checkbox"/> desk-based | | <input type="checkbox"/> on-the-spot |
| (if on-the-spot) Date(s) of on-the-spot verification | DD.MM.YYYY - DD.MM.YYYY | | |
| (if on-the-spot) Location of on-the-spot verification | <input type="checkbox"/> premises of project partner | <input type="checkbox"/> project event/meeting | <input type="checkbox"/> place of physical project output |
| Sampling was applied | <input type="checkbox"/> Yes | | <input type="checkbox"/> No |
| (if yes) Sampling method used: | Briefly describe sampling methodology and indicate where a detailed description can be found. Include additional information on the scope and on the percentage checked. | | |
| Date of receipt of the progress report (when the documents first arrived at the FLC office, even if incomplete) | DD.MM.YYYY | | |
| Start of control work | DD.MM.YYYY | | |
| Date(s) of requests for clarifications, if applicable | DD.MM.YYYY - text | | |
| Date of receipt of satisfactory clarifications, if applicable | DD.MM.YYYY | | |
| End of the control work | DD.MM.YYYY | | |

| | | |
|---|------------------------------|-----------------------------|
| Risk-based verifications can be added by controller ¹¹ | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|---|------------------------------|-----------------------------|

| 5. Expenditure declared and certified by budget line | | | | |
|--|---|---|---|--|
| | Declared (A) (total amount declared) | Certified (B) (total amount certified) | Difference (C=A-B) (total amount deducted) | Certified in % of Declared [B/A]*100 |
| Staff costs | EUR | EUR | EUR | % Calculated automatically |
| Office and administration | EUR | EUR | EUR | % Calculated automatically |
| Travel and accommodation | EUR | EUR | EUR | % Calculated automatically |
| External expertise and services | EUR | EUR | EUR | % Calculated automatically |
| Equipment | EUR | EUR | EUR | % Calculated automatically |
| Infrastructure and works | EUR | EUR | EUR | % Calculated automatically |
| Total expenditure (a) | EUR (Calculated automatically) | EUR (Calculated automatically) | EUR (Calculated automatically) | % Calculated automatically |

¹¹ Risk-based verifications are not undertaken on a routine basis but added in case a risk is identified by the controller. Whether or not a risk-based verification is added and the type of verification is based on the professional judgment of the controller.

| (Net Revenue) (b) | - EUR | - EUR | - EUR | % Calculated automatically |
|---|---------------------------------------|---------------------------------------|---------------------------------------|-----------------------------------|
| Total eligible expenditure (a-b) | <i>EUR (Calculated automatically)</i> | <i>EUR (Calculated automatically)</i> | <i>EUR (Calculated automatically)</i> | <i>% Calculated automatically</i> |

| | | |
|---|------------------------------|-----------------------------|
| Part of the expenditure was incurred outside (the Union part of) the programme area | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (if yes) How much was certified? | EUR | |

| 6.a Description of findings, observations and limitations | |
|--|---|
| <input type="checkbox"/> N.A. | <i>A description of the types of errors found and a reasoning why it is an error. Also add: a clear specification of additional observations and limitations (if any), expressed about the eligibility of some expenditure.</i> |
| 6.b Conclusions and recommendations ⁶ | |
| <input type="checkbox"/> N.A. | <i>The conclusion takes into consideration the above-mentioned observations/reservations. It also describes the measures implemented to solve the errors detected and it eventually provides recommendations to avoid the repetition of the same types of errors in the future.</i> |
| 6.c Follow-up measures for the next progress report ⁶ | |
| <input type="checkbox"/> N.A. | <i>Follow-up measures to be implemented in the next progress report should be described in this section.</i> |

| Controller's signature | |
|---|--|
| Location | |
| Date | |
| Name | <i>pre-filled in automatic systems</i> |
| Signature | |
| Official stamp of the institution (if applicable) | |

ANNEX 4

FIRST LEVEL CONTROL INHERENT RISK ASSESSMENT CHECK LIST

OFFLINE VERSION

1. Partner Information

Note: Information in this section is normally filled-in once ('section for one-time checks'). In electronic systems, information can be entered once and transferred to the subsequent reporting periods.

| 1.2 Project and progress report | |
|--|--|
| Project logo | Filled-in once (automatic in electronic systems) |
| Project title | Filled-in once from AF (automatic in electronic systems) |
| Project acronym | Filled-in once from AF (automatic in electronic systems) |
| Project number | Filled-in once from AF (automatic in electronic systems) |
| Name of Lead Partner (if different from controlled entity) | Pre-filled from most recent AF (automatic in electronic systems) |
| Reporting period | (DD.MM.YYYY – DD.MM.YYYY) (automatic in electronic systems) |

| 2. 2 Project partner | |
|--|--|
| Name of controlled project partner | Pre-filled from most recent AF (automatic in electronic systems) |
| Partner role in the project (Lead partner, Project partner) | Pre-filled from most recent AF (automatic in electronic systems) |

INHERENT RISK – Risk often associated with this type of project or entity.

Fill in **BEFORE** control work for the first report starts and update if necessary.

| Inherent Risk | Applicable to the project/entity | NOT applicable to the project/entity | Conclusion (measures/verifications) to address the risks |
|---|----------------------------------|--------------------------------------|--|
| Beneficiary with poor track record, known issues | <input type="checkbox"/> | <input type="checkbox"/> | |
| Beneficiary with other EU or non-EU grants (potential for double funding) | <input type="checkbox"/> | <input type="checkbox"/> | |
| Person responsible for preparation of the financial report has changed recently | <input type="checkbox"/> | <input type="checkbox"/> | |
| Large public procurements | <input type="checkbox"/> | <input type="checkbox"/> | |
| Project with few tangible outputs (based on networking, meeting, etc.) | <input type="checkbox"/> | <input type="checkbox"/> | |

ANNEX 5

FIRST LEVEL CONTROL RISK ASSESSMENT CHECK LIST

OFFLINE VERSION

1. Partner Information

Note: Information in this section is normally filled-in once ('section for one-time checks'). In electronic systems, information can be entered once and transferred to the subsequent reporting periods.

| 1.3 Project and progress report | |
|--|--|
| Project logo | Filled-in once (automatic in electronic systems) |
| Project title | Filled-in once from AF (automatic in electronic systems) |
| Project acronym | Filled-in once from AF (automatic in electronic systems) |
| Project number | Filled-in once from AF (automatic in electronic systems) |
| Name of Lead Partner (if different from controlled entity) | Pre-filled from most recent AF (automatic in electronic systems) |
| Reporting period | (DD.MM.YYYY - DD.MM.YYYY) (automatic in electronic systems) |

| 3. 2 Project partner | |
|--|--|
| Name of controlled project partner | Pre-filled from most recent AF (automatic in electronic systems) |
| Partner role in the project (Lead partner, Project partner) | Pre-filled from most recent AF (automatic in electronic systems) |

CONTROL RISK - Risk associated with the quality of internal controls of the beneficiary.

Fill in **AFTER** control work for the first report is completed and update after each subsequent control. It serves as a basis for controlling the subsequent report.

| Quality of costs declared - see checklist | Quality of the expenditures when originally reported | | | Number of clarification rounds with the beneficiary | Quality of the expenditures after clarifications | | | Note (e.g., types of errors, any observations, unusual cost items, unsolved issues, etc.). Also include here any conclusions on the possibility of sampling (for the next control report) |
|---|--|--------------------------|--------------------------|---|--|--------------------------|--------------------------|---|
| | Good ¹² | Medium ¹³ | Bad ¹⁴ | | Good | Medium | Bad | |
| General | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Staff Costs | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

¹² **Good** according to the methodology used. E.g., more than 98% of the total declared amount was found eligible.

¹³ **Medium** according to the methodology used. E.g., less than 98% was found eligible but the error(s) were well defined and confined and were addressed by the project partner in clarification rounds.

¹⁴ **Bad** according to the methodology used. E.g., less than 98% were found eligible and errors were NOT well defined or confined or could NOT be addressed sufficiently by the project partner in clarification rounds. Sampling is not recommended in this case.

| | | | | | | | | |
|---------------------------------|--------------------------|--------------------------|--------------------------|--|--------------------------|--------------------------|--------------------------|--|
| Office and Administration | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Travel and Accommodation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| External expertise and services | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Equipment | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Net revenue | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

ANNEX 6

FIRST LEVEL CONTROL EQUIPMENT AND INFRASTRUCTURE ON THE SPOT CHECK LIST

2. Partner Information

| | |
|--|---------------------------|
| 1.4 Project and progress report | |
| Project acronym | |
| Project number | |
| Name of Lead Partner (if different from controlled entity) | |
| Reporting period | (DD.MM.YYYY - DD.MM.YYYY) |
| 4. 2 Project partner | |
| Name of controlled project partner | |
| Partner role in the project (Lead partner, Project partner) | |

On-the-spot verifications

| On-the-spot verifications | Accepted | | | Comments |
|--|--------------------------|--------------------------|--------------------------|----------|
| | Yes | Not (fully) | N.A. | |
| 1) Documents submitted match the originals. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2) Documents are correctly archived. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 3) A separate accounting code/ technical code or other technical arrangement on single bank account of the organisation available for the project is used allowing to identify, track and report all financial transfers and expenditure related to the project. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 4) A separate set of accounts specifically for the project or specific accounting codes or other transparent methods are used for the project in the accounting system which allow the identification of costs allocated to the project | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 5) Computerised list of project expenditure can be obtained from the accounting system | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 6) The expenditure declared corresponds to the accounting records and supporting documents held by the Lead Partner / Project Partner. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 7) Original invoices related to the expenditure already declared are available at the premises of the Project Partner, and invoices are not annulled. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 8) If VAT was declared as non recoverable, it was not reclaimed later | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

| | | | | |
|---|--------------------------|--------------------------|--------------------------|--|
| by the Project Partner by any means | | | | |
| 9) Audit trail relevant for the project partner exists and complete at the premises of the Lead Partner / Project Partner (as listed in the IPA Implementation Manual) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 10) If the Project Partner reported revenues, evidence exists in the accountings documents of the project partner on the revenues generated by the project. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 11) The project partner is provided accurate information regarding the physical and financial implementation of the part of operation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 12) Office & Administration costs are allocated proportionally to a project (flat rates based on STAFF costs) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 13) Relevant accounting documents supporting the calculation method and proofs of payment are made available for the controllers at the partners' premises | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 14) Services already declared within the project have been delivered in reality, and are available at the premises of the project partner | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 15) Services are used in line with the project purposes. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 16) Equipments already declared within the project have been purchased in reality, and exist and put in use at the place traceable from the Application Form; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>Existence of the equipment shall be documented also through other suitable means, e.g. photo documentation.</i> |
| 17) Equipments are in line with the description given in the approved Application Form | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 18) Equipments are used only for the project purposes | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 19) Purchases of equipment are properly accounted and documented (existence in the invoice of the list of the equipment purchased or other equivalent document/act with the same effect) in the project partner's accounting system and related files | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 20) Existence of the report regarding the taking over procedure with reference to the supplies awarded (quantity, quality, type, completeness of the supply and related supporting documents or other | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

| | | | | |
|---|--------------------------|--------------------------|--------------------------|--|
| equivalent document/act with the same effect) | | | | |
| 21) Is the Certificate of regular execution/final test of the equipment purchased (or other equivalent document/act with the same effect) issued accordingly to the national legislation? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 22) Do supporting documents justify deviations in the execution of the contract and in the delivery of equipment/works, if any? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 23) Infrastructures already declared within the project have been implemented in reality, and exist at the place traceable from the Application Form | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <i>Existence of the Infrastructure shall be documented also through other suitable means e.g. photo documentation.</i> |
| 24) Infrastructures are in line with the description given in the approved Application Form; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 25) Infrastructures are used only for the project purposes; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 26) Infrastructures are properly accounted and documented in the project partner's accounting system and related files | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 27) Is the Certificate of regular execution/final test of the works (or other equivalent document/act with the same effect) issued accordingly to the national legislation? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 28) Evidence is available that the selected public procurement procedure is in line with the Programme and national public procurement rules considering, the procurements of the institution as well. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 29) According to the evidence obtained, the Community rules on publicity and the publicity requirements of the Programme are respected. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 30) Mechanisms are applied by the project partner to avoid double financing | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 31) On the basis of the verifications performed, it can be excluded that expenditure has already been supported by any other funding (double-financing of expenditure with other Community or national schemes and with other programming periods is avoided) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

| | | | | |
|--|--------------------------|--------------------------|--------------------------|--|
| 32) The requirements concerning durability of operations, including those related to ownership, provided in Art 71 (1) Reg. 1303/2013 are respected. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| General comments, recommendations, points to follow-up; | | | | |

Date, Place

Signature - Stamp (if applicable)

ANNEX 7

FIRST LEVEL CONTROL DECLARATION

(Art.61 Regulation EU n.1046/2018 - To be filled in, signed and attached to the on-the-spot check list)

I, the undersigned born on/....../....., in quality of First Level Controller appointed on by for the project financed by INTERREG CBC Italy-Albania-Montenegro Programme, hereby confirm that I am aware that the my work has to be free from bias and must not be influenced by partial interest of any of the individuals involved. According to these provisions I have to sign a declaration of confidentiality and impartiality.

I declare that there are no situations, even potential ones, of conflict of interest pursuant to art. 61 of Reg. (EU, EURATOM) n. 1046/2018, and that I will take appropriate measures to prevent a conflict of interests from arising in the functions under my responsibility and to address situations which may objectively be perceived as a conflict of interests.

I declare that should any situations or circumstances occur which could in a justified way undermine my personal impartiality or independence, I will immediately cease to take part in the respective activity and I will immediately inform about the Head of Managing Authority. I accept furthermore that, if I have neglected to give the necessary statement as mentioned above, the Head of Managing Authority has the right to demand my resignation immediately.

I declare that I have been informed that my personal data collected will be processed, even with IT tools, exclusively for the purpose and in the scope of the current procedure, for which this statement has been made, as well as I give my consent for the data collection of the current procedure according the GDPR EU Reg. 679/2016

I confirm expressly that all my above declarations are made under my personal responsibility and I am aware of criminal and civil consequences in case of untruthful statements.

Faithfully

Date, Place

Signature - Stamp (if applicable)