

  
MINISTRY OF ECONOMY &  
FINANCE  
SINGLE PAYING AUTHORITY

  
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## European Territorial Cooperation Programme 2007-2013 FIRST LEVEL CONTROL MANAGEMENT & CONTROL SYSTEM

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## Description of Control System

- Greece has set up a **centralized control system** for carrying out the first level control checks related to European Territorial Cooperation Programs.
- The responsible National Body for the First Level Control Performance as foreseen in Art.16 of the Commission Regulation (EC) 1080/2006 is the **Single Paying Authority** for CSF, Community Initiatives and Cohesion Fund - Ministry of Economy and Finance.

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## Checks

- Quality checks
- Administrative checks.
- On the spot checks.

The checks refer both to activities performed and to related expenditure.

Checks are carried out in accordance with the provisions of EC regulations and International Auditing Standards.

## Quality Checks

- Refers to an internal audit of the 1<sup>st</sup> Level Control in order to get assurance on the sufficiency and compliance of verifications performed at project partner level with EU and National Requirements
- Quality checks (desk-based or on the spot) are essential in decentralized control systems where the responsible national control body supervises the independence of controller(s), quality of verifications and the implementation of corrective measures taken by the designated controller(s).
- In a Centralized control system quality checks have to be part of the internal audit procedure.

## Administrative Checks (1/3)

- All expenditure claims submitted by project partners are subject to **exhaustive desk-based** checks (carried out on 100% of the expenditures paid out).
- Checks are based on photocopies of the original documentation stamped with the Program and Project Code:
  - That the operation has started and has been implemented in accordance with the approved application, the provisions of the Subsidy Contract, the Partnership Agreement, the program manual, the EC Rules and National Rules, the Guides of the FLCB.

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## Administrative Checks (2/3)

- That, in case of staff costs, direct costs, overheads and shared costs the necessary evidence exists in a form of timesheets, listings of costs or formula descriptions and cost calculations.
- That reported payments are coherent with the progress fully and fairly reflected in the progress report.
- That the delivery of services and goods is clearly documented (products/ goods purchased are physically available and works are in progress or have been completed).
- That Services, Supplies and Works have been procured according to the rules on public procurement and equality of opportunities

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## Administrative Checks (3/3)

- That the payments are made within the duration of respective contracts of works, goods or services.
- proofs of payment such as receipts of payment, bank transfers, copies of bank checks accompanied with the bank extraits, deposit statements etc.
- Contracts, proofs of adequate publication before awarding contracts, evaluation of tender procedure, award of contract procedure
- Seminar-workshop programs, list of participants, conference's minutes, invoices, air tickets, boarding passes
- That all receipts and payments are accurately recorded in the project's accounting system.

## On the spot checks

On the spot checks are carried out:

- at the premises of the LP/PP,
- on a sample basis, on different types of project partners and when the project is well under way, both, in terms of physical and financial progress, mainly on projects where:
  - small scale physical infrastructure investment is part of the project (when the investment comes into existence).
  - desk-based checks have indicated the lack of adequate systems for a sound management of operation.
  - budgeted amounts under the budget lines "personnel" and "external expertise and audit" are significant.
  - many projects by the partner are realized in parallel.

## Differences between on the spot and desk-based checks

In addition to the desk based checks, on the spot checks, mainly the following are verified :

- the management and control system in place
- the accounting and other systems available in the partner
- the original documents
- goods and works available only in place
- the organizational structure and the working team

## CHALLENGES

- Bottlenecks is a problem that usually appears in a Centralized Control System
- It is common practice for the Project Partner to submit the cost claim to the FLC at the expiration of the final date for submission of the Verifications to the Managing Authority (according to the Programme Guidelines). It is, thus, impossible for the FLC to respect the deadline set by the M.A.
- The cost claims submitted to the controllers are usually not supported by the necessary documents. The request for supplementary documents is usually time consuming