

Annex 6: INTERREG IVC Control Report (incl. Control Checklist)

[to be filled in by each project partner's Controller (incl. the Lead Partner controller for the Lead Partner's own expenditure)]

By signing the "INTERREG IVC Partner Control Confirmation" the controller is confirming having verified all requested items and declares the proper use of funds. This statement is based on proper checks, which are documented in a control report (incl. a control checklist). The controller's report is useful for the controller's as well as the partners and is also part of the project documentation/audit trail.

A control report has to be filled in by each partner controller. It is also filled in by the Lead Partner controller for the Lead Partner's own expenditure on the one hand, and for the checks carried out on the input provided by the partners on the other hand (see section Lead Partner specific checks in the control checklist below).

The report serves only as an internal document of the project and it should not be sent to the Joint Technical Secretariat, except if specifically requested. It remains with the project partner and the project partner controller. It is recommended that a copy of the control report is also submitted to the Lead Partner. We recommend using this template. Otherwise the control report should contain at least the elements mentioned in the following:

Project

Name of the project	TERRITORIES OF RIVERS ACTION PLANS
Acronym	TRAP
Index	1006 R4
Name of the Lead Partner organisation (English title) + country	Kainuun Etu Oy, FINLAND
Project Duration	1.1.2012 – 31.12.2014
Reporting period	1.1.2012 -30.6.2012

Project partner to be checked

Name of the contact person	
Division/Unit/Department + Organisation (English title)	
Address	
Telephone number / Fax	
e-mail	
Function in the project	<input type="checkbox"/> Lead Partner <input type="checkbox"/> Project partner

Authorized project partner controller

Name	
Job title	
Division/Unit/Department + Organisation	
Address	
Telephone number / Fax	
e-mail	

Control Information (for the reporting period checked)

Amount declared by partner to the controller	
Amount accepted and confirmed by the controller	
Total amount and percentage of expenditure checked by controller	<i>(usually 100%, in case of sampling the justification must be provided and type of expenditure checked on a sampling basis, the size of the sample, the selection criteria of the documents tested has to be indicated)</i>
Number of on-the- spot checks at partner premises carried out by the controller for this report	<i>According to Regulation (EC) No. 1828/2006 Article 13 (2), amended by Regulation (EC) No. 846/2009, on-the-spot checks are a requirement. If checks are carried out on a sampling basis, please ensure that the methodology is documented properly. For further reference, see also the programme manual, section 4.3.5.2. Role of the first level controller.</i>
Amount of expenditure checked by the controller on the spot	<i>Usually the same as amount and percentage of expenditure checked by controller unless</i> <ul style="list-style-type: none"> - <i>some or all of the expenditure was checked through a desk check. In case of desk check, please pay particular attention to control question no. 7 under point 15 'other eligibility considerations'. See also guidance in grey box at the end of Section 4.3.5.2 of the main part of the programme manual</i> - <i>during the on-the-spot check the controller did not only check expenditure linked to this reporting period but also to previous periods. Then please clearly indicate the amounts by reporting period.</i>
Amount of expenditure checked on the spot which is accepted by the controller	

Any further information concerning the control methodology and nature of the documents/evidence checked	
<p>General observations / reservations concerning the current control period</p> <p>Treatment given to these observations / reservations.</p> <p>Conclusions</p>	<p><i>A clear specification of the observations/reservations, if any, expressed about the eligibility of some expenses</i></p> <p><i>A clear conclusion whether the system in place can be considered as reliable and reasonable assurance could be provided about whether the cost statement is free of material misstatement.</i></p> <p><i>The conclusion takes into consideration the control findings documented in detail in the control checklist. It also describes the measures implemented to solve the errors detected and it eventually provides recommendations to avoid the repetition of the same typology of anomalies in the future.</i></p> <p><i>If any findings/issues are still open from the previous report, the implementation of follow-up measures should be described in this section and conclusions on their effectiveness, be drawn.</i></p>
Any recommendations/issues to be followed-up in the next progress report	

Place _____

Date _____

Name _____

Signature of the controller _____

Official stamp¹

¹ If exists.



Control Checklist

Control question	yes	no	N/A	Comments/Follow-up
------------------	-----	----	-----	--------------------

1. Partner status

Is the partner a public authority or a body governed by public law?				
General comments , recommendations, points to follow-up:				

2. Partner funding

<p>In case the national co-financing does <u>not</u> come from the partner's own resources but from another funding source such as the national, regional or local level</p> <p>please check the following:</p> <ul style="list-style-type: none"> • Has the funding for the previous report been made available? • Has the total national co-financing amount contributed by the partner not been exceeded? <p>If the funding comes from the partner's own resources, please tick 'n/a'.</p>				<i>Indicate funding source if the national co-financing does not come from the partner's own resources.</i>
General comments , recommendations, points to follow-up:				

3. Accounting

Are specific accounts kept for the project or have other methods like specific cost centres in the accounting system been established which allow to identify the costs allocated to the project and to provide a computerised list of declared expenditure?				
Are the amounts paid accurately recorded in the accounting system?				
<p>Has each reported expenditure been supported by an invoice or an accounting document of equivalent probative value?</p> <p>Are the documents complete and accurate in content as well as in accounting terms?</p>				



Control question	Yes	no	N/A	Comments/Follow-up
Has each reported expenditure been supported by a payment proof (usually bank statement/bank transfer confirmations/cash receipts)?				
Can the amount of the reported expenditure be entirely reconciled with the supporting documents provided?				
General comments , recommendations, points to follow-up:				

4. Expenditure by budget line, component and partner

Have the costs been correctly allocated to the budget lines and components (in line with the latest approved version of the application form)?				
Has the partner's budget by budget line and component (as fixed in the partnership agreement and within the limit of the total partner budget indicated in the latest approved version of application form) been respected? If not, has the excess spending been approved by the Lead Partner?				
General comments , recommendations, points to follow-up:				

5. Eligibility period

Is the expenditure related to activities undertaken / services contracted, and paid - between the date of approval of the project by the Monitoring Committee and - by the end of the reporting period in question (for the last report, it is the end of the finalisation month indicated in the application form)?				
--	--	--	--	--



For info: it is important to check also the date of delivery of the services (see also relevant control question under point 15 – last question).				
Control question	Yes	no	N/A	Comments/Follow-up
<p>For preparation costs:</p> <p>Is the expenditure related to activities undertaken / services contracted and delivered</p> <ul style="list-style-type: none"> - after 1 January 2007 - by the date that the first version of the application form approved by the Monitoring Committee was submitted to the Managing Authority/JTS? <p>Has the expenditure been paid by the end of the first reporting period?</p>				
General comments , recommendations, points to follow-up:				

Control question	yes	no	N/A	Comments/Follow-up
------------------	-----	----	-----	--------------------

6. Staff expenditure

Is the expenditure only related to employees of the organisation officially listed in the application form?				
Is the calculation based on the actual salary costs (employees' gross salary + employer's contributions)?				
<p>If a staff member works less than 100% of the actual working time for the project:</p> <ul style="list-style-type: none"> - Is the calculation based on an hourly rate resulting from the actual salary rate divided by the total number of hours worked by the staff member (as registered in the institution's time recording system)? - Has the hourly rate afterwards been multiplied by the number of hours actually worked on the project activities? 				
Are the staff costs supported by documents such as the working contract, payslips, payment proofs, calculation evidence for the determination of the staff time/hourly rate, time recordings, project specific timesheets?				
General comments , recommendations, points to follow-up:				

Control question	yes	no	N/A	Comments/Follow-up
------------------	-----	----	-----	--------------------

7. Administration expenditure

For 1 st to 3 rd call projects				
Were the administration costs actually borne by the partner organisation?				
<p>Do all the administration costs fulfil the following conditions? They</p> <ul style="list-style-type: none"> - are eligible according to national rules and European regulations (in particular Regulations (EC) no. 1083/2006 Art. 56; no. 1080/2006 Art. 7; no. 1828/2006 Art. 48 to 53); - have been calculated on the basis of actual costs and capable of verification, i.e. based on factual elements in the accounting system which can be verified by an auditor. <u>No lump sums, overall estimations or arbitrary keys are allowed!</u> - were calculated on a pro-rata basis of the actual costs according to a duly justified, fair and equitable method (in case of indirect administration costs such as overheads) - show a direct link to the project's activities; - have not already been included in other budget lines or cost items. <p>For info: as for all other expenditure items, it also has to be checked for the (direct + indirect) administration costs that they have not already been financed from other EU-funds (see also relevant control question under point 15).</p>				
For 4 th call projects only				
<p>Are administration costs calculated as a flat rate of 12% of the certified actual staff costs?</p> <p>Have no administration costs (such as stationery, photocopying, mailing, telephone, fax and internet, heating, electricity, office furniture, maintenance, office rent) been declared under any of the other budget lines?</p>				





General comments , recommendations, points to follow-up:	
--	--



Control question	yes	no	N/A	Comments/Follow-up
------------------	-----	----	-----	--------------------

8. Travel and accommodation

Were the travel and accommodation costs reported in respect of the national or internal rules of the respective partner organisation?				
Were the trips that these costs refer to justified by the project's activities as foreseen in the application form?				
Were the trips limited to the territory of the EU? In case of trips outside the territory of the EU, were they explicitly mentioned and justified in the approved application?				
Do the travel and accommodation costs exclusively result from trips undertaken by staff employed by the partner institution?				
General comments , recommendations, points to follow-up:				

Control question	yes	no	N/A	Comments/Follow-up
------------------	-----	----	-----	--------------------

9. Equipment

Have the purchased equipment items been initially planned in the application form? If this is not the case, is there a written agreement of these costs from the Lead Partner and JTS?				
Have the equipment costs been reported by using one of the following methods: <ul style="list-style-type: none"> - by a single declaration at the time of purchasing the equipment, after receipt and payment or - by depreciating the cost of the equipment, by applying national accounting regulations? 				
Is it ensured that the items <ul style="list-style-type: none"> - have not already been fully depreciated - are not already included as indirect costs in another category such as the administration budget line? 				
General comments , recommendations, points to follow-up:				

Control question	yes	no	N/A	Comments/Follow-up
1. Equipment (continuation from previous page)				
<p>Does the equipment purchase also fulfil the following criteria?</p> <ul style="list-style-type: none"> - The purchase has been made well before the end of the project. If not, is the late purchase still justified? Or have the costs been depreciated and only the share corresponding to the remaining project period been reported? - The amount for equipment reflects the actual use of these items in the context of the project. If it is not exclusively used for project purposes, only a share of the actual cost is allocated to the project. This share is calculated according to a fair, justified and equitable method. - An inventory of the purchased items as well as the documentation of the method for reporting them (single declaration or depreciation, full or partial use for the project) has been kept for accounting, control and audit purposes. 				
<p>For info: as for all other expenditure items, it also has to be checked for the equipment that it has not already been financed from other EU-funds (see also relevant control question under point 15).</p>				
<p>For info: as for all other expenditure items, but in particular for equipment items, assurance has to be gained to ensure that the goods were actually delivered and are physically available (see also the relevant control question under point 15). Usually this is done through an on-the-spot check.</p>				
<p>For info: As for all other expenditure items, it is important to check if the equipment was purchased in compliance with public procurement rules (see also relevant control question under point 16).</p>				
<p>General comments , recommendations, points to follow-up:</p>				



Control question	yes	no	N/A	Comments/Follow-up
------------------	-----	----	-----	--------------------

10. External expertise and services

Are the following documents available to justify external expertise and services' expenses paid by the partner: - contracts/agreements and - invoices/request for reimbursement?				
Is the expenditure related to items foreseen under this budget line in the specifications provided in the application form?				
For info: As for all other expenditure items, it has to be checked if the external expertise and services were contracted in compliance with public procurement rules (see relevant control question under point 16).				
General comments , recommendations, points to follow-up:				

11. Sub-project funds

Does the amount reported under this budget line result from the expenditure of sub-projects that were selected on the basis of an open call for proposals by the mini-programmes?				
In case of a sub-project lead participant: Has a subsidy contract been signed with each of the sub-project lead participants reporting costs?				
In case of sub-project participants: Has a partnership agreement been signed by each of the lead participants with each of the sub-project participants reporting costs?				

Control question	yes	no	N/A	Comments/Follow-up
Are the sub-project participants all located on the territory covered by the project partner body who is reporting these costs (the location is determined by the address)?				
Is the sub-project participants' expenditure confirmed by an independent controller in compliance with the country specific control requirements?				
General comments , recommendations, points to follow-up:				

Control question	yes	no	N/A	Comments/Follow-up
------------------	-----	----	-----	--------------------

12. Exchange rate

<p>In case of a partner from a country outside the euro-zone: Has one of the following options for converting national currency into euro been used:</p> <ul style="list-style-type: none"> - The market exchange rate of the day the invoice was paid is used. - The market exchange rate of the last day of the reporting period is used. - The exchange rate set by the Commission of the month the invoice was paid is used. - The exchange rate set by the Commission of the last month of the reporting period is used. They are published on: http://ec.europa.eu/budget/inforeuro/index.cfm?Language=en. <p>Is the used option the one agreed with the Lead Partner for all partners from outside the euro-zone in the partnership and the same as in the previous reporting period?</p>				
General comments , recommendations, points to follow-up:				

13. Shared costs

<p>Are costs declared in compliance with the procedure provided in the programme manual (chapter 4.3.4 grey box on 'reporting shared costs')?</p>				
General comments , recommendations, points to follow-up:				



Control question	yes	no	N/A	Comments/Follow-up
14. Activities outside the EU				
<p>If activities outside the EU have been financed, is it ensured that they</p> <ul style="list-style-type: none"> - do not exceed 10% of the project's approved INTERREG IVC budget, - have been budgeted paid and borne by the EU partner and - are mentioned and justified in the approved application? <p>The same applies in the case of Norwegian partners financing activities outside the EU and Norway.</p> <p>Note: Travel & Accommodation costs for EU Partners travelling to countries outside the EU Member States, do not fall under the 10% rule – Art. 21 (3) 1080/2006</p>				
General comments , recommendations, points to follow-up:				

Control question	yes	no	N/A	Comments/Follow-up
------------------	-----	----	-----	--------------------

15. Other eligibility considerations

Is the expenditure eligible according to EU-regulations, programme rules, national and internal rules of the partner?				
In case VAT is refundable, has it been deducted? If the VAT is not refundable, then please tick N/A.				
Is it ensured that - fines, - financial penalties, - foreign exchange losses - interest on debt are <u>not</u> included in the report?				
In-kind contributions are ineligible under INTERREG IVC. Is it ensured that in-kind contributions are <u>not</u> included in the report?				
For project whose total expenditure co-financed by the ERDF exceeds EUR 1,000,000, has any revenue been deducted from the total reported eligible costs (i.e. before the calculation of the ERDF/Norwegian funding)?				
Was it confirmed that the expenditure has not already been supported by any other funding (EU, regional, local or other)? Are there mechanisms in place to avoid double-financing?				



Control question	yes	no	N/A	Comments/Follow-up
<p>Is there evidence that the reported activities have taken place, the delivery of services, goods and works are in progress or have been completed?</p> <p>For info: If the evidence was not obtained through an on-the-spot check, it is important to indicate in the comment section, how sufficient assurance was gained instead.</p> <p>In case of the payment of contractual advances treated as actual eligible expenditure: Has the service, good or work been delivered at the latest by the end of the finalisation month as quoted in the application form?</p> <p>For info: Payment of contractual advances is defined as payments on account relating to the execution of works or services for the project in accordance with normal commercial law and practice on the basis of contracts entered into by a final beneficiary or final recipient, and which are supported by receipted invoices (e.g. payment for a travel ticket or advance payment for a consultant carrying out a study).</p>				
General comments , recommendations, points to follow-up:				

Control question	yes	no	N/A	Comments/Follow-up
------------------	-----	----	-----	--------------------

16. Public Procurement

<p>Has the tender procedure been chosen in compliance with the provisions of European directives, national regulations and internal rules, ie. has the tendering procedure respected the European, national and internal thresholds, the related defined procedures, an adequate degree of publicity/advertising?</p>				<p><i>Please indicate</i></p> <ul style="list-style-type: none"> - <i>the title of the contract checked and name of contractor</i> - <i>the type of tender (works, goods, services)</i> - <i>the contract values (incl. all potential renewal periods)</i> - <i>the relevant threshold</i> - <i>procedure and degree of publicity applying to the threshold</i> - <i>the media chosen for publication</i> - <i>the FLC's conclusion about the adequacy of the procedure.</i>
<p>Have the works, goods and services purchased been sufficiently specified in the terms of reference guaranteeing equal treatment and non-discrimination?</p>				
<p>Have the offers been assessed in full respect of the selection, award and weighting criteria as they were announced in the terms of reference?</p>				

Control question	yes	no	N/A	Comments/Follow-up
<p>Have all necessary steps of the tendering procedure been followed and documented? The steps and related documentation usually consist of the following:</p> <ul style="list-style-type: none"> - terms of reference - request for offers or advertisement in relevant media - offers/quotes received, - analysis report/evaluation grid, - refusal / acceptance letters to communicate the refusal/acceptance of offers to the bidders in writing (tender notice if applicable), - contract, - order forms, - contract renewal letters (amendment of contract if applicable). 				
<p>Have the principles of transparency, non-discrimination, equal treatment and effective competition been complied with (also for items below the EU-thresholds)?</p>				
<p>If a contract was amended or extended, has the change been only minor without changing the overall objective, content and economy of the tender and laid down in writing adequately? Has this change been legal without any impact on the validity of the initial tender procedure?</p>				
<p>Have invoices been issued and payments been done in respect of the tender's budget and the amounts fixed in the contract/accepted offer (global price, unit prices)?</p>				
<p>General comments, recommendations, points to follow-up:</p>				

Control question	yes	no	N/A	Comments/Follow-up
------------------	-----	----	-----	--------------------

17. Compliance with information and publicity requirements

Have the information and publicity requirements of the EU and the programme been respected?				
General comments, recommendations, points to follow-up:				

18. Compliance with other Community rules

Note for the first level controllers:

The FLCs are asked here for a professional judgment as a controller, but not for an expertise on EU environmental or equal opportunities policy. The FLCs are asked to confirm that they have not come across anything that made them doubt that the EU horizontal principles are not adhered to. In this context it is therefore important to indicate what the professional judgment is based on such as the progress report compared to the application form and/or partner confirmations obtained on these matters and/or insight gained during an on-the-spot check, interviews with the project partner, clarifications obtained from a project partner on certain reported activities, further internal documents that a partner provides to document the adherence to these general principles. It is usually a mixture of these elements depending on the type of activities reported and financed.

Does the project comply with the EU 'horizontal objectives' of the promotion of equality and the protection of the environment?				<p><i>It is advisable to check the following:</i></p> <ul style="list-style-type: none"> - to verify that the activities the project partner reports are without any negative impact on the environmental sustainability and in line with the application form and especially to what the project indicated in Section 2.2.3 - to ask the project to lay out to you for example during an interview how the EU principle horizontal objectives (promotion of equality and protection of environment) is respected in relation to their own project staff and project activities.
Have Community rules on state aid been respected?				<p><i>It is recommended to check if</i></p> <ul style="list-style-type: none"> - the activities are in line with the application form - the activities financed within the project do not create an economic advantage for a



			<p><i>partner, that it has no potential impact on competition, but that the activities serve a general common interest.</i></p> <p><i>Should there be an activity creating a potential economic advantage, compliance with state aid rules have to be checked. Particular attention should be paid to this point when it comes to deviations from the Application form and pilot actions that are financed within the project.</i></p> <p><i>In case of doubt for a particular project/activity, it is recommended to check with the national contact point for state aid matters.</i></p>
<p>General comments, recommendations, points to follow-up:</p>			

Control question	yes	no	N/A	Comments/Follow-up
------------------	-----	----	-----	--------------------

19. Lead Partner specific checks (only to be filled by Lead Partner controller)

Did the Lead Partner forward the correct ERDF/Norwegian funding for the previous report to the project partner and this without any delays				
Has the financial input provided by the partners been correctly entered into the joint progress report (by budget line, component and partner) and correctly added up?				
Has a partnership agreement been signed with each of the partners reporting costs in the progress report?				
Has the project's overall budget by budget line, component and partner been respected (within the limits of the flexibility rules stipulated in the subsidy contract)?				
Has the total ERDF budget been respected?				
Was the amount declared by the partners confirmed by an independent controller in respect of the country specific control requirements?				
For Lead Partners of a mini-programme: <ul style="list-style-type: none"> - did each project partner provide a single project partner control confirmation which confirms the total amount to be reported by each project partner, i.e. both the project partners' own costs as well as the costs of the sub-project participants' located on their territory? - have the costs of each sub-project participant been consolidated at some level within the mini-programme (usually at the level of the sub-project lead participant) in order to have assurance that the sub-project for which costs are reported under the budget line "sub-project funds" complies with the approved sub-project application and the overall sub-projects approved budget? 				
General comments , recommendations, points to follow-up:				



