



Interreg V-A Latvia–Lithuania Programme 2014–2020

FINANCIAL CONTROL MANUAL

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Version 2

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Abbreviations

Interreg V-A Latvia–Lithuania Cross Border Cooperation Programme 2014–2020	Programme
Interreg V-A Latvia–Lithuania Cross Border Cooperation Programme 2014–2020 Manual	PM
Financial Control	FC
Financial control manual	FC Manual
The employees of FC responsible for carrying out FC	controllers
Electronic Monitoring System	eMS
Monitoring Committee	MC
Joint Secretariat	JS
Managing Authority	MA
Ministry of Environmental Protection and Regional Development of the Republic of Latvia	MEPRD
National Authority of Lithuania	LT NA
Ministry of Interior of the Republic of Lithuania	MI
Lead Partner	LP
Project Partner (in this document refers to LP and partners)	PP
Partner Report	PR
Project consolidated report	PPR
European Regional Development Fund	ERDF
Value Added Tax	VAT

1. Introduction

This FC Manual is issued for controllers/bodies performing FC functions for the Programme.

FC are bodies in Latvia and Lithuania responsible for verification on the basis of partner reports that the co-financed products and services have been delivered, expenditure declared by the project partners has been paid out and that it complies with applicable legal framework and the Programme. In Latvia FC is centralized and its functions are carried out by the MEPRD. In Lithuania a decentralized system is established by the MI.

FC Manual provides guidelines for the controllers on the minimum requirements of the FC process and on the overall scope of the controller's work. The FC Manual must be read together with the PM, which contains crucial information about rules and procedures of the Programme. In addition, the Programme Document provides information on matters of general management and implementation of the Programme.

The Commission Guidance document on management verifications to be carried out by Member States on operations co-financed by the Structural Funds, the Cohesion Fund for the 2014-2020 programming period should also be taken into account by the FC.

2. General principles, purpose and legal basis of Financial Control

The legal basis for the FC work comes from the Common Provisions Regulation¹, where Article 125(4) states that the MA shall “verify that the co-financed products and services have been delivered and that expenditure declared by the beneficiaries has been paid out and that it complies with applicable law, the operational programme and the conditions for support of the operation”.

Based on the decision of the participating Member States of Programme the MA shall not carry out the verifications itself. Based on Article 23(4) of the European Territorial Cooperation regulation², each Member State has designated FC - a body or bodies responsible for carrying out the verifications in relation to beneficiaries on its territory.

In accordance with Article 122 of the Common Provisions Regulation, all exchanges of information between the LP and the Programme bodies shall be carried out by means of electronic data exchange systems. Therefore submission of applications, reporting, and submission of requests for project changes, as well as any other communication regarding project and Programme implementation (including the verification of project reports by FC) shall be done via the eMS which is a web application, which can be accessed at www.ems.latlit.eu.

The main aim of the controls is to guarantee to the MA and the project itself that costs co-financed under the Programme are accounted for and claimed in accordance with the legal and financial provisions of the Subsidy Contract, the approved Application (which is available in eMS), the PM, national rules and EU regulations.

The verifications take the form of administrative checks, performed for each project payment claim, and on-the-spot checks.

The FC verifications are done for each partner report. For each reporting period, the partner has to compile in the report on its expenditure and submit it for check to controller. Only after FC verification costs can be reported to the JS.

The controllers shall look at supporting documents to make sure that the costs claimed by the PP are in line with application, are real costs, the activities have taken place and that all Programme eligibility and EU and national rules are being followed. Therefore FC should check every item of expenditure entered in the project accounts, the supporting documents (such as time sheets, invoices etc.) and the costs reported per budget lines.

Professional scepticism³ should be used when doing the checks.

The audit trail must allow controllers and Programmes Audit Authority to enter the accountancy of the project cost centre of the PP and to be able to trace back all declared costs to the original invoices (or equivalent documents).

¹ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006

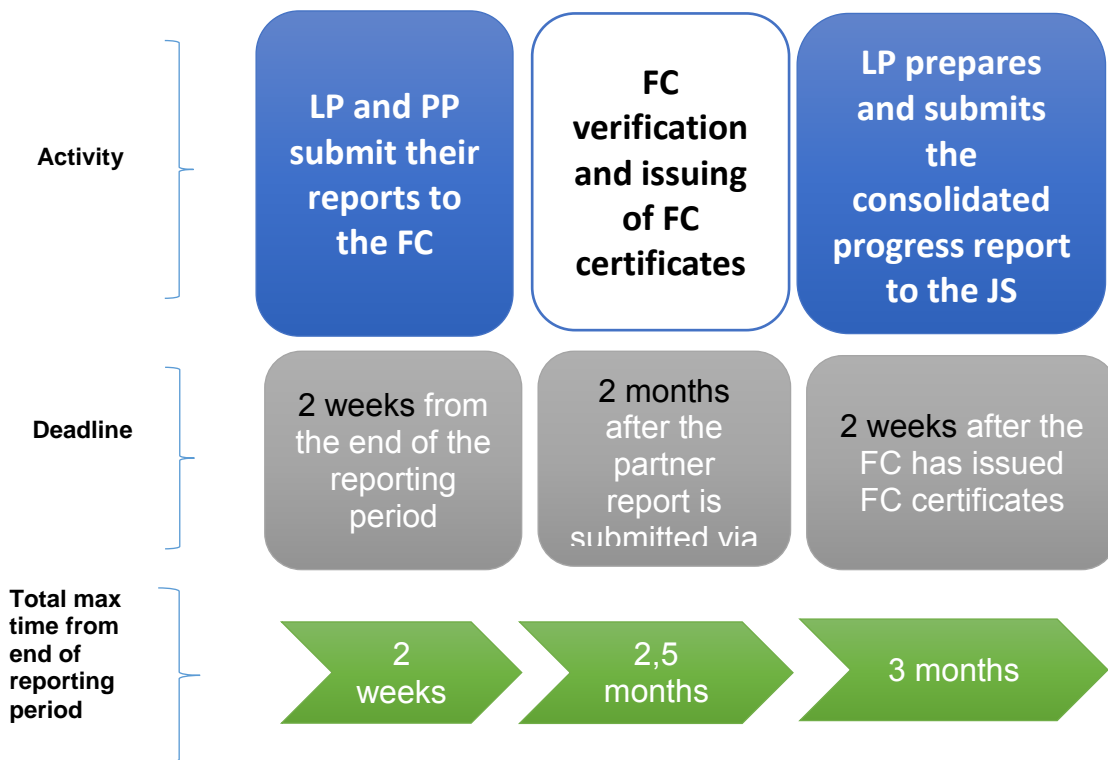
² Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal

³ ISA 200, Overall Objective of the Independent Auditor, and the Conduct of an Audit in Accordance with International Standards on Auditing

3. The control process

3.1. Overview of the process

Project implementation and reporting is divided into reporting periods set in project application (section Work plan/ Define periods). Two weeks after the reporting period has ended each project partner must submit its partner report with all supporting documents to the FC via eMS. The FC gets the user rights to the eMS from the JS eMS administrator (Please see Manual section **Registration in eMS**). The FC should verify compliance of expenditure and activities with the the approved Application, the PM, national rules and EU regulations. The FC can clarify any issues and may deduct any expenditure that is considered ineligible. The FC confirms eligible expenditure in a form of the FC certificate (for more details please see FC Manual section 5.8), which is form generated in eMS, and is considered as final result of financial control process for the relevant PP, and relevant reporting period.



Reports could be confirmed only in chronological order, for instance in case if project have foreseen preparation costs in reporting period “0”, then FC certificate for period 1 costs, could be issued only if costs for reporting period “0” are confirmed by FC.

FC certificate must be issued for each reporting period even if Project partner did not have any expenditure during reporting period, in such case FC should mark all questions as “N/A”.

The FC has two months for its verification process after the partner report is submitted via eMS. However, if during verification of the report by the FC, PP is asked to clarify or provide additional information about any part of the report, verification and also accounting of allocated timeframe for verification could be suspended as the report will be put on hold, in such situations FC could revert report back to PP (for more details please see FC Manual section 5.7) or allow PP to access relevant report attachment sections for updating of provided supporting documentation.

3.2. FC administrative checks

The main task of the FC is to confirm that in PP's report stated activities are performed, services, products or works are delivered, the costs are incurred and actually paid out according to the approved Application, the PM, national rules and EU regulations.

All partner reports submitted are subject to a FC desk-based administrative check. Support documentation should include Bookkeeping list/General ledger as well as documents stated in list of documents which must be available for control purposes under each budget line description of PM (section Project budget) ensuring adequate audit trail. The general ledger must show all project transactions (except of amount of flat rates).

Each controller performs control in the eMS and the verification shall cover every single reported cost item. The duty of the controller is to confirm the information contained in these accounts, using sufficient evidence to give a reasonable opinion in FC certificate (which is automatically generated in eMS) stating:

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

- a. 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;*
- b. expenditure was actually paid with the exception of costs related to in-kind contribution, depreciations and simplified cost options;*
- c. expenditure was incurred and paid (with the exceptions above under "b") within the eligible time period of the project and was not previously reported;*
- d. payment of staff costs is proven on the basis of payslips or documents of equivalent probative value;*
- e. expenditure based on simplified cost options (if any) is correctly calculated and the calculation method used is appropriate;*
- f. 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;*
- g. expenditure in currency other than Euro was converted using the correct exchange rate;*
- h. relevant EU/ national/ institutional and programme public procurement rules were observed;*
- i. EU and programme publicity rules were observed;*
- j. co-financed products, services and works were actually delivered;*

Based on the documents provided, my verification and my professional judgement as a financial controller, I have NOT found any evidence of:

- infringements of rules concerning sustainable development, equal opportunities and non-discrimination, equality between men and women and state aid;*
- double-financing of expenditure through other financial source(s);*
- generation of undisclosed project-related revenue.*

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 financial control 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."

In case ineligible cost items or deficiencies are found, they must be deducted by the controller (in eMS section “List of expenditure”/“Edit expenditure”/ FC/ “Difference FC”), FC made deductions and findings should be reflected in the FC certificate section “Description of finding, observation and limitations”.

3.3. On-the-spot checks

According to the Article 125(5) and (6) of Common Provisions Regulation it is obligatory to carry out on-the-spot checks on the projects.

On-the-spot check means that the controller actually visits the project and verifies that certain activities, purchases of services and products as well as investments have actually taken place in accordance with the approved application during the implementation, and that the PM, national rules and EU regulations have been respected and requirements of audit trail are fulfilled.

Each Lithuanian FC during the project lifetime shall go to at least one on-the-spot check for each Controlled PP of each Project.

Latvian FC on-the-spot checks can be carried out on a sample basis by confirming sampling methodology with the MA.

The on-the-spot checks should usually be performed during the project implementation taking into account the progress of projects activities, achievement of deliverables etc., therefore it is suggested that they are done after PP have reported 50% of planned expenditure. It is recommended to implement additional on-the-spot check after receipt of final progress report.

After implementation of on-the-spot check FC must fill out Programme On-the-spot Check Report (Annex III), scanned version of which should be uploaded in relevant Report Attachment sections of eMS. Also relevant information about on spot check should be filled in FC certificate for relevant reporting period (When “on-the-spot” section of FC certificate is selected, additional questions will appear, where summary of the main findings and date of the check should be provided).

Irregularities identified in the course of the verifications should be recorded and all corrective and/or follow up actions documented and stored in project file. Follow up actions might include the submission of an irregularity report and/or a proposal for recovery of co-financing. On-the-spot findings are also stored in the eMS.

3.4. Irregularities

If the FC has detected possible irregularity (according to definition set in PM section Irregularities and recovery), it shall fill in the Report regarding Possible Irregularity (Annex IV) and along with supporting documents that prove possible irregularity case and are at FC’s disposal (for example such as Partner’s Report, project on – the – spot check documentation, bookkeeping documents, payment orders, bills, etc.) submit it for further investigation to the MA in paper format or in electronic form, if electronic signature is used.

4. Programme rules

The programme rules described in this chapter are of especial importance for the FC. Further information on all these topics can be found in the PM.

4.1. Deviations

The Programme accepts a certain level of deviations from the project planned outputs, deliverables, activities defined in application. The PM section. “Project changes” explains how such deviations should be handled in form of minor or major project changes depending on nature of deviations/changes and if changes in the application form have to be introduced (for some minor and all major changes) or change has to be reported in the project report (without prior approval of the JS).

In eMS up-to-date budget is visible for the controllers (except for situations of minor changes which don't require JS prior approval and subsequent amendments in the application form). In case if a Subsidy Contract has been amended, the respective addendum is stored in the eMS in section JS Attachments.

4.2. Simplified cost options: lump sums and flat rate

The Programme uses three types of simplified cost options:

- flat rate for BL Staff costs (optional);
- flat rate for BL Office and administration costs;
- preparation costs as a lump sum (optional).

Flat rates:

The eMS calculates the flat rate automatically, but the calculation must be updated by the PP. Therefore it is important that the FC verifies the correctness of the sum applied for, however PP does not need to document that the expenditure has been incurred (paid out).

In case of flat rate financing the FC checks whether:

- cost have been correctly allocated to a given category according to Application;
- the flat rate has been correctly applied;
- the amount charged based on the flat rate has been proportionally adjusted if the value of the category of costs to which it was applied has been modified.

FC doesn't have to check if reported flat rate expenditure has been incurred (paid out), however it is recommended to check if staff is engaged and attributed to the project within the PP organisation.

Preparation costs as a lump sum

Similarly, in case of preparation costs as a lump sum, PP does not need to prove that the expenditure has been incurred (paid out) and consequently FC doesn't not have to check it. FC only need to check weather amount of preparation costs indicated in the PP is not higher than indicated in the Application.

5. eMS

The eMS can be accessed at the following link <http://ems.latlit.eu> or on Programme webpage www.latlit.eu (banner on the main page or from section „Calls for Proposals”).

5.1. Registration in eMS

The access to the eMS is granted to the designated Latvian controllers and Lithuanian controllers approved by LT NA.

The following procedure is applied for Lithuanian FC in order to get the access rights to the eMS:

1. After concluding the service contract with PP LT FC institution shall register in the eMS and send a filled in and signed original copy of Certificate of Proficiency of FC by mail to JS (see Annex I of Manual) to the JS. Certificate of Proficiency of FC must be submitted for each PP controlled by FC;

2. After receiving Certificate of Proficiency of FC, the JS verifies provided documents and information with the list of certified FC for the Programme provided by the LT NA. If verification results are successful, the JS assigns FC controller to relevant PP and provides access to the eMS for checking PP reports;

3. If controller resigns from the FC institution and/or controller has been changed, responsible FC institution has to inform the JS on this immediately or send a new Certificate of Proficiency. In such case the JS disposes access rights to the eMS for resigned controller immediately or assigns new FC controller to relevant PP after verification of provided documents.

Latvian FC in order to get the access rights to the eMS must follow MEPRD internal Procedure on designation and management of user rights for the operation of the eMS.

Confirmation email to FC's indicated electronical address will be send as soon as JS has granted access to particular controller.

Latvian controllers as representatives of centralised control system will have access to all Latvian project partner data, while Lithuanian controllers will have access only to those Lithuanian project partners data which they have stated in Certificate of Proficiency of FC.

The eMS user rights are personal and the user is responsible for all work done under the username. The eMS username and password equals a signature. Therefore documents do not have to be printed, signed and sent separately.

To get an access to the eMS, every user must register by filling in the registration form (Fig.1).

Fig.1 eMS registration form

Registration

Description

Username

Email *

Password *

Password Again *

Firstname *

Lastname *

Title

Language EN

Register

The registration form must be filled in English language. The potential user will receive a confirmation letter to the indicated e-mail in the registration form. Only after confirmation, the access to the eMS is assigned. In section "User Account" the password, personal data and the mail signature can be modified.

Each eMS user is responsible for all activities done with the username and must take the necessary means to ensure the safety and confidentiality of the username and password.

In case the password is forgotten, it can be restored by clicking "Forgot Password" (Fig.2).

Fig.2 restoring password

Username*

Password*

Username required

Login Register Forgot Password

After that please follow instructions how to proceed further for restoring the password in the received automatic e-mail. If the username is forgotten, please contact the JS to get help (contacts of JS employees are available on the Programme webpage www.latlit.eu/contacts).

5.2. Work in the eMS

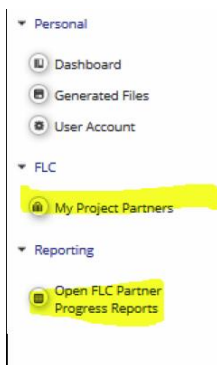
After login, FC users see the FC dashboard with a list of all projects which have at least one PP assigned to them. The dashboard also shows the mailbox and a calendar.

Fig. 3 FC users can use the dashboard to access projects

Project Id	Name	Acronym	Start	End	Lead Partner	LP Nationality	Call	Timeslot	Specific Objective	Submission Date	Project State	Applicant Or Leadpartner	View Project
ITP440	EVENT-TRIGGERED MESSAGES test2	test2	29.09.2015	29.09.2016	LP1	ÖSTERREICH	mail_for_v_1_0.1		Reduce the time travelled for passengers	29.09.2015	Contracted	michaelm9	View Report
ITP305	testcall2_v_2_0.16	testv2_0.16	02.07.2015	20.07.2016	LP1		mail_test1_for_v_2_0.16		Conservation and development of heritage	02.07.2015	Contracted	michaelm9	View Report

When using the eMS, remember to regularly save all your work. The system does not automatically save information.

Fig. 4 FC users can be given the privilege to see additional overview tables 'My project partners' and/or 'Open FC partner progress reports'



Alternatively, FC users can also access projects via the 'my project partners' table under the 'FC' item in the left-hand menu. To view this list the FC user role needs the privilege 'FC'.

A list of all open partner reports (i.e. all reports ready to be verified) can be accessed via the 'open FC partner reports' menu item under 'Reporting'. To view this list the user role needs the privilege 'FC'.

Once a project has been opened, the partner report section is visible and reports can be selected. In the example below, the FC user is FC of two PPs (lp1 and pp1) and therefore sees reports of both PPs.

Fig.5 The report overview can be used to access partner reports

During verification of a PP report the following steps shall be done:

- 1) Verification of reported costs in the List of Expenditure;
- 2) Filling and finalizing the FC checklist;
- 3) Filling in sections “FC report” and “Partner information”;
- 4) Press “Check FC work”, then “Finalise FC work” and issue an FC certificate.

5.2. Verification of a partner report – List of Expenditure

The selection of a partner report directly leads to the partner report view. Near the top, Tabs to access the Partner Report (i.e. content section), the List of Expenditure, Contribution and Forecasts and Attachments made by the PP are available.

Fig.6 FC view – partner report

List of Expenditure

The FC can directly access the list of expenditures and verify expenditure items.

Fig.7 FC section of the List of expenditure

Date	Declared Amount Euro	Exp Outside	In Kind	Declared	Uploads	Verified By FLC	Difference FLC	Amount Certified FLC	Comment FLC
	€ 1 000.00	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0 Attachments	<input checked="" type="checkbox"/>	€ 10.00	€ 990.00	
	€ 1 000.00	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	0 Attachments	<input checked="" type="checkbox"/>	€ 0.00	€ 1 000.00	
	€ 300.00	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0 Attachments	<input checked="" type="checkbox"/>	€ 1.50	€ 298.50	
	€ 1 000.00	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0 Attachments	<input checked="" type="checkbox"/>	€ 0.00	€ 1 000.00	
	€ 1 000.00	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0 Attachments	<input checked="" type="checkbox"/>	€ 0.00	€ 1 000.00	
	€ 1 000.00	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0 Attachments	<input type="checkbox"/>	€ 0.00	€ 1 000.00	

In the 'List of Expenditures', FC can view all expenditure items. By clicking on an item, a pop-up window opens in which expenditure can be corrected.

Fig.8 FC corrects expenditure items in a pop-up that can be accessed via the List of expenditure

The pop-up window displays the following details for an expenditure item:

- Reference Number: [Empty]
- Invoice Number: [Empty]
- Invoice Date: 15.04.2015
- Date Of Payment: 16.04.2015
- Currency: EUR - EURO
- Total Value Of Item In Original Currency: 1 000.00
- VAT: 10.00
- Declared Amount In Original Currency: 1 000.00
- Expenditures Outside (The Union Part Of) The Programme Area?:
- In Kind:
- Verified By FLC:
- Difference FLC: € 10.00
- Amount Certified FLC: € 990.00
- Comment FLC: [Text Area]

The background shows the 'List of Expenditures' table with the selected row highlighted in green.

NB! Any cost item that you want to be included into the FC certificate, must be marked as “verified by FC”, meaning that the corresponding checkbox must be checked.

Carefully go through the report to see that all relevant cost items have been verified before you submit the report.

A “tick all as verified by FC” button is now available per budget line. This allows you to tick all cost items with one tick.

The corrected amount is shown as ‘Amount certified by FC’.

For expenditures calculated using Flat rates (Office and Administration), the difference and certified amount are calculated automatically. They also do not need to be marked as 'Verified by FC', as they are marked when any other expenditure is checked as verified. Direct corrections on flat budget lines are not possible via the List of Expenditure.

In case a flat rate cost is based on multiple expenditure items (such as work packages) and only some of them are ticked as "verified by FC", the flat rate will split into multiple items to make sure that only the part of the flat rate referring to the verified items is included in the FC certificate.

Any supporting documents uploaded by the PP can be accessed via the 'Uploads' section. The eMS is not considered an archive and does not replace the requirement for PPs to keep all relevant documentation. The attachments might be automatically deleted from the eMS once the payment for the report has been made and the attachments are no longer needed. If the FC needs some documents for further work, they should save the documents themselves.

Column Select Feature of the List of Expenditure

The List of expenditure is very long as it contains many columns and you might find one or the other column not to be necessary in your programme. You can hide columns that are not relevant for you by using the Dropdown menu "Columns" at the bottom of the List of expenditure and saving the options. The wanted columns can be changed at any point of time.

Scrolling the List of expenditure

It is possible to scroll the List of expenditure to the left or right by using the middle-mouse-button (press it and move around in the table). This feature can be used as an alternative to the existing scroll bars.

Uploading documents (List of expenditure Attachments)

Attachments by the PP are shown in the List of expenditure and in the pop-up. A "download all attachments" button is available to download all attachments associated with one cost item.

5.2. Costs under clarification

The FC can choose NOT to verify an expenditure item (e.g. in case verification needs further clarification). Any item that is NOT ticked 'Verified by FC', is NOT included in the current FC certificate.

This means that – by not ticking 'Verified by FC', the FC generates an item that is neither accepted nor rejected and waits in the system to be verified ('Sitting Duck').

Costs which are withdrawn by the FC from respective PP report for additional clarification and indicated in the FC certificate as "costs under clarification" could be reported in the next reporting period if found eligible by the FC.

To access sitting ducks, go to "FC documents" and then "FC expenditure" and tick 'show all waiting to be verified, including expenditure from other reports'. The view then shows per budget lines:

- Declared by PP – Current report: all items included in the current report;
- Declared by PP – Other reports (open expenditure): all items currently open in other reports (i.e. reports previously finalised by FC as well as not yet finalised);
- Total: Sum of the two above.

It is possible to view all relevant cost items by clicking on the magnifying glass at the bottom left of the table. Items shown in this view are:

- Items of the current report – already verified: ORANGE;
- Items of the current report – not yet verified: WHITE;
- All not yet verified items from other open reports (i.e. reports submitted to the FC but not yet finalised by the FC): WHITE;

- All not yet verified items from closed reports (i.e. reports submitted to the FC and already finalised by the FC), sitting ducks: PINK.

Therefore this view can be used to immediately see if there are any leftover items from previously certified reports (pink). By ticking “Verified by FC”, the item will be included into the current FC certificate.

NB! When you want a cost item from another report to be included into the FC certificate, the item in question needs to be marked as “Verified by FC” and the corresponding checkbox checked AND the button “Show all waiting to be verified, including open expenditure from other reports” has to be ticked when pressing the button “Check FC work” and “Submit FC work”.

Costs under clarification can only be seen and opened in the FC Expenditure view, Controllers cannot see them in the List of Expenditure for the current reporting period

5.3. FC Expenditure

This overview table shows – per budget line – how much was declared in the current report and how much was already certified by FC. It can be used, e.g. to keep track of the FC work. It can also be used to verify along cost categories (budget lines) as expenditure items can be opened per cost category via this view.

Fig.9 ‘FC expenditures’ shows amounts declared by the PP and certified by FC per cost category (budget line)

Budgetline	Declared	Certified	Difference	Certified In%
Staff costs	€ 2 000.00	€ 1 990.00	€ 10.00	99.50 %
Office and administration	€ 300.00	€ 298.50	€ 1.50	99.50 %
Travel and accomodation	€ 1 000.00	€ 1 000.00	€ 0.00	100.00 %
External expertise and services	€ 1 000.00	€ 1 000.00	€ 0.00	100.00 %
Infrastructure & works	€ 1 000.00	€ 0.00	€ 1 000.00	0.00 %
Total Expenditure	€ 5 300.00	€ 4 288.50	€ 1 011.50	80.92 %
Net Revenue	€ 0.00	€ 0.00	€ 0.00	0.00 %
Total Eligible Expenditure	€ 5 300.00	€ 4 288.50	€ 1 011.50	80.92 %

This view is also used to access any expenditure items left over from previous PP reports by ticking ‘Show All Open’, located on the left hand site on top of the Table (see Section 5.2. Costs under clarification).

5.4. Partner Information

This interface can be used to enter important information about a PP. It is assumed that information entered here does not usually change over time. Therefore, information entered here is shown in later reports as well. If the information does change, however, it can be edited. If so, the new information will be shown in all later reports, but not in already submitted reports.

This section also contains basic information about the documents available for the check. Here the most relevant information relates to the accounting system and information on which format the PP supporting documents have been made available in. The existence of the Partnership Agreement should be verified with the first report.

Information on the bank account may be confirmed, but this is something that the JS and LP confirm on project level. LP FC should not confirm costs until LP have provided duly signed partnership agreement.

Fig.10 'Partner information' shows information that does not usually change over time

[FLC Expenditures](#) > **[Partner Information](#)** > [FLC Checklist](#) > [FLC Report](#) > [Attachments](#) > [Inherent Risk Assessment](#) > [Cor](#)

Independent First Level Control Document

Accounting System

[according to Art. 125 4(b) of Reg. (EU) No 1303/2013] The project partner uses for accounting purposes A Separate Accounting System

Vat

The partner organisation has the right to recover VAT.

Bank Account

The correct IBAN and BIC is communicated to the Lead Partner and the account belongs to the project partner's organization

Please provide comment

Partnership Agreement

5.5. FC Checklists

The FC checklist (please see Annex II) lists all verifications expected from national controllers. The checklist contains several sections. For each question, it is possible to confirm the question with yes, no, or not applicable. If "no" is selected a clarifying comment is mandatory. If FC finds it relevant then for "not applicable" a comment may be provided as well. As general rule, rather more comments should be included than less. The comments are for internal use for the FC's but also for other programme bodies. They serve as a memory of what has been checked for the FC's and as information for programme bodies. The information may be filled in the national language. However, if the controller deducted any costs reported by PP including applying financial corrections in comparison with the initially reported costs, justification/ reasoning in eMS should be provided in English language.

Note, that not all sections will be relevant for all PPs. For example, there are different checklists for PPs using the flat rate or real costs method for staff costs.

Each question of the checklist must be confirmed by ticking the right-hand side box. It is possible to confirm all replies by ticking the box at the very end of the checklist. Save the selection.

Fig.11 'FC checklist' shows the checklist to be filled in by controllers

[FLC Expenditures](#) > [Partner Information](#) > **[FLC Checklist](#)** > [FLC Report](#) > [Attachments](#) > [Inherent Risk Assessment](#) > [Control Risk Assessment](#)

Checklist For Expenditure Declared And Certified By Budget Line

First Level Control

Weight	Question	Value	Weighted Value	Comment	Confirmed
Staff costs - SIMPLIFIED COSTS acc. to Art 67(1)(b)(i) of (EU) 1303/2013 and Art 19 of (EU) 1299/2013					
0	The staff calculation option is in line with programme rules. Simplified Cost Option [according to Art 67(1)(b) and (c) of Reg. (EU) No 1303/2013 and Art 19 of Reg. (EU) No 1299/2013] e.g. implied that the flat rate for staff costs is in line with the programme rules and the subsidy contract. Delete if programme does not use simplified cost options for staff costs.	<input type="button" value="Yes"/> <input type="button" value="No"/> <input type="button" value="Not Applicable"/>	0.00	this is information from report 1	<input type="checkbox"/>
0	Staff costs are calculated correctly. 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 costs of that project/ project partner.	<input type="button" value="Yes"/> <input type="button" value="No"/> <input type="button" value="Not Applicable"/>		this is information from report 1	<input type="checkbox"/>
0	(only in case of standard scale of unit costs) Persons who declared staff costs are employees of the beneficiary or work under a contract considered as an employment contract. e.g. Inspector employment contracts and contracts considered as employment contracts of individuals declaring staff costs (part-time and full-time).	<input type="button" value="Yes"/> <input type="button" value="No"/> <input type="button" value="Not Applicable"/>		this is information from report 1	<input type="checkbox"/>
0	(only in case of standard scale of unit costs) Written agreements exist outlining work for the project. e.g. Inspector agreement of employees declaring staff costs (part-time and full-time).	<input type="button" value="Yes"/> <input type="button" value="No"/> <input type="button" value="Not Applicable"/>		this is information from report 1	<input type="checkbox"/>
0	(only in case of standard scale of unit costs) The number of hours worked on the project is documented in a time registration system.	<input type="button" value="Yes"/> <input type="button" value="No"/> <input type="button" value="Not Applicable"/>		this is information from report 1	<input type="checkbox"/>

Once you have filled in the FC checklist, remember to press Final Check at the bottom of the checklist. This allows you to complete the so-called consolidated checklist. This is crucial for the completion of the FC certificate.

Fig.12 “FC checklist completion” showing how to finalise the checklist

0	(in case of procurements below national thresholds for public procurements AND above XX EUR) The price is adequate. NOTE: Also for purchases below the national public procurement threshold ('direct contracting') it is necessary to verify that the purchase price is adequate. Verified that the price of acquired services and goods was adequate. e.g. Inspected three offers obtained Applied professional judgement Conducted internet research to compare prices Inspected price adequacy documentation of the project partner	Yes No Not applicable			2000 Characters Remaining	<input type="checkbox"/>
0	Contract(s) is/are in line with the selected offer(s). e.g. Inspected contract(s) to verify that they comply with the selected offer(s).	Yes No Not applicable			2000 Characters Remaining	<input type="checkbox"/>
Total Assessment Value Max			0,00			<input type="checkbox"/>

Final check Exit checklist

Caution! If you have not completed the FC checklist with the Final check, the PP will not be able to access the FC certificate.

5.6. FC Report

The section 'FC Report' contains information on the current report. It is assumed that this information changes over time. The information to be provided in this section includes Type of report, details on the designated PP controller, Methodology of the verification, Description of Findings, Conclusions and recommendations and follow-up measures for the next PP report.

As for the "Partner information" section, information entered here will show up in later reports. The information is in editable form and can be changed if needed.

Information under "Designated Project Partner Controller" is pre-filled. It is always the logged-in FC user that is shown in these fields. In the FC certificate, the user that finalised the FC work (submitted) will be shown. After finalising the work the information no longer changes.

Fig.13 'FC Report'

The screenshot displays a web interface for the 'FC Report' section. At the top, a navigation bar contains tabs for 'Flc Expenditures', 'Partner Information', 'FLC Checklist', 'FLC Report' (highlighted), 'Attachments', and 'Inherent Risk'. Below this, the main heading is 'Independent First Level Control Report'. The form is divided into several sections:

- Project And Progress Report:** Includes a date field 'Report Dated By Project Partner' with the value '21.01.2016'. Below it, 'Type Of Project Report' has three radio buttons: 'Preparation Costs' (checked), 'Partner Report', and 'Final Report'.
- Designated Project Partner Controller:** A table-like form with two columns. The left column lists fields: 'Flc Body Responsible For The Verification', 'Flc Organization Doing The Verification(If Applicable)', 'Name Of The Controller', 'Job Title', 'Division Unit Department', 'Address', 'Country', 'Telephone Number', 'Email', and 'Controller Reviewer(If Applicable)'. The right column contains the corresponding values: 'Ministry of Finance', 'FirstFlcInstitution', 'FLC1 Controller', 'Supercontroller', 'Department of financial control', 'Control street 1 1070', 'Wien', '12345678', 'first@flc.at', and a text input field containing 'this is information from report 1'.
- Methodology Of The Verification:** A section with a 'General Methodology' label and three radio buttons: 'Desk Based' (checked), 'On The Spot', and 'Other'.

5.7. Reopening the Partner Report or the Document Upload Section

Sometimes the FC needs to receive additional information from PPs for verification of expenditure. The eMS currently handles three ways of reopening the PP report for editing:

1. The entire report can be re-opened for editing by pressing 'Revert from FC to PP';
2. It is possible to only open the attachment section of the PP report by clicking "Attachment upload Closed". As a result, the button changes to "Attachment upload allowed". Now it is possible for the PP to upload attachments;
3. It is possible to re-open only the attachment section of the List of Expenditure by clicking on "Expenditure attachment upload closed". As a result, the button changes to "Expenditure attachment upload allowed". Now it is possible for the PP to upload attachments.

These options can be used to correct existing information in the report or to add attachments. In case the report needs larger modification (adding completely new costs, for example) the FC should get in touch with the project's contact person in the JS and ask him/her to open an additional PP report. This report will complement the original report.

When the entire report is reverted to the PP, cost items already ticked as "Verified by FC" in the List of Expenditure cannot anymore be edited by the PP.

5.8. FC Certificate and Finalising FC work

To generate complete FC certificate sections "Partner information", "FC report" and "FC checklist" in "FC documents" tab, available on the left side menu, should be filled in.

Before finalising the FC work, please review the work done so far. Please ensure that the checklist and other sections have been filled in, that all corrections are duly justified, that all costs that should be verified have been ticked in the List of Expenditures and that the FC checklist has been consolidated, i.e. you have done the "Final check" after filling in the checklist.

You can see the pdf of the FC certificate, which also includes all questions of FC checklist after pressing “Check FC work” and then “Finalise FC work”. In order to access these buttons, you must be in the “FC expenditure” tab.

Fig.14 Printing the FC Certificate and Checking FC work



5.9. eMS support

In case of technical questions, please send an e-mail to latlit@varam.gov.lv

In the e-mail reporting the problem, provide in as much detail as possible indicating what you were trying to do, relevant project ID, report and/or any other information. If possible, send screen shots visualising the issue.

**CERTIFICATE OF PROFICIENCY
of Financial Controller at
Interreg V-A Latvia–Lithuania Programme 2014–2020**

Project partner information	
Project number and acronym	
Project Partner institution title	
Contact person of Project Partner	
Phone, e-mail of Project contact person	
<p>The following institution, which is independent from project implementation, is in charge of financial control procedures related to project activities of the above mentioned project partner and declares that:</p> <p>1) any control work done is free from bias;</p> <p>2) professional secrecy shall be maintained regarding information obtained during control process, including information obtained from the Interreg V-A Latvia–Lithuania Programme 2014–2020 Electronic Monitoring system (hereinafter - EMS);</p> <p>3) the control work shall be done in accordance with procedures set out in the Programme Financial control manual especially observing the principles of transparency, impartiality and confidentiality, clear responsibility and professionalism.</p>	
Financial Controller information	
Title of Financial Control institution	
Name and surname of authorized financial controller	
User name in eMS	
Phone, E-mail	
Address	
<p>The above mentioned controlling institution affirms its professional qualification to carry out control procedures including its familiarity with the overall project, EU regulations, Programme documents (including Programme Manual and Financial control manual).</p> <p><u>eMS user rights are personally attributed and the user is responsible for all work done under the user name. The user name and password equals a signature.</u></p> <p>The control procedures – based on receipted and paid invoices and/ or accounting documents of equivalent probative value shall include verification of:</p> <p>1) implementation of the activities according to the approved Application;</p> <p>2) the actual delivery of co-financed products and/or services;</p> <p>3) the sufficiency and factual accuracy of the presented documents</p> <p>4) amount of the eligible costs.</p>	
Signature of authorised representative of the Financial Control institution:	
Name and surname	
Position	
Signature	
Date	
Stamp	

**Financial Control checklist
for expenditure declared and certified
At Interreg V-A Latvia–Lithuania Programme 2014–2020**

Question	Yes/No/ NA	Comments
Audit Trail Checklist		
<p>1. Costs are directly related to the project and necessary for the development or implementation of the project.</p> <p><i>Explanation: It is verified that costs have been initially planned in the application form under budget line where costs are reported or there is a written agreement from the JS on deviation from planned costs.</i></p>		
<p>2. Costs are correctly allocated to the relevant budget lines.</p> <p><i>Explanation: e.g. Inspected list of expenditures. Reported costs compared with the project application form and rules set in the Programme Manual.</i></p>		
<p>3. Costs are declared only once.</p> <p><i>Explanation: Inspected the list of expenditures and verified that expenditures have not been declared twice in different budget lines or in previous reporting periods.</i></p>		
<p>4. 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.</p> <p><i>Explanation: no checks in case of flat rates and lump sums.</i></p>		
<p>5. According to Art. 67 (1) (a) of Reg. (EU) No 1303/2013 expenditure was incurred and paid within the eligible reporting period of the project.</p> <p><i>Explanation: no checks in case of flat rates and lump sums.</i></p> <p><i>It is verified that that the preparation costs of technical/construction documentation foreseen in the approved AF incurred between 1 January 2014 and the date of the approval of the application by MC.</i></p> <p><i>It is verified that project 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 with exceptions set in PM section project reporting.</i></p>		
<p>6. 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.).</p> <p><i>Explanation: no checks in case of flat rates and lump sums.</i></p>		
<p>7. According to Art. 69 (3) (a+b) of Reg. (EU) No 1303/2013 and Art 2(2) of Del. Reg. (EU) No 481/2014 reported costs do not include ineligible costs</p>		

<i>Explanation: interest on debt (except for cases outlined in Article 69(3)), purchase of land exceeding 10% of the total eligible expenditures [except for cases outlined in Article 69(3)1, fines, financial penalties and expenditure on legal disputes and litigation; costs of gifts (except those not exceeding EUR 50 per gift where related to promotion, communication, publicity or information); and costs related to fluctuation of foreign exchange rate and another costs indicated in PM section Eligibility of costs</i>		
8. According to Art. 69(3) (c) of Reg. (EU) No 1303/2013 recoverable VAT was deducted from reported costs.		
9. According to Art. 20(1) of Reg. (EU) No 1299/2013 expenditure was incurred within the eligible Programme area with exceptions indicated in PM section General rules applicable to the project budget/Geographical eligibility.		
10. The part of the expenditure was incurred outside (the Union part of) the Programme area and is eligible according to Art. 20(2)(3) of Reg. (EU) No1299/2013 and Programme rules. <i>Explanation: Should be checked only in case expenditure was incurred outside the eligible Programme area.</i>		
11. According to Art. 125(4)(a) of Reg. (EU) No 1303/2013 co-financed products and services were delivered or are in progress to be delivered.		
12. Partner has received the ERDF share from the previous periods.		
13. The partner total budget and budget per budget line was respected.		
14. According to Art. 61(2) and 65(8) of Reg. (EU) No 1303/2013 the Net revenue has been reported and deducted from the total eligible expenditure. <i>Explanation: if revenue is generated then should be checked whether reported revenue is the same as it was planned in the net revenue calculation before the project approval. If not, it should be indicated in the eMS by also indicating amount of generated revenue and activities generating revenue without deducting revenue from reported costs.</i>		
15. Partnership agreement is signed by all partners (should be checked only for 1 report)		
Preparation Costs		
16. Expenditure declared respects the Programme rules on preparation costs		
Staff Costs – real costs acc. to Art. 67(a) of Reg. (EU) 1303/2013 and Art. (3) of Del. Reg. (EU) 481/2014		
17. Persons who declared staff costs are employees of the project partner or work under a contract considered as an employment contract and it has written form. <i>Explanation: inspected employment/work contracts and contracts considered as employment contracts of individuals declaring staff costs (part-time and full-time).</i>		
18. Staff costs are based on gross remuneration and other eligible components <i>Explanation: inspected 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 are</i> <i>(i) fixed in an employment document or by law,</i> <i>(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.</i>		

Staff Cost - part time employees		
<p>19. Fixed percentage of gross employment cost is in line with fixed percentage of time worked on the project</p> <p><i>Explanation: should be checked only in case of fixed percentage of time worked per month. Should be checked whether 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 is correctly calculated.</i></p>		
<p>20. The number of hours worked on the project is documented in a time registration system</p> <p><i>Explanation: should be checked only in case of flexible shares varying from one month to the other OR hourly rates if considered that person is part time employed. Should be checked whether time sheets of persons claiming staff costs based on part time work document the time worked on the project and show 100% of the work of the person.</i></p>		
<p>21. Staff cost are calculated correctly</p> <p><i>Explanation:</i> FIXED PERCENTAGE yenned that the percentage was correctly applied to the gross employment costs for each person declaring staff costs under this option. FLEXIBLE SHARES: yenned 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 by dividing the monthly gross employment cost by the monthly working time fixed in the employment/work contract expressed in hours. HOURLY RATES verified that staff cost are correctly calculated by multiplying the number of hours worked on the project with the hourly rate agreed en the employment/work contract.</p>		
Staff Costs (acc. to Art 67(a) of (EU) 1303/2013 and Art (3) of Del Reg (EU) 481/2014) and Office and Administration (Art 68(1) of Reg (EU) No 1303/2013) as flat rate		
<p>22. 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</p>		
<p>23. The flat rate is calculated correctly.</p>		
Travel and Accommodation - acc. to Art 67(a) of (EU)130312013 and Art (5) of Del Reg. (EU)48112014		
<p>24. Travel and accommodation costs relate to staff of the partner organisation or natural persons working under work contracts considered as employment contracts of the partner organisation or associated partners.</p> <p><i>Explanation: inspected invoices and documents of equivalent probative value checked to ensure that costs were incurred by employees or persons working under contracts considered as employment contracts.</i></p>		
<p>25. Costs are in line with applicable EU, Programme and national rules.</p> <p><i>Explanation: it is verified that the types of costs listed under the budget line are eligible according to Art. 5 of Del. Reg. (EU) No 481/2014.</i> <i>Inspected invoices and documents of equivalent probative value comply with the respective national rules.</i></p>		

26. Travels outside the (EU part of) Programme area follow rules outlined in Art. 20(3) of Reg. (EU) No 1299/2013 and programme rules. <i>Explanation: inspected the latest approved version of the application form to ensure that travels have been initially planned in the application form OR that a written agreement of these costs exists from the JS.</i>		
External Expertise and Services - acc. to Art. 67(a) of Reg. (EU) 1303/2013 and Art. (6) of Del. Reg. (EU)481/2014		
27. External expertise and services were acquired in this reporting period. If yes, proceed to Public procurement checklist.		
28. Providers of services or expertise are not employed in the Project under staff costs <i>Explanation: to verify that external expert or service providers are not employees in the project under staff costs.</i>		
29. Types of costs listed under the budget line are eligible according to EU and Programme rules. <i>Explanation: verified that the types of casts listed under the budget line are eligible according to Art. 6 of Del. Reg. (EU) No 481/2014.</i>		
30. 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. <i>Explanation: inspected invoices and documents of equivalent probative value to verify that they are in accordance with the contract(s).</i>		
31. The share allocated to the project is plausible, i.e. calculated according to a fair, equitable and verifiable method. <i>Explanation: Should be checked in case of experts or services that are not exclusively used for the project. Inspected invoices and documents of equivalent probative value to verify that they are in accordance with the contract(s).</i> <i>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>		
32. Deliverables or other evidence of the work carried out by the provider are available. <i>Explanation: Inspected delivery notes, verified existence of outputs, etc.</i>		
Equipment costs - acc. to Art. 67(a) of Reg. (EU) 1303/2013 and Art. (7) of Del. Reg. (EU)481/2014		
33. New equipment is reported. <i>Explanation: If 'yes' refer to the checklist for public procurements, where relevant according to Programme rules.</i>		
34. The types of costs listed under the budget line are eligible according to EU and Programme rules. <i>Explanation: verified that the types of costs listed under the budget line are eligible according to Art. 7 of Del. Reg. (EU) No 481/2014, Programme rules and were planned in the project application form.</i>		
35. 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.		

<i>Explanation: 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>		
36. Equipment is available.		
<i>Explanation: equipment physically exists. (Inspected pictures)</i>		
37. Equipment is used for the intended project purpose.		
Infrastructure and Works - acc. to Art 67(a) of (EU) 130312013		
38. Public procurement.		
<i>Explanation: If 'yes' refer to the checklist for public procurement.</i>		
39. Providers of infrastructure and works are external to the project partnership.		
40. 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.		
<i>Explanation: Inspected invoices and documents of equivalent probative value to verify that they are in accordance with the contract(s) or selected offers.</i>		
41. The share allocated to the project is plausible. i.e. calculated according to a fair, equitable and verifiable method.		
<i>Explanation: Should be checked only in case of infrastructure and works that are not exclusively used for the project). 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>		
42. Infrastructure and works exist or evidence of work in progress is available.		
<i>Explanation: Inspected pictures, went on-the-spot, etc.</i>		
Compliance with public procurement rules		
43. Title of the procurement — if applicable. Name of contractor — if applicable.		
44. The value of the procured works, goods or services.		
45. The type of tender — if applicable: works, services, supply		
46. The procurement procedure chosen (open, restricted. negotiated, direct contracting, etc.).		
47. The media chosen for publication — if applicable.		
48. Documentation of procurement: full documentation of the procurement procedure is available.		
<i>Explanation: In case documentation is not required please tick N/A and provide an explanation in the comments section to the right.</i>		
49. Including: Initial cost estimate made by the project partner to identify the applicable public procurement procedure		
50. Including: Procurement publication/notice.		
51. Including: Terms of reference.		
52. Including: Offers/quotes received.		
53. Including: Report on assessment of bids (Evaluation/selection report).		
54. Including: Information on acceptance and rejection.		

55. Including: Complaints by bidders submitted to the contracting authority (if any).		
56. Including: Contract, including any amendments.		
57. Including: Others (if any).		
58. Compliance with public procurement rules (EU and national) <i>Explanation: public procurement rules were observed. Please refer to EU/national public procurement rules.</i>		
59. Including: The public procurement procedure (open, restricted, direct contracting, etc.) chosen complies with applicable rules.		
60. Including: There has been no artificial splitting of the contract objective/value in order to avoid public procurement requirements.		
61. Including: The change has been only minor without changing the overall objective, content and economy of the tender. The change has been in line with relevant national legislation without any relevant impact on the validity of the initial tender procedure. <i>Explanation: Should be checked in case a contract amendment/extension has been issued.</i>		
62. Including: There is evidence on file documenting justification of this decision (e.g. in relation to Directive No. 2014/24/EU) <i>Explanation: Should be checked in case a contract amendment/extension has been issued and in case no tender was carried out.</i>		
63. Including: There is evidence on file that in-house contracting or inter communal cooperation is justified. <i>Explanation: Should be checked in case of in-house contracting or inter communal cooperation.</i>		
64. Including: Publicity requirements were respected. <i>Explanation: Should be checked in case of procurements above EU thresholds. It should be verified that the possibility to submit a tender has been correctly advertised with a fair and clear description of the subject of the tender, the deadline and procedure for submitting bids, the selection and award criteria and the estimated contract value were respected.</i>		
65. The principles of transparency, non-discrimination, equal treatment and effective competition been complied with (also for items below the EU-thresholds).		
66. Including: - If applicable - There was a clear distinction between selection and award criteria in the evaluation of the bids.		
67. Including: - If applicable - Selection and award criteria, required technical specifications and national permits are transparent, nondiscriminatory and ensure equal treatment.		
68. Including: - If applicable - Decisions are properly documented and justified.		
69. The price is adequate. <i>Explanation: Also for purchases below the national public procurement threshold ('direct contracting') it is necessary to verify that the purchase price is adequate. Verified that the price of acquired services and goods was adequate. Conducted interne research to compare prices. Inspected price adequacy documentation of the project partner.</i>		

70. Contract(s) is/are in line with the selected offer(s). e.g. Inspected contract(s) to verify that they comply with the selected offer (s).		
Compliance with information and publicity requirements - acc. to Annex XII of Reg. (EU) No 1303/2013		
71. Information and publicity rules of the EU and the programme were complied with, e.g., inspected project publicity items, including, brochures, and agendas of conferences, studies and deliverables to ensure they meet the publicity requirements outlined in Annex XII of Reg. (EU) No 1303/2013.		
72. (In case of projects exceeding a total public contribution of EUR 500.000 and consisting of the financing of infrastructure or construction projects) A temporary billboard of a significant size, readily visible to the public has been installed e.g., Inspected site to ensure they meet the publicity requirements outlined in of Art 2.2 of Annex XII of Reg. (EU) No 1303/2013).		
73. (In case of projects not falling under the specification above) At least one poster with information about the project (minimum size A3), including the financial support from the Union at a location readily visible to the public, such as the entrance area of the building. e.g., Inspected site to ensure they meet the publicity requirements outlined in Art 2.2 of Annex XII of Reg. (EU) No 1303/2013.		
Compliance with other EU rules		
74. There is no evidence that the project activities do not comply with the EU horizontal objectives of sustainable development. [According to Articles 4 and 8 of Reg. (EU) No 1303/2013].		
Compliance with State aid Rules		
75. In case partner have been confirmed receiving aid under de minimis rules (please see eMS section Supplementary information / State aid of partner) amount granted under de minimis by Programme are not exceeded by relevant partner. 76. Project implemented activities are not considered to fall under the state aid according definition provided in PM.		

**Interreg V-A Latvia–Lithuania Programme 2014–2020
On-the-spot Check Report**

Title of the Project Partner Institution:	
Short Title of the Project:	
Total Partner's budget, EUR:	
Project duration from _____ until _____	
Planned reporting periods (total number):	Already implemented reporting periods (number):
Total Partner's costs reported, EUR:	During period from _____ until _____
Date:	Place:
Carried out by:	Representative(s):

Objective of the check	Control questions	Ye s	No	N/A	Notes
1. Internal control environment	Has controlled partner ensured internal control system (reporting and checking system) which provides partner Institution's management with the following information on: <ul style="list-style-type: none"> • actual state of Project implementation; • deviations from implementation time plan; • project budget spending; • deviations from planned budget spending; • results of procurement; • implemented information and publicity measures and its consistency with the publicity guidelines; • Financial Control findings during project control process? 				
2. Project documentation	Has project documentation available and filed separately with clear indication of storage deadline				
3. Accounting record keeping	3.1. Has separation of Project related costs from other Institution's costs been ensured:				
	3.2. Has Institution established bookkeeping system according to EU regulations, national legislation and Programme requirements?				
4. VAT inclusion in Project eligible costs	In case Project Partner is VAT payer and VAT is included as eligible costs in the Partner Report–hasn't Partner reclaimed VAT from State?				

I. Overall project implementation and result evaluation

5.	Are payment documents and other supporting documents available and do they justify costs?				
6.	Do copies of payment documents and other supporting documents submitted together with Partner Report comply with originals on spot?				
7.	Do implemented re/construction works comply with reported costs?				
8.	Do material and non-material assets physically exist on spot?				
9.	Are purchased or established assets used for purposes defined in the project?				
10.	Were tenders arranged according to the Public procurement law and Programme Manual requirements?				
11.	Have the information and publicity requirements been followed?				
12.	In case during on-the-spot check controller has identified revenue generated during Project implementation, has it been reflected in the Partner Report?				

II. Project implementation evaluation

Positive	
With objections	
Negative	

III. Recommendations

IV. Discrepancies/Comments

List of controlled supporting documents*

No	BL	Document date, type, number	Amount reported	Comments
1.				
...				

*Selected based on risk analysis

Controller's signature	
Location	
Date	
Name and signature of the Controller	
Official stamp of the institution	

Interreg V-A Latvia – Lithuania Cross Border Cooperation Programme 2014 - 2020

Possible irregularity report

1. Project number, title, acronym	
2. Subsidy Contract Number	
3. Project partner for which possible irregularly carried out expenditure (hereinafter – irregularity) is identified	
4. Project Lead Partner	
4. Amount of irregularity:	
4.1. total amount	
4.2. ERDF co-financing	
5. Time period when irregularity was incurred	
6. Description of irregularity	
7. Violated provision:	
7.1. European Union legal norm (decision, directive, regulation)	
7.2. Programme provision	
7.3. National legal norm	
7.4. Subsidy Contract provision	
8. Type of irregularity:	
8.1. Irregularity	
8.2. Suspected fraud ⁴	
8.3. Fraud ⁵	
9. Institution which detected irregularity	
10. Date when irregularity was detected	
11. Information how irregularity was detected	

Prepared by: *(name, surname)**(title of the institution)**(signature)**(date)*

⁴ suspected fraud which is an irregularity giving rise to the initiation of administrative or judicial proceedings at national level in order to establish the presence of intentional behavior, in particular, fraud

⁵ fraud which is 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 Union or budgets managed by, or on behalf of, the European Union;
2. non-disclosure of information in violation of a specific obligation, with the same effect;
3. the misapplication of funds for purposes other than those for which they were originally granted.