



# Interreg

## Latvija-Lietuva

European Regional Development Fund



EUROPEAN UNION

# Financial Control Manual



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

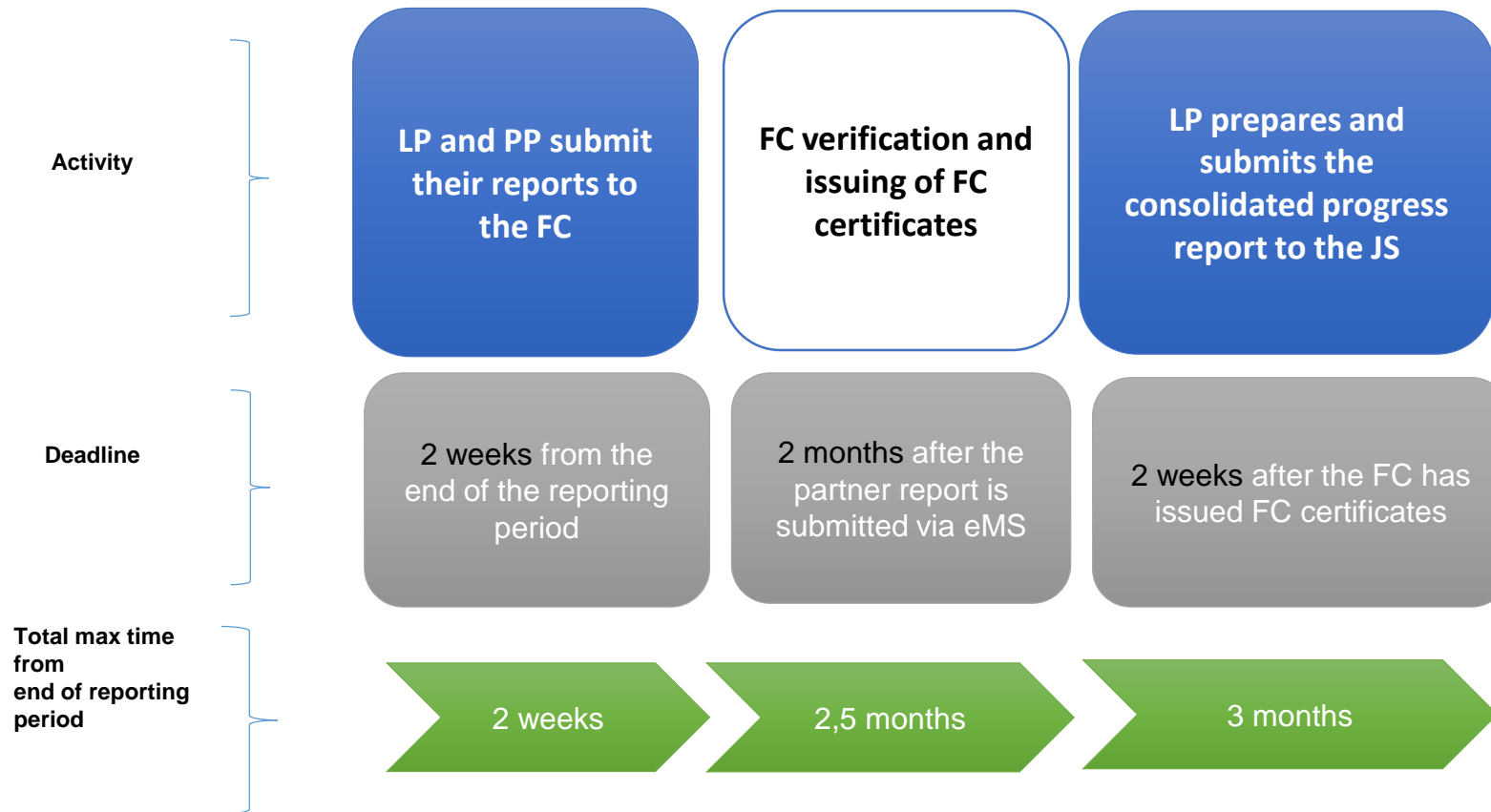


- In Latvia FC is centralized and its functions are carried out by the MEPRD.
- In Lithuania a decentralized system is established by the MI.

Article 23(4) of the European Territorial Cooperation regulation: each Member State has designated FC - a body or bodies responsible for carrying out the verifications in relation to beneficiaries on its territory

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

# Overview of the process



**Reports could be confirmed only in chronological order**

**Each national controller performs control in the eMS and the verification shall cover every single reported cost item.**

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”.



**FC certificate**

after FC verification costs can be reported to the JS



## FC certificate states:

**“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;



## FC certificate states:

*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."*

# On-the-spot checks & Irregularities

- **Each Lithuanian FC shall go to at least one on-the-spot check for each controlled PP of each Project.**
- **If the FC has detected possible irregularity( according to definition set in PM section Irregularities and recovery)**

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

**Report regarding Possible  
Irregularity  
(Annex IV)**



## 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).

**Section 9. Project budget  
in Programme Manual**

**The Programme accepts a certain level of deviations** from the project planned outputs, deliverables, activities and set 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 a Subsidy Contract Amendment has been introduced, it can be found in the eMS in section JS Attachments.



# Questions

**In case of technical questions,  
please send an e-mail to [latlit@varam.gov.lv](mailto:latlit@varam.gov.lv)**