

European Union



The European Regional Development Fund

The Interreg IVB  
North Sea Region  
Programme



# Practical Reporting Do's and Dont's

First Level Control Seminar  
March 2011



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*Investing in the future  
by working together for a  
sustainable and competitive region*



# Rules of procedure

- Informal
  - Feel free to
    - Comment
    - Ask questions
- ....at any time...



## Purpose of the presentation

- Get the correct understanding of the reporting and first level control process
- Answer all your questions
- Set your mind for the interactive workshop
  - How to 'convince' the 1st level controller



## Monitoring from Secretariat's perspective

- Project progress according to (your own) time plan
  - Activity
  - Finance
- Ensure that only approved activities are implemented (JTS has a very limited mandate regarding deviations from what SC approved)
  - Application
  - Changes
  - 1st level control



## Before you start thinking about reporting...

Get a (good, competent and helpful) 1st level controller designated - who can carry out the job on time at a reasonable price level

It is your responsibility to get one

Do not be 'discouraged' by the 'resistance' of the system

Whatever the excuse is, you will not get the money until it is done



# Before you start thinking about reporting...II

## **Get a partnership agreement in place – signed by all!**

But do not let the formal processes overshadow the real thing...the project

Adapt, run processes simultaneously...

Insist on clear guidance from the Lead Beneficiary (LB) and the project controller on what is required for reporting...

The Manual for First Level Control sets minimum requirements, LB can ask for more

Let controllers meet/talk: It sometimes helps!



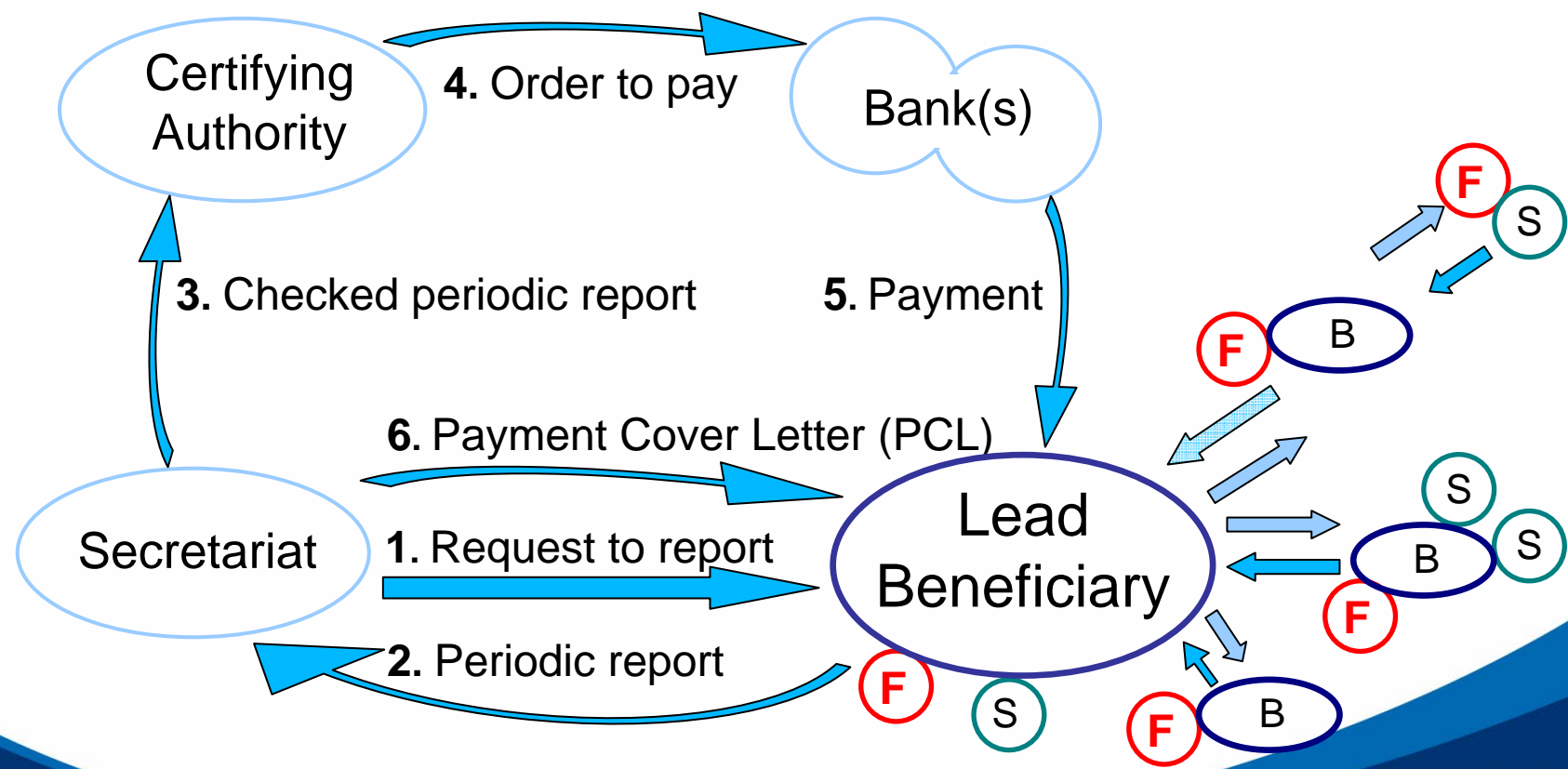
# Standard reporting:

7 Steps

**B**eneficiaries

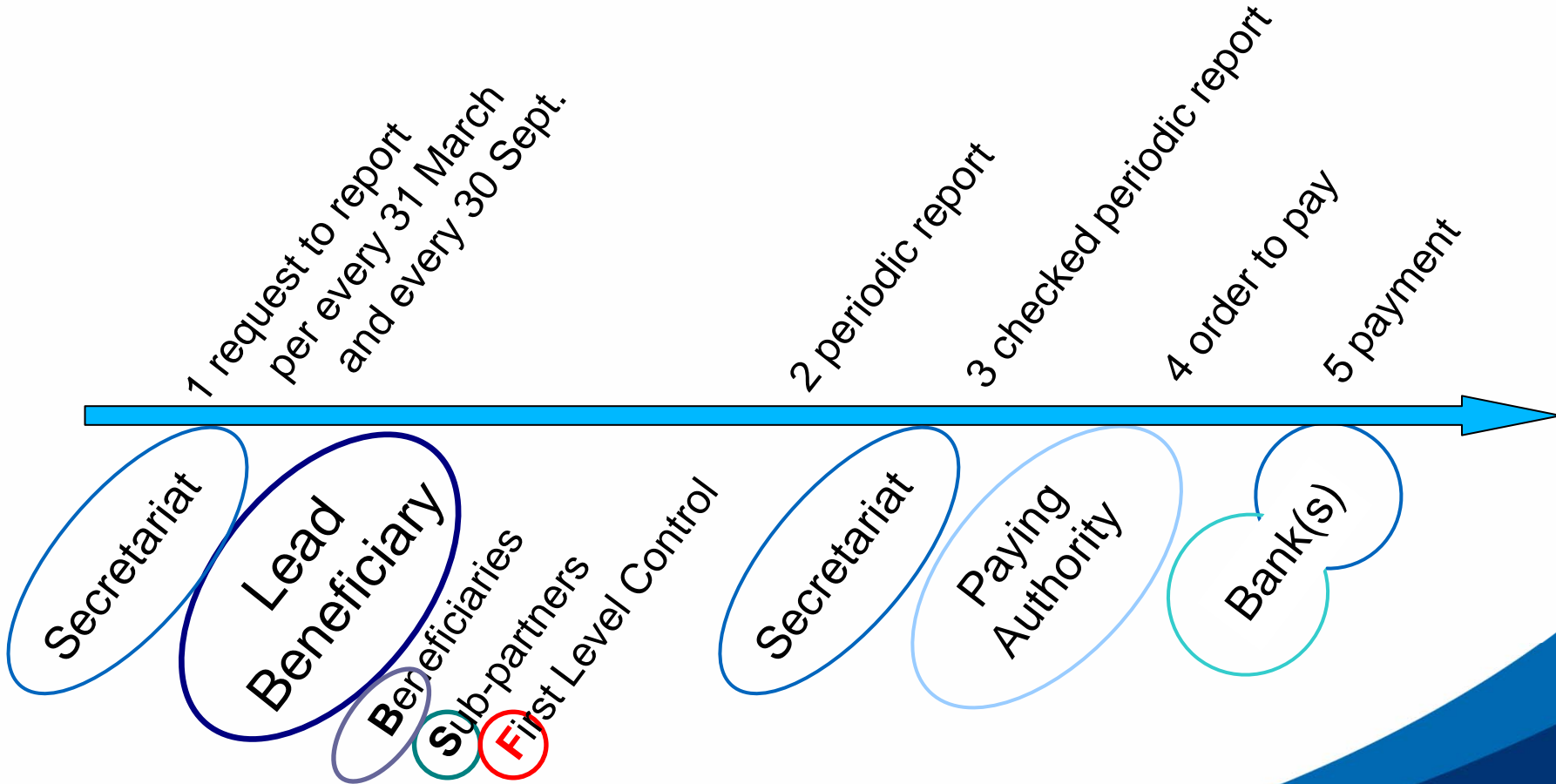
**S**ub-partners

**F**irst Level Control (FLC)





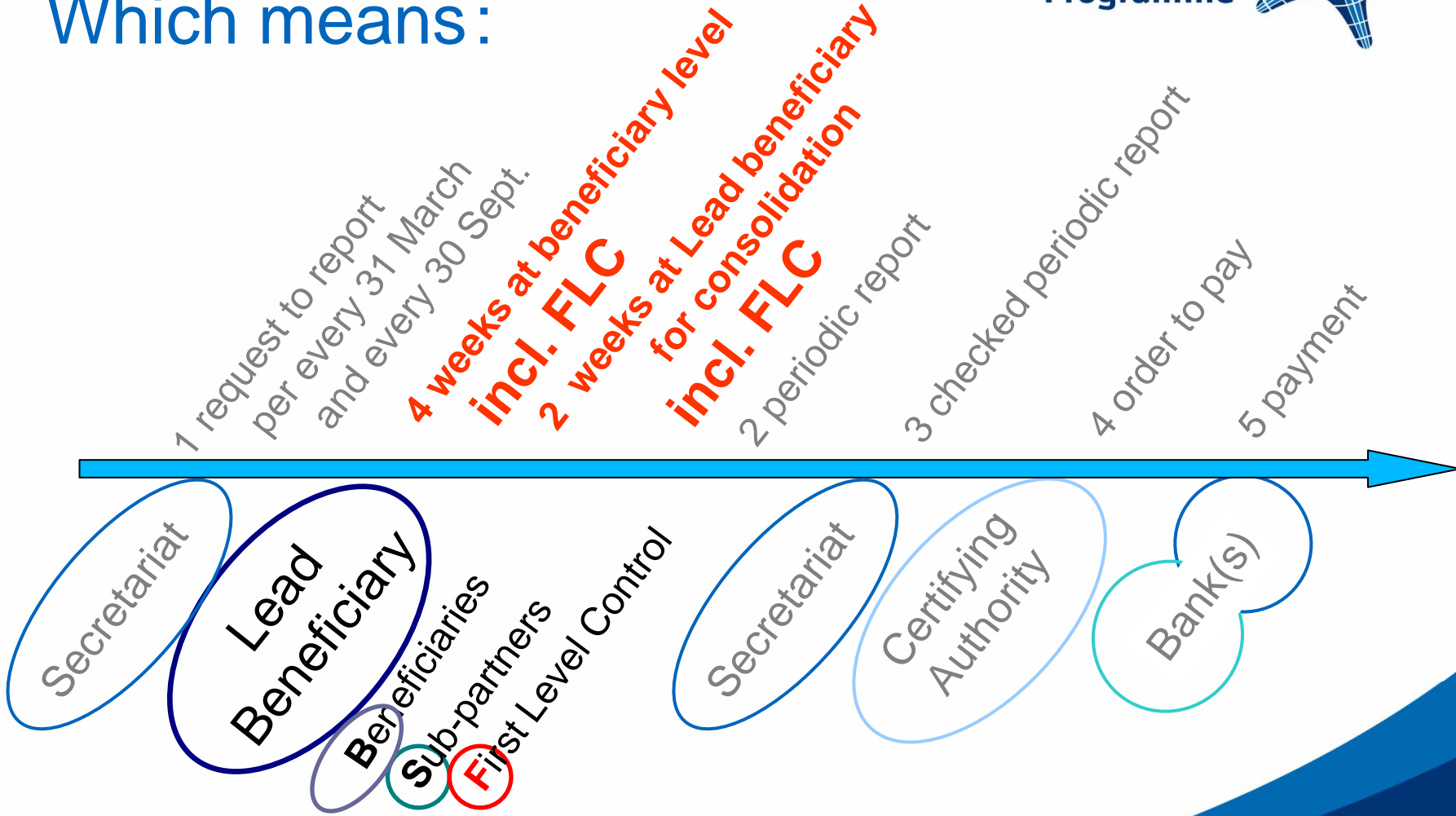
# Twice a year:







# Which means:





# Appendices, from First Level Control

On **Beneficiary** Level

5 The FLC Checklist

7 The Finance report

7a On-the-spot items

10a The Activity report

The Mother of All Tables

On **Project** Level

6

8

8a

10

9



# Appendices 5 / 6, FLC Checklist

Control question	yes	no	n/a	comments/ follow-up
Does the compiled activity report reflect the individual activity reports sent in by beneficiaries?				
<p><b>Have all the expenditure in this accumulated report been incurred for:</b></p> <ul style="list-style-type: none"> <li>- the purpose of implementing the operation in accordance with the descriptions provided in the original application or latest changes approved by the secretariat (including the annexes specifying the expenditure for budget lines 6, 8 and 10)?</li> <li>- If there were any deviations please describe them</li> <li>- Have the Lead Beneficiary prepared a change request to be sent with this report?</li> <li>- Does the expenditure incurred correspond to the activities agreed between beneficiary and the Lead Beneficiary?</li> <li>-If there were any deviations have they been clarified between beneficiaries and the Lead Beneficiary?</li> </ul> <p><b>- Does the expenditure reported reflect the implementation situation as described in the activity report, which forms part of this claim?</b></p>				



# Appendices 5 / 6, FLC Checklist

Control question	yes	no	n/a	comments/ follow-up
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Please one tick per each question mark!



# Appendices 7a & 8a

Summary information about on-the-spot verifications						
<b>Project:</b>						
Beneficiary/ sub-partner	Country	1st level controller details	Amount of expenditure declared to the controller	On-the-spot verifications of individual operations cf. Article 13.2b (1828/2006)		
				No.	Amount verified on-the-spot	Date of on-the-spot verification
			...			
Date			Signature by Lead/Beneficiary			
Date			Signature by beneficiary/project controller			

Appendix 7a/8a



## Appendix 7a and 8a, cont.

- EC requirement – it is a mandatory part of your report
- Can be a sample or cover 100% of the expenditure reported
- Is not accumulated, but period-specific
- **OBS**: Lack of Appendix 7a/ 8a will lead to deductions



## Frequent problems detected:

- Change the (sub-)project without approvals
- Claim costs incurred before the start date of eligibility
- Award contracts without tender
  - Possible but make sure you follow the rules
- Incur costs without registration in the accounting system
- Incur staff costs without timesheets
  - Register time only once a month/6 months
  - Leave timesheets without signatures



## Don't...

- Start preparation just before the deadline
  - Will you manage to clarify all issues?
    - The Lead Beneficiary must respect the deadline or the whole project is kept hostage
    - Why are there still open issues before reporting?
- Forget to talk to the controller before s/he comes to check you
  - What should be ready, what format, what would help?
    - Manage the process and do not let process manage you





## Do...

- be consistent between the forms
- answer all questions in the checklists and in section 10 of the periodic report on Finances
  - Double check on controller
  - It is their job - but your money
- sign the forms
  - If not, you will get them back



## Why are we so NOT SMART?

### System consistency

You are part of a bigger picture...

### Have to follow our procedures

Checklists can be unforgiving...

### Strong control focus on IVB

Certifying Authority actually active...and strict

### NOT SMART does not mean unhelpful

Let us know if you need help...



# Available Guidance

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## The North Sea Region Programme 2007-2013

INNOVATION   ENVIRONMENT   ACCESSIBILITY   SUSTAINABLE COMMUNITIES

*Welcome to the official North Sea Region Programme website.*

The North Sea Region Programme 2007-2013 works with regional development projects around the North Sea. Promoting transnational cooperation, the Programme aims to make the region a better place to live, work and invest in. [more...](#)

**IVB Key Document Library**

A link to all **Structural Funds Regulations 2007-2013** can be found [here](#).

**Country Specific Information**

- IVB Document Library**
- Application
- Fact\_Sheets
- Info\_Sheets
- Manual\_First\_Level\_Control
- Newsletter
- Programme\_Materials\_and\_Documents
- Publicity\_and\_Communications
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## F(irst) L(evel) C(ontrol) :

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2007-2013



  
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- Home | IVB Key Document Library
- Manual\_First\_Level\_Control
    - Appendices
      - Appendix 1 COCOF document.pdf
      - Appendix 2 National FLC descriptions.pdf
      - Appendix 3 Checklist Designation of Controllers.doc
      - Appendix 4 Designation Form.doc
      - Appendix 5 FLC checklist for beneficiary expenditure.doc
      - Appendix 6 FLC checklist accumulated expenditure.doc
      - Appendix 7 Finance report for beneficiaries.xls
      - Appendix 7a8a On-the-spot verifications.xls
      - Appendix 8 Finance report project.xls
      - Appendix 9 Expenditure for whole partnership.xls
      - Appendix 10 Reporting form on project activities.doc
      - Appendix 10a Reporting form on beneficiary activities.doc
      - Appendix 11 National regulations.pdf
      - Designation Bodies for FLCs.pdf

VIDEOS

**NEWS**

**New Version of FLC Manual Online**  
01 September 2010



# Fact Sheets:

## **I Financial Issues**

- # 1 Exchange Rates
- # 2 Eligible Costs
- # 3 Auto Decolmitment
- # 4 Public Tendering

## **II Partnership**

- # 5 Lead Beneficiary Principle
- # 6 Letters of Intent
- # 7 Public-Private Partnerships
- # 8 Sub-partners

## **III Application & Approval**

- # 9 Detailed Costed Workplan
- # 10 Technical Assessment Process

## **IV Reporting**

- # 11 Indicators
- # 12 Change of Budget
- # 13 Control and reporting
- # 14 Publicity Requirements
- # 15 Preparation Costs



# The Audit Trail:

Every **EURO** of project expenditure is traceable:

- **Legal basis:** eligible, documented, project related costs
- **Record:** public procurement procedures respected
- **Contracts:** partnership agreements, order letters, invoices
- **Delivery:** proven as actually paid out, carried out, built, written
- **Costs for which there is no project individual invoice:**  
(e.g. overheads): use documents of 'equivalent probative value'
- **Confirm with all, especially smaller private partners:**  
all documentation must be stored until **2023**



## It's not always us :

- Delays                      please prepare per 31.03. & 30.09.
- Incorrect                    please follow latest guidance
- Incomplete                please check completeness
- Incomprehensible      please clarify logically

NO qualification or  
CLEAR quantification or  
DEDUCT until clarification

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# QUESTIONS, QUESTIONS, QUESTIONS...

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**THANK YOU  
PLEASE USE**

**<http://www.northsearegion.eu/ivb/whoswho/>  
FOR FUTURE CONTACT**

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