



## IV Reporting

# Control and reporting

### Background

The purpose of this Fact Sheet is to give an overview of the 1<sup>st</sup> level control system and to introduce the most important procedures. More detailed information on the procedures, documents, checklists, reporting forms etc. referred to in this fact sheet can be found in the Manual for the 1<sup>st</sup> level control.

In many respects, the control and reporting procedures are similar to the set up known from the IIIB programme but there are important differences to note including new standard procedures to follow. These new standard procedures have been introduced to strengthen the efficiency and transparency of the first level control system.

A project controller must be appointed right from the start of the project. The project controller (also known as the 1<sup>st</sup> level controller) is the controller of the Lead Beneficiary. In addition to be controller of the Lead Beneficiary, the project controller also checks and signs off the consolidated claims for payment on behalf of the entire partnership. To enable the project controller to sign off the claim on behalf of the entire partnership, each beneficiary, participating in the project, regardless of its size, must have a 1<sup>st</sup> level controller appointed. All 1<sup>st</sup> level controllers must be independent and designated by the national authorities in each beneficiary country. This happens by way of a designation procedure, which is described below.

Also be aware that the 1<sup>st</sup> level controllers have to accept to control the project towards the Interreg secretariat before the Contract can be considered valid.

### Guidance

#### Designation procedure:

A standard procedure must be followed when appointing a 1<sup>st</sup> level controller for a beneficiary. This includes using a checklist which must be filled in by the proposed controller and sent to the designation body whose responsibility it is to designate or reject the proposed controller. Except in Sweden, in which a centralised 1<sup>st</sup> level control system is set up, this designation procedure must be followed in all countries participating in the programme. The Swedish National Authority, NUTEK, will automatically inform the Swedish beneficiaries on the 1<sup>st</sup> level controller appointed for Swedish beneficiaries.

The options for selecting the 1<sup>st</sup> level controller vary significantly between the countries and it is therefore important that each beneficiary consults national requirements in this respect.

## Scope of Controlling and use of standard forms and checklists

All projects must report on activities and expenditure twice a year. In each case all beneficiaries are subject to a control. Standard reporting forms are available and must be used by each beneficiary. Likewise, standard checklists must be used by each 1<sup>st</sup> level controller. The standard reporting forms are designed to ensure that the secretariat gets the necessary information to monitor the project implementation.

The checklists are designed to ensure that the control covers all requirements of the control. It is very important to bear in mind that the scope of the control is not limited to administrative desk checks of e.g. invoices, timesheets, calculations and the reliability of the financial system. The checks must also include on-the-spot checks of project related activities and check of compliance with community and national rules on e.g.:

- eligibility rules,
- publicity requirements,
- public tendering procedures,
- compliance with EU environmental policies and rules on equal opportunities.

For further information and guidance on controlling of the Lead Beneficiary and the other beneficiaries, please consult the Manual for the 1<sup>st</sup> level control.

## Division of work between the first level controller and the beneficiary

Good public auditing practice requires that the responsibility between the management and the controller is well defined. The point of departure is that the management is responsible for and in charge of preparing the statement of accounts and all other relevant documentation. It is, on the other hand, the controller's responsibility to make an assessment of how the management of an agency has managed this task. Further information about this division of work can be found in the Manual for 1<sup>st</sup> level control.

## Irregularities

If the controller detects irregularities, the secretariat and the Certifying Authority must be notified in writing immediately.

## Control must cover all beneficiaries

It is essential that all beneficiaries are included in all interim claims. This is to ensure a proper and full monitoring of the project implementation. Equally important, to avoid decommitment of programme funds all eligible expenditure must reported at each reporting round.

## Control costs

At each reporting round each beneficiary must be controlled. It is crucial to make sure that a sufficient amount is set aside in the project budget for control. It is important in this context to take note of the scope of the control requirements Costs for the 1<sup>st</sup> level control of the Swedish Lead Beneficiaries and Beneficiaries should not be budgeted for as they will be paid by the Swedish National Authority.

## Retaining Documents

The Manual for 1<sup>st</sup> level control outlines the requirements for the safekeeping of accounting and other important documents. Suffice here it is to state that all accounting evidence must be kept on the accounting file until the end of 2023.

## Change of a First Level Controller

If an approved 1<sup>st</sup> level controller stops before the end of the project, the controller must contact the new controller and inform him/her why he/she is no longer the controller for the project. A change of a 1<sup>st</sup> level controller, can only take place in accordance with the procedure described in the Manual for 1<sup>st</sup> level control.

## References

Manual for 1st level control