



Guidance Note

On-the-spot verification

Following the First Level Seminars in London and Edinburgh in mid March 2011, the Joint Technical Secretariat promised to provide a guidance note regarding the “On-the-spot verification” that the First Level Controller has to fill out at every reporting round using Appendix 7A for beneficiaries and 8A (for Lead Beneficiaries) of the Manual for First Level Control for the North Sea Region Programme.

Background

The introduction of this requirement to report on the scope of “On-the-spot verification” follows a requirement from the European Commission. The approval of the Management and Control System for the North Sea Region IVB Programme was given on the condition that this information on “On-the-spot verification” was collected from all approved projects. The purpose of collecting this statistical information is to allow the Monitoring Committee and the European Commission to monitor to which extent the First Level Controllers carry out “On-the-spot verification” as part of their control.

Against this background, the Programme developed Appendix 7A and 8A in order to fulfil the requirement of the European Commission.

What does “On-the-spot verification” mean?

Control checks based on documents provided by beneficiaries undertaken by First Level Controllers in their own offices are considered desk based checks. In contrast, “On-the-spot verification” means control checks undertaken by First Level Controllers on the premises of a beneficiary or any other project-related site. At this visit, original documents to corroborate claims such as invoices should be reviewed.

Requirements for “On-the-spot verification” of UK beneficiaries

In the UK, it is required that the on-the-spot-check undertaken by First Level Controllers is 100 % of claims to be submitted. However, this is not to say that there has to be a 100 % check of all the reported eligible expenditure. The First Level Controller can make use of a well justified sample check methodology. Neither is it required that the First Level Controller verifies all meetings, all demonstration sites etc. by being present on-the-spot to check and verify the reality of the expenditure and check compliance of EU and National Legislation, Programme rules

etc. What is required though is that the First Level Controller carries out all sample checks on the premises of a beneficiary or any other project-related site. Some projects include delivery of physical outcomes, such as e.g. a building. In such cases it is recommended that the First Level Controller verifies first hand that the physical deliverable exists to the standard required. This could be done once or more during the life of the project.

Appendix 7A and 8A

In Appendix 7A, which is intended for the First Level Controller of the individual beneficiary, the First Level Controller accounts for – using only one line in the table – the scope of the “On-the-spot verification” done.

In Appendix 8A the First Level Controller of the Lead Beneficiary reports on the scope of the “On-the-spot verification” carried out by each individual First Level Controller, i.e. in this table the number of lines which must be filled in reflects the number of beneficiaries in a partnership.

Appendix 7A and 8A for Swedish beneficiaries

Following an agreement with the ERDF responsible ministry in Sweden, a procedure has been agreed by which Sweden will report directly to the Joint Technical Secretariat/Managing Authority. Appendix 7A will therefore not apply for Swedish beneficiaries. In projects with a Swedish Lead Beneficiary, the First Level Controller of the Lead Beneficiary will fill in Appendix 8A and pass on that information to the Joint Technical Secretariat/Managing Authority.

What happens if Appendix 7A and 8A are not provided

If a First Level Controller of a beneficiary fails to provide a filled out and signed Appendix 7A or 8A (for the Lead Beneficiary), then the beneficiary in question will not be reimbursed.

The first time this information about on-the-spot checks was required was in the autumn reporting round 2010. However, as the Joint Technical Secretariat/Managing Authority acknowledged that there were some problems understanding the exact nature of what was required, it was decided not to propose to the Certifying Authority to block any project payment on the ground that the beneficiary fails to provide a filled out and signed Appendix 7A or 8A. However, and that was stated explicitly at both the seminar in London and in Edinburgh, the Joint Technical Secretariat/Managing Authority will be strict in all subsequent reporting rounds. This means that failure to provide a filled out Appendix 7A and 8A from the March 2011 reporting round and onwards will lead to a non-reimbursement.

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