



Update on Financial Aspects

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Contracts - Status

- All contracts have been forwarded to the relevant Lead Beneficiaries
- All contracts issued in the “old” format have been reissued
- Some contracts from SC2 & SC3 were delayed as a result of the change of format.
- Contracts from SC1 & SC4 were not delayed.



Contracts and Project Delivery

- Delays in issuing contracts are regrettable, but does not trigger absolution for delays in project delivery!
 - Your legal department may choose a formalistic approach, but so does the European Commission



Contracts and Changes

- All significant formal changes of the project e.g. replacement of partners will trigger a new contract
- The old contract is valid until a new contract is issued i.e. do not stop working until the new contract is issued
- Smaller changes to contracts may be “pooled”



Contracts - Content

- The contract is an offer of financial support to project implementation – not an invitation to negotiate the format of the contract
- Questions on the content of the contract are always welcome



Designation of 1st Level Controllers

- Appendix 3 and 4 of the Manual for 1st Level Control for the North Sea Region Programme
 - Checklist for Designation of 1st Level Controllers
 - Designation Form
- Standard Procedure and Forms are approved by the MC
 - Neither the form nor the procedure can be deviated from
- Common interest in following the procedure



Designation of 1st Level Controllers

- Delays and discrepancies in the process but progress is being made
- Make sure the correct notification procedure is followed
- The Certifying Authority (CA) can only make payments to Beneficiaries where the correct procedure has been followed
- The procedure is also important for the CA when certifying expenditure for the European Commission
- We are here to help you and we do our best to do so !



The Certifying Authority

Formal role

- Core function is to certify the legality and regularity of the expenditure declared to the Commission
- The statement of expenditure is accurate, results from reliable accounting systems and is based on verifiable supporting documents
- The expenditure declared complies with applicable Community and national rules and has been incurred in respect of operations selected for funding
- Ensuring for the purposes of certification that it has received adequate information from the Secretariat - acting on behalf of the Managing Authority - on the procedures and verifications carried out



The Certifying Authority

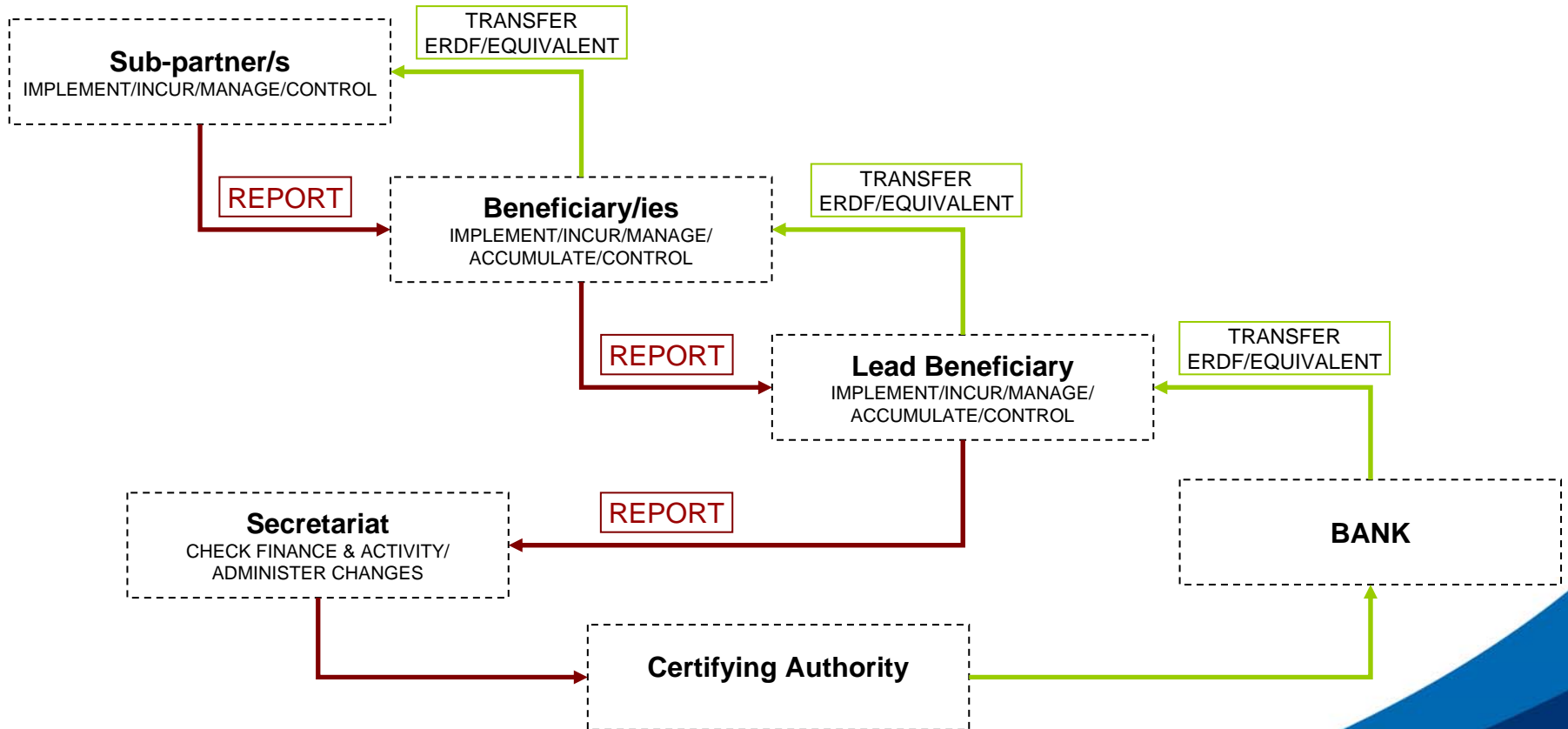
- Before reimbursement of claims to projects
 - CA Checks:
 - That the secretariat has completed its checklists
 - Designation procedure completed correctly
 - That all information necessary for the certification process is present including the periodic reports on activities and finances and a completed checklist from the project controller
 - All matters identified during the 1st level control process have been satisfactorily addressed and resolved
 - That the project controller arrives at a clear quantitative conclusion



The Certifying Authority

- The CA has the authority not to sign a certificate for ERDF
- The CA can and will (!!)
- reject a claim from a project or part of the claim if it has to come to the conclusion that the conditions are not met
- Do sample checks of all background documentation for the claims presented
- Plays a key role in recovery procedures

Financial flows





Compliance Assessment and Payments to Projects

- The Audit Authority (The Compliance Assessment Body) submitted the compliance assessment just before the Summer Break
- Not an full approval, it was a qualified opinion
- 3 matters must be satisfactorily addressed before the reservations can be lifted off
 - The description of the Managing Authority (MA) must be adjusted
 - A clearer separation between the MA and the CA
 - Verifications made on-the-spot must be clearer



Compliance Assessment and Payments to Projects

- No problem with the N+24 rule
- More than 10 million available now so just keep spending !!
- Payment claim ready and will be sent off to CA as soon as we can



Decommitment

- N+2 is a programme rule
- If you deliver and live up to your spending targets (annual budgets) we are home dry !
- If the programme suffers from decommitment this will be a matter for the Monitoring Committee to address
- We will help you as much as we can
- Flexibility with period of the costs
- Deadline for next reporting is 13 November