

## The Interreg IVB North Sea Region Programme

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



### **Instruction Note: “On the spot verification”**

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Following our First Level Seminars in London and Edinburgh in mid March 2011, the Joint Technical Secretariat promised to provide a instruction 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. To which extent this is a requirement will depend on national legislation. The First Level Controller may 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. Some projects include delivery of physical outcomes, such as e.g. a building in which case the FLC may, subject to national legislation, decide to verify this by undertaking the certification on-the-spot. It is recommended that the 1<sup>st</sup> 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 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 for expenditure reported in that period.

In the interest of transparency please note that failure to provide a filled out Appendix 7A and 8A will lead to a non-reimbursement.

### Important details on how to fill out Appendix 8a.

1. All beneficiaries (except for Sweden) including sub-partners who are claiming for the reporting period must be listed **separately** on Appendix 8a regardless if 0% or 100% of expenditure is checked. Otherwise expenditure for that period will be deducted
2. If a beneficiary does not undergo an on the spot verification during the reporting period then 0 % of expenditure checked can be indicated and the date the report was submitted can be used. Again, whether a beneficiary will have to be subject to a on the spot verification will depend on the national legislation
3. All details (name of the first level controller, amount checked on the spot and a date) **must be included** for each beneficiary or the information will not be included on the exported version of Appendix 8a
4. A separate line for each 'on the spot verification' for each beneficiary should be used indicating the accumulated declared expenditure and the accumulated amount checked.
5. **A deduction which was made in a previous reporting round because a beneficiary was not listed on Appendix 8a will carry over until the beneficiary is correctly listed.**