

Financial reporting and First Level Control: Who does what and which report is due when?

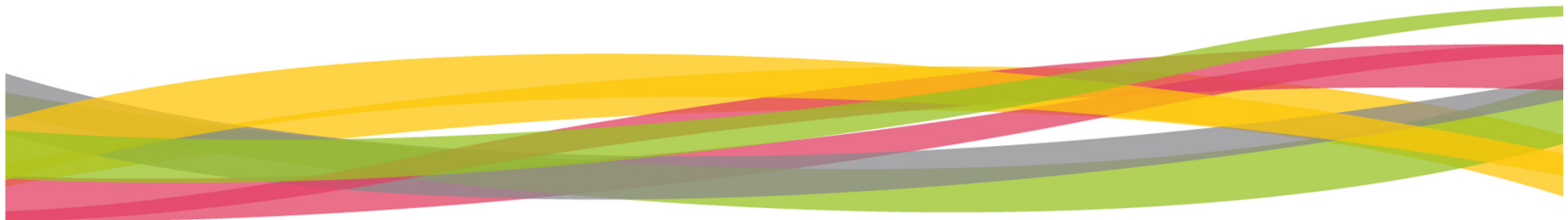
First Level Control seminar –
Denmark
Copenhagen, 21 February 2018
Jesper Jönsson





Agenda

1. Who is who?
2. What are the report types?
3. Division of labor
4. Reporting: the basics
5. Reporting procedure workflow
6. Questions





1. Who is who?

- + *Beneficiary/partner*: an organisation that is part of the partnership in the project application
- + *Lead beneficiary/partner (LB/LP)*: the managing organisation of the partnership
- + *First Level Controller (FLC)*: an external (to the partnership) auditor that takes a critical view of all project expenditure and verifies that it is in line with all relevant regulations and guidelines
- + *Joint Secretariat (JS)*: organisation responsible for the day-to-day programme management





Local partnership reporting

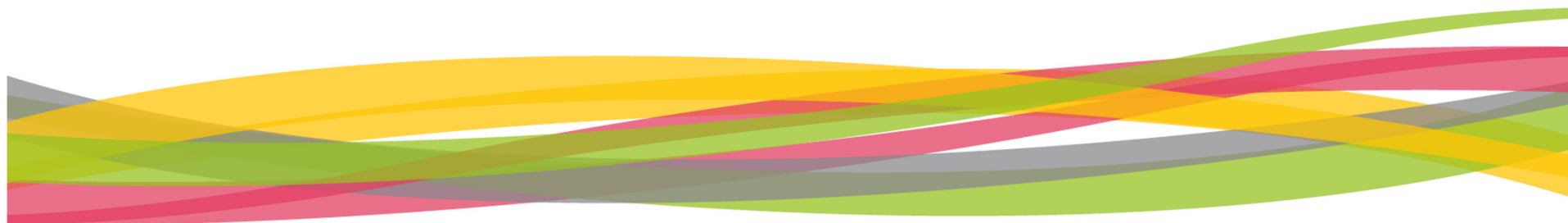
Joint Secretariat's recommendation:

activity report

Coordinating beneficiary fills out one report, which includes all relevant information of all beneficiaries in the whole local partnership.

finance report

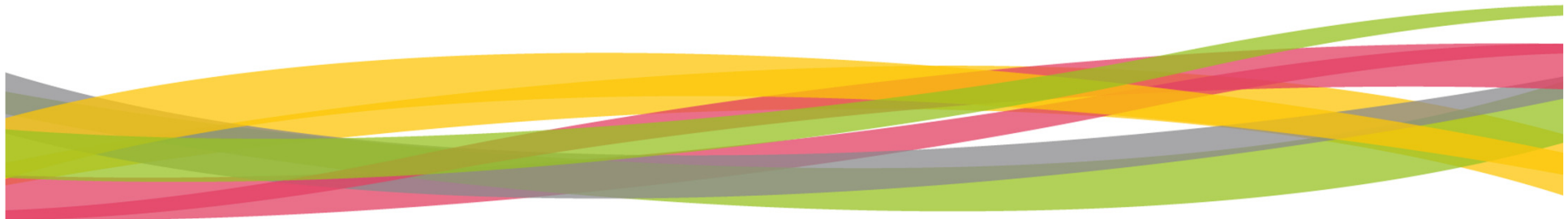
Co-beneficiaries give relevant information to the coordinating beneficiary who fills out the individual finance reports for each and every co-beneficiary.





Special rules for Local Partnerships

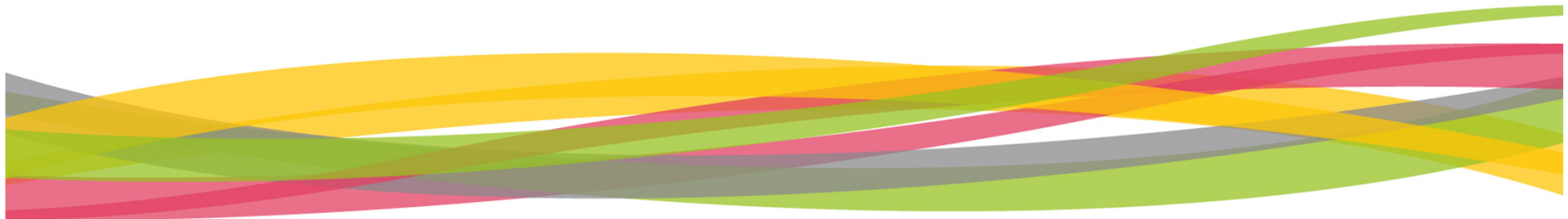
- + Co-beneficiaries cannot have their own Authorised Signatory. The Authorised Signatory of the Coordinating beneficiary signs off on all documents.
- + Co-beneficiaries do not have their own First Level Controller (generally). The coordinating beneficiary's designation is valid for the entire local partnership.
- + However... in exceptional cases individual co-beneficiaries have the option to designate their own first level controller.





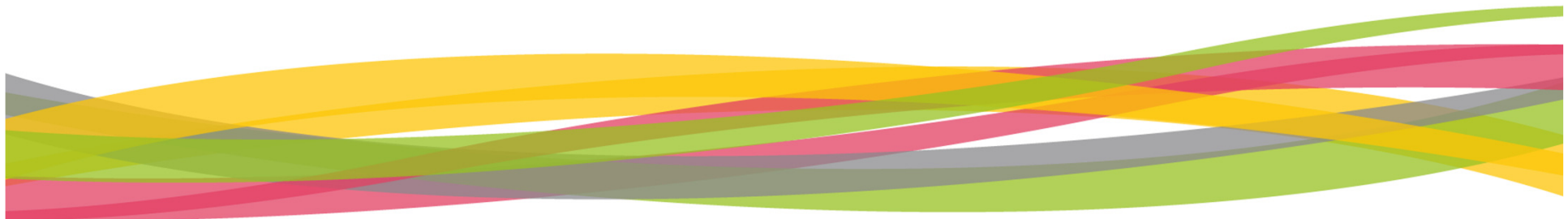
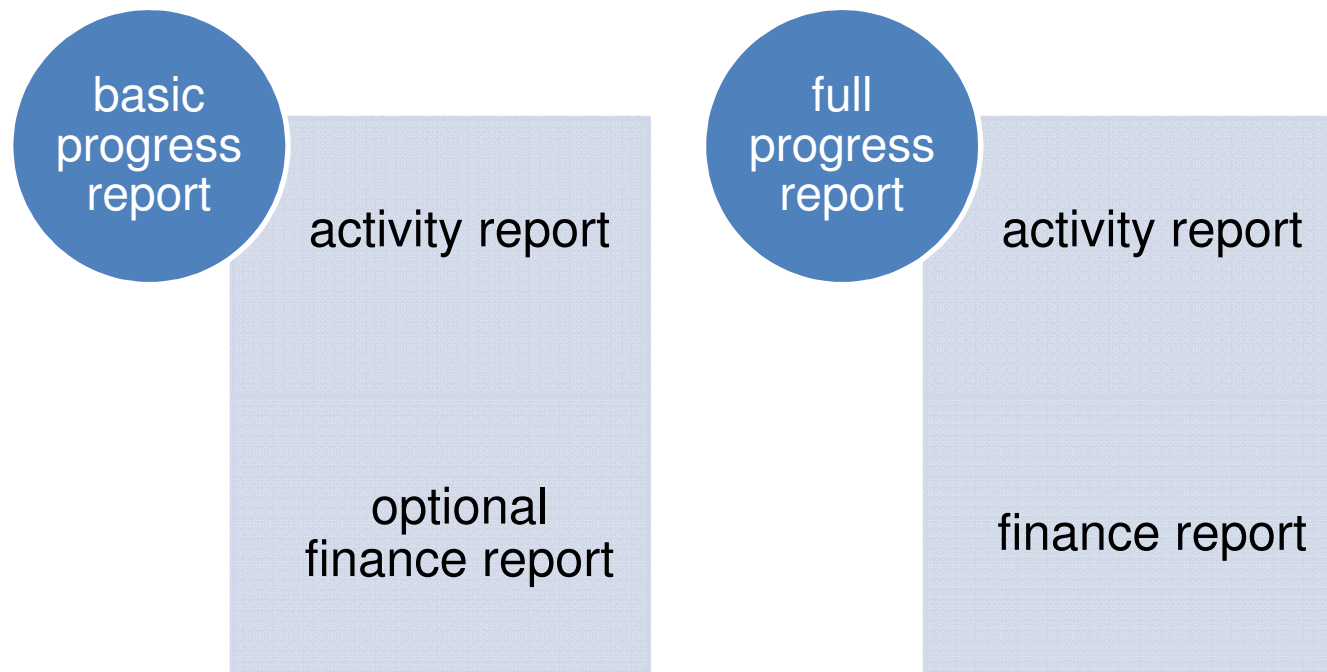
2. What are the report types?

- + **Basic progress report**: short summary of project's achievements over the last six months with facts and figures on progress towards work package targets. Statement of expenditure is **optional**.
- + **Full progress report**: the basic report plus some questions on the functioning of the partnership, how stakeholders have been involved, etc. **Must** include statement of expenditure.
- + **Final report**: focuses on overall achievements of partnership over whole project lifetime. **Must** include statement of expenditure.





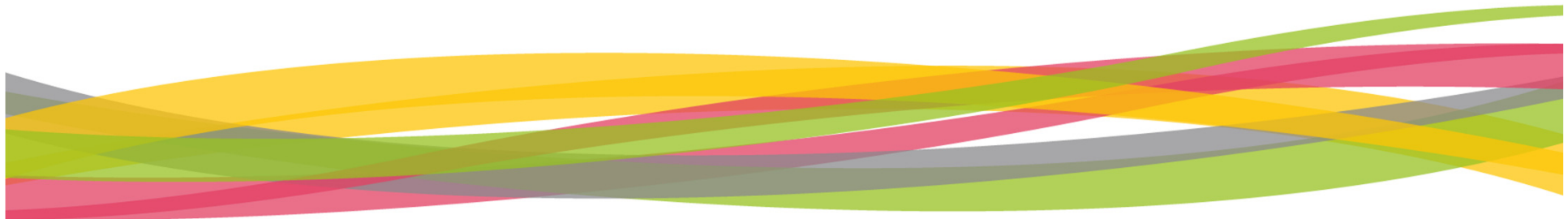
Clarification





Three things to be aware of...!

- ✓ Please note that your first report will be a basic progress report.
-> Statement of expenditure is **optional**.
- ✓ Partnership Agreement needs to be signed in order get funding paid out.
- ✓ Your first report needs to be submitted within one year after the Lead Beneficiary has signed the contract.



How to get started?

Please **ask your project advisor** to open your project's report in the Online Monitoring System.



What is your date of submission? Your advisor will enter this into the Online Monitoring System, and it will be your **deadline for submission.**






What is the work flow?

Lead Beneficiary Principle

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Every beneficiary needs to produce their own report to feed the formal project report.



Lead Beneficiary decides which aspects of each report need to be filled out by which beneficiary (optional fields). Mandatory fields are highlighted.

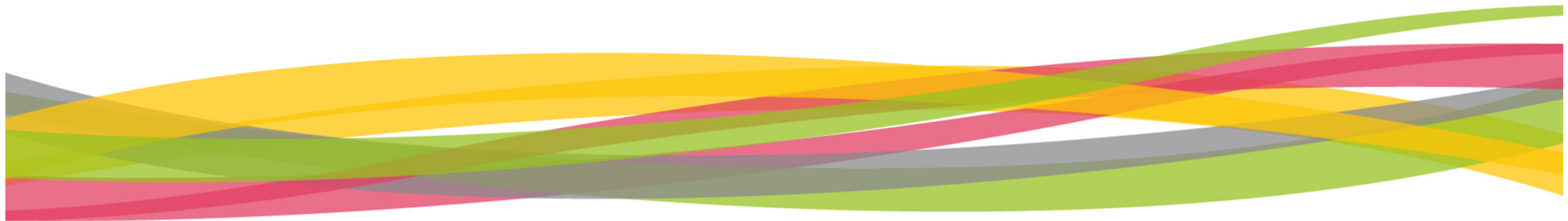
Lead Beneficiary compiles all the information contained in the beneficiaries' reports into a project level report.





Work flow...

First finance then activity!





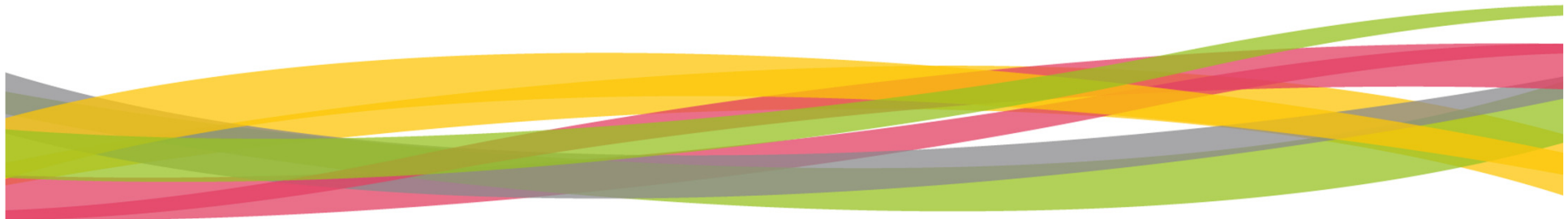
3. Division of labor (1/2)

- + **Beneficiaries** complete their individual activity reports and statements of expenditure
- + **First Level Controllers** for each beneficiary check beneficiaries' statements of expenditure, including the underlying accounting evidence, and submit them to LB
- + **Lead Beneficiary** compiles all progress reports and statements of expenditure and submits to JS for review
- + **Lead Beneficiary's FLC** does **not** re-control expenditure reported by other beneficiaries



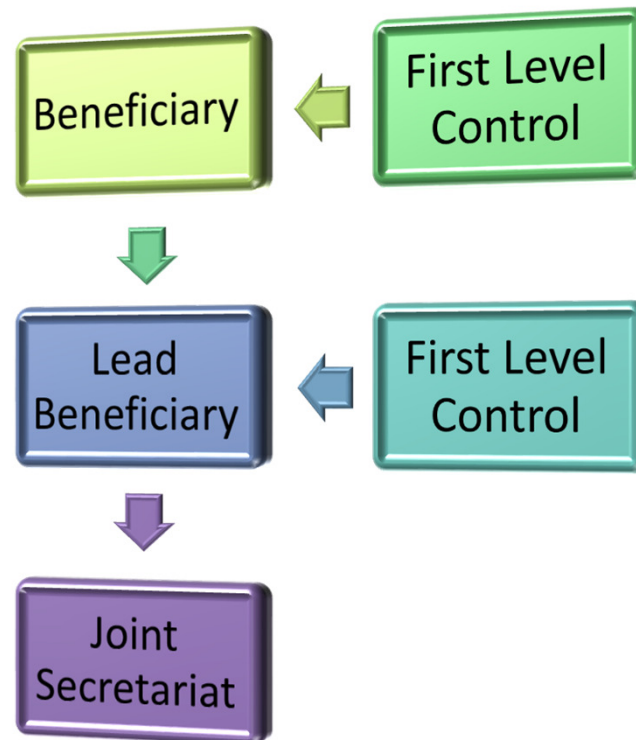
3. Division of labor (2/2)

- + **Joint Secretariat** processes report within 90 days and makes payment to LB
- + **Lead Beneficiary** transfers, without delay, the relevant share of ERDF to each beneficiary





Lead beneficiary principle







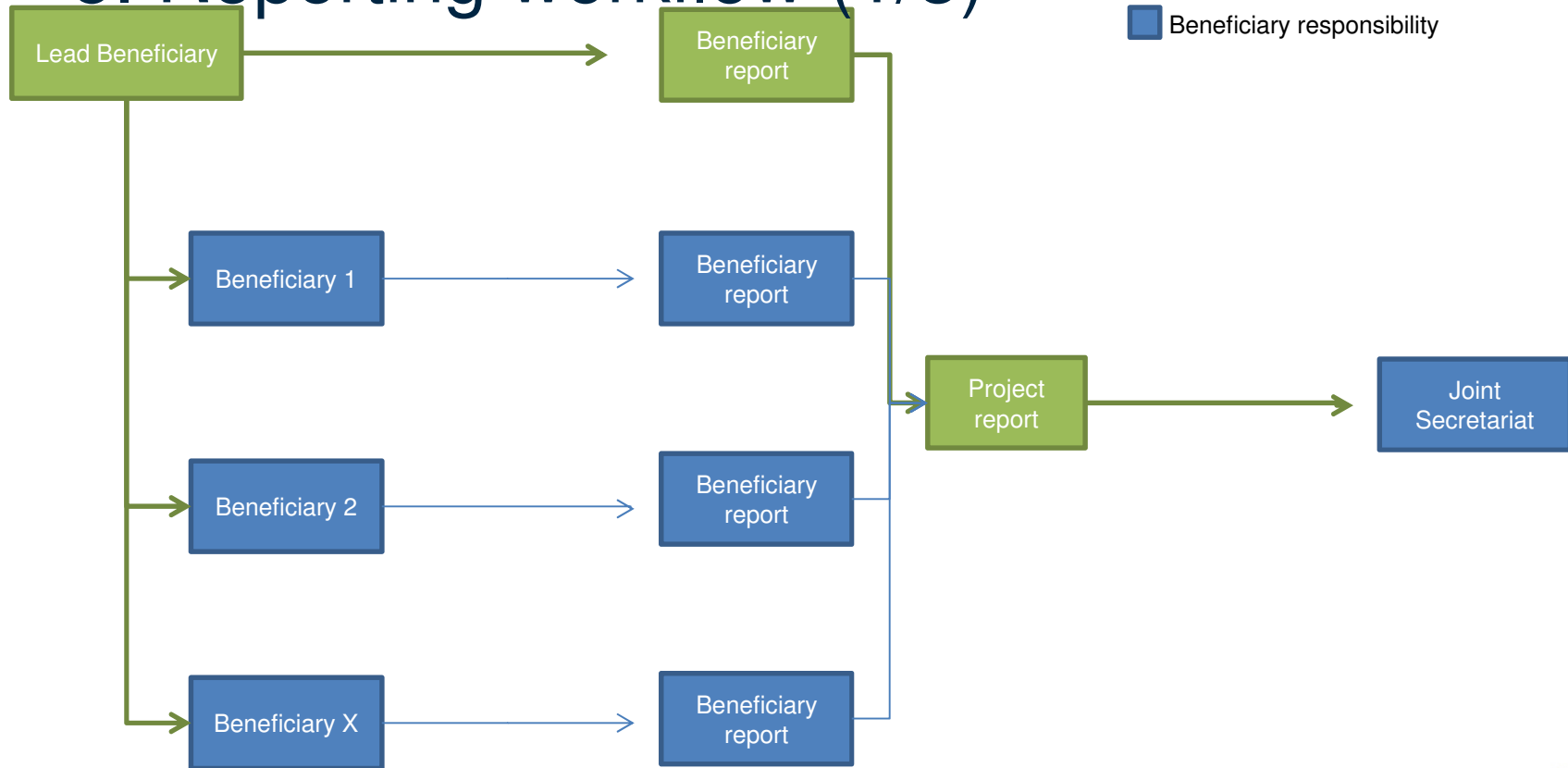
4. Reporting: The basics

- + Twice a year (but full progress report with statement of expenditure mandatory **once** a year)
 - + The basic progress report
 - + The full progress report
- + Submission of report via the Online Monitoring System (OMS) – everything done in this system
- + First Level Control
- + First report – Basic progress report by (LATEST) 12 months after contract is signed and deadline has been agreed with JS; thereafter, every 6 months



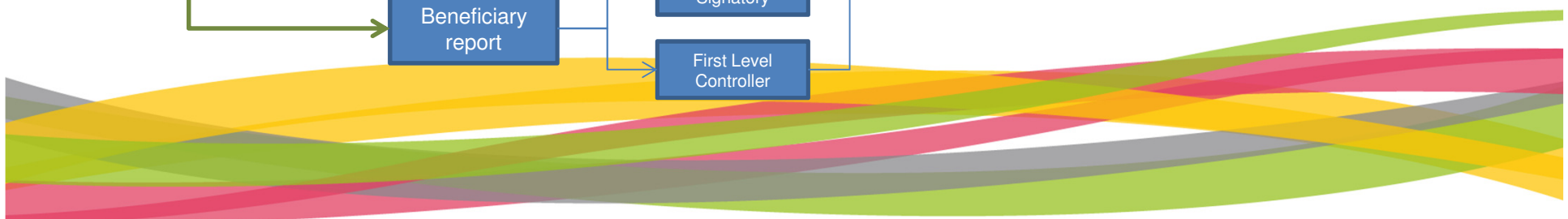
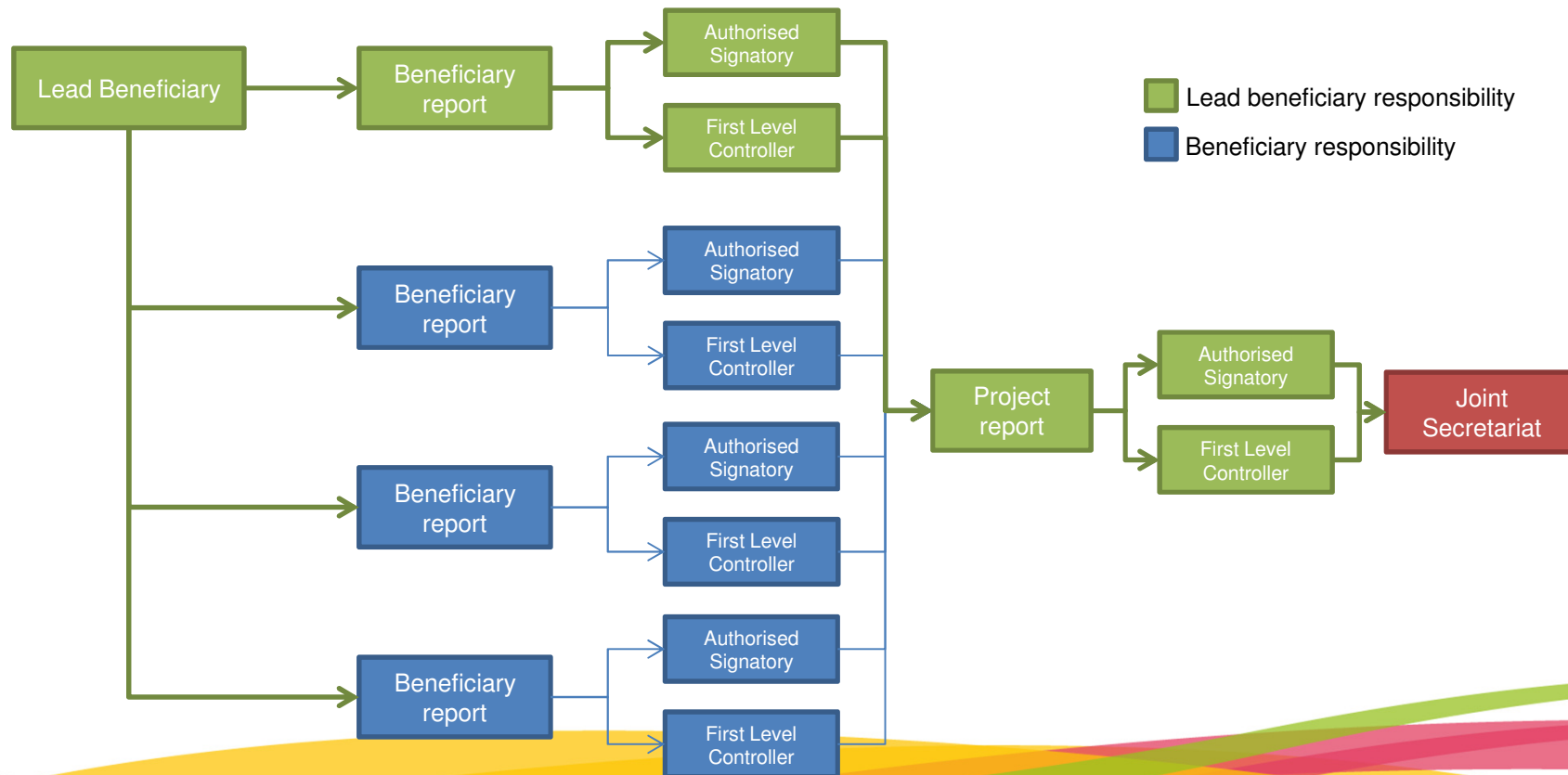
5. Reporting workflow (1/3)

-  Lead beneficiary responsibility
-  Beneficiary responsibility



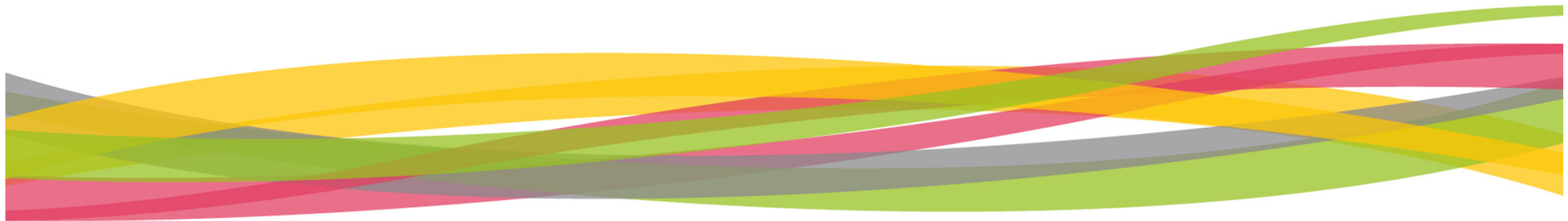
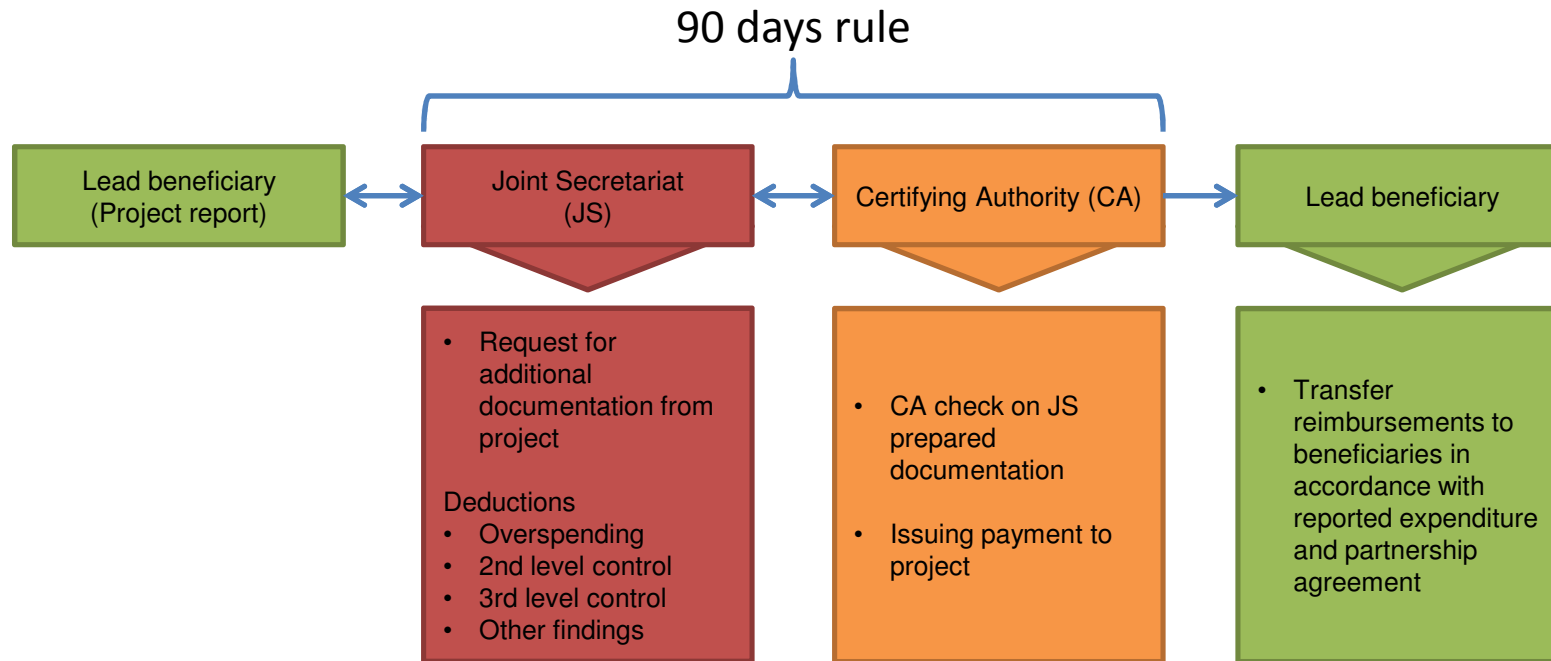


5. Reporting workflow (2/3)





5. Reporting workflow (3/3)





6. Questions?

