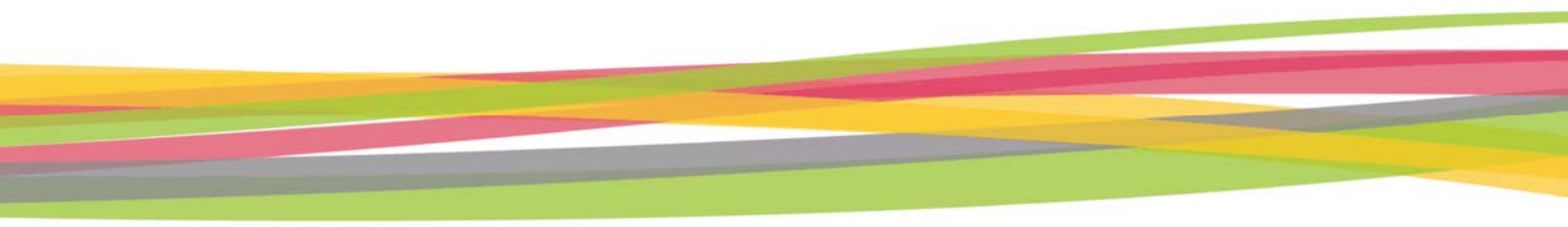




First Level Control requirements

Overview of expected checks

2014-2020





How to use this document

This document aims to provide controllers with a detailed breakdown of the checks that are expected from them every time a claim for payment is controlled. It is presented in a checklist format and controllers are welcome to use it in that way but this is not a requirement if there are nationally approved alternatives for documenting the control process. However, by signing the first level control certificate, controllers confirm that they are satisfied as to the correctness of 100% of the expenditure claimed – and thereby that they are satisfied that the beneficiary has met all of the requirements set out in this document. All controllers must therefore have a detailed understanding of all of the points raised here and must understand that ensuring compliance with all of the requirements set out here is an essential part of every control.

Making and reporting on deductions

The first level control report (which is part of the verification procedures in the online monitoring system) requires that controllers report both on the amount originally claimed by the beneficiary and the amount actually certified by the controller. All deductions must be listed and a brief explanation provided of the reason for the deduction. These requirements can serve as a useful guide when explaining the reasons for a deduction. Deductions must be made from the same budget line as the one where the error was found. Note that changes to staff costs will also lead to changes in the flat rate payment for office and administration.

The section 'Findings' of the first level control report also includes an option to provide general comments, recommendations, etc. It should be stressed that it is the responsibility of all controllers to resolve all errors with a direct financial implication as part of the control procedure and make the relevant deductions before submitting the control report and certificate. Section 6 should only be used to provide comments, recommendations etc. which have no immediate financial consequence.

Nature of checks

The regulations distinguish between 'administrative checks' (desk-based carried out at the premises of the controller) and 'on-the-spot checks' (carried out at the premises of the beneficiary and/or at the site of a product or service delivered by the beneficiary). You must state clearly which type of check has been carried out for each control.

The regulations allow for sample based control. If you do not check 100% of expenditure, you must be this clear and state the methodology used for selecting the sample, and the amount of expenditure actually checked. The sample must provide assurance as to the correctness of 100% of the expenditure certified. In addition to the checks outlined here, it is the responsibility of every controller to carry out any other checks required according to his/her professional judgement to certify the correctness of all expenditure.



Overview of expected checks

1. Beneficiary Information

1.1 Accounting System			
[according to Art. 125 4(b) of Reg. (EU) No 1303/2013] The project beneficiary uses for accounting purposes	<input type="checkbox"/> a separate accounting system	<input type="checkbox"/> an adequate accounting code	
Double-financing is excluded by:	<i>e.g., invoices are stamped, marked; on-the-spot inspection of originals, etc. (Pre-filled from previous report and updated if changed)</i>		
1.2 VAT			
The beneficiary organisation has the right to recover VAT. <i>Please provide comments if 'partially' is ticked.</i>	yes <input type="checkbox"/>	partially <input type="checkbox"/>	no <input type="checkbox"/>
1.3 Bank Account			
The correct IBAN and BIC is communicated to the Lead Beneficiary and the account belongs to the project beneficiary's organization	<input type="checkbox"/> Yes	<input type="checkbox"/> No	comment
1.6 Partnership agreement			
The partnership agreement is signed by the project beneficiary.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	comment
1.4 Format of documents			
Documents were made available to FLC in the following format (tick all that apply).	<input type="checkbox"/> originals	<input type="checkbox"/> copy	<input type="checkbox"/> electronic



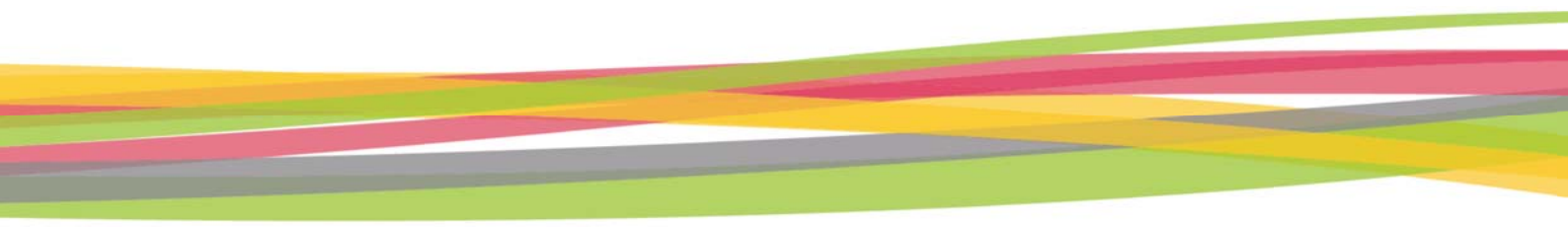
2. Audit Trail

General considerations / eligibility criteria	Comments ¹		
	Yes	Not (fully)	
A full list of expenditure is available for the reporting period from the project beneficiary.	<input type="checkbox"/>	<input type="checkbox"/>	<i>This must total the same amount as the amount declared by the beneficiary</i>
Costs are directly related to the project and necessary for the development or implementation of the project.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Verified that costs:</i> <ul style="list-style-type: none"> • <i>clearly link to the approved application form</i>
Costs are correctly allocated to the relevant budget lines.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Inspected list of expenditures.</i>
Costs are declared only once.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Inspected the list of expenditure and verified that expenditures have not been declared twice in different budget lines or in previous reporting periods.</i>
Expenditure was incurred and paid within the eligible period set out in the contract.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Expenditure is incurred and paid within the starting date of the project set in the subsidy contract and the end of the relevant reporting period (does not apply to the flat rate payment for preparation costs).</i>
(NOT needed office and administration costs which are claimed as flat rate): [according to Art 131 (2) of Reg. (EU) No 1303/2013] Expenditure is supported by invoices or documents of equivalent probative value, which are correct in content and accounting terms.	<input type="checkbox"/>	<input type="checkbox"/>	
(NOT needed office and administration costs which are claimed as flat rate): [according to Art 125(4)(a) of Reg. (EU) No 1303/2013] Expenditure is supported by a proof of payment (bank account statements, bank transfer confirmations, cash receipts, etc.).	<input type="checkbox"/>	<input type="checkbox"/>	
Ineligible costs according to Art. 69(3)(a+b) of Reg. (EU) No 1303/2013 and Art 2(2) of Delegated Reg. (EU) No 481/2014 are not included.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. verified that Interest on debt [except for cases outlined in Art 69(3)], purchase of land exceeding 10% of the total eligible expenditures [except for cases outlined in Art 69(3)], Fines, financial penalties and expenditure on legal disputes and litigation; costs of gifts</i>

¹ Text in the 'comments' box are EXAMPLES only. It needs to be adjusted according to programme rules. Some programmes will move some of this information to the left column ('general considerations/eligibility criteria') to specify the eligibility criteria.



			<i>(except those not exceeding EUR 50 per gift where related to promotion, communication, publicity or information); and costs related to fluctuation of foreign exchange rate are NOT included.</i>
[according to Art 69(3)(c) of Reg. (EU) No 1303/2013] Recoverable VAT was deducted.	<input type="checkbox"/>	<input type="checkbox"/>	
<i>(In case expenditure was incurred outside the eligible programme area)</i> The part of the expenditure incurred outside the programme area is eligible according to Art 20(2)(3) of Reg. (EU) No 1299/2013] and programme rules.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. verified that these costs do not exceed 20% of the project budget, are in line with the approved application form, and are necessary for the implementation of the project</i>
[according to Art 28 of Reg. (EU) No 1299/2013] The exchange rate used for the conversion into Euro is correctly applied, using the monthly accounting exchange rate of the Commission in the month during which that expenditure was submitted for verification to the managing authority or the controller	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Verified that foreign currency has been converted into Euro by the approved method</i>
[according to Art. 125(4)(a) of Reg. (EU) No 1303/2013] The co-financed products and services were delivered or are in progress to be delivered.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Inspected project evidence such as agendas and signed attendance lists of meetings, written outputs, pictures, etc. OR performed own research, in particular search on the internet OR inspected the project beneficiary and activities on-the-spot.</i>
Beneficiary has received the ERDF share from the previous periods.	<input type="checkbox"/>	<input type="checkbox"/>	
[according to Art. 61(2) and 65(8) of Reg. (EU) No 1303/2013] Net revenue has been deducted from the total eligible expenditure.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g., Inspected information on conferences, events, website, etc. for evidence of potential generation of net revenue and verified that project-related net revenues have been declared by the project beneficiary. Verified that declared net revenues have been calculated correctly and can be attributed to the project.</i>





On-the-spot verifications	Comments		
	Yes	Not (fully)	
Documents submitted submitted to the first level controller match the originals.	<input type="checkbox"/>	<input type="checkbox"/>	
Documents are correctly archived.	<input type="checkbox"/>	<input type="checkbox"/>	

3. Eligibility according to Budget Lines

3.1 Staff Costs

Anti-fraud measures			
Staff costs have been checked to ensure there is no evidence of fraud (See Annex 1)	<input type="checkbox"/>	<input type="checkbox"/>	

Criteria – Real cost [according to Art 67(a) of Reg. (EU) No 1303/2013] and Art (3) of Delegated Reg. (EU) No 481/2014]	Comments			Index No.
	Yes	Not (fully)		
People declaring staff costs are employees of the project beneficiary or work under a contract or equivalent document considered as an employment contract.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Inspected employment/work contracts and contracts considered as employment contracts of individuals declaring staff costs (part-time and full-time).</i>	
For staff working fulltime on the project or for a fixed percentage of their time, Written agreements exist outlining the amount that each member of staff works on the project.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Inspected agreements of persons declaring staff costs (part-time and full-time).</i>	
Staff costs are based on gross remuneration and other eligible components.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Inspected e.g., payrolls/pay slips, print-out of accounting system, etc. of employees working on the project (part-time and full-time) and verified that staff costs are based on salary payments plus any other costs</i>	



		<p>directly linked to salary payments incurred and paid by the employer such as employment taxes and social security including pensions provided that they are:</p> <ul style="list-style-type: none"> • (i) fixed in an employment document or by law; • (ii) in accordance with the legislation referred to in the employment document and with standard practices in the country and/or organisation where the individual staff member is actually working; and <p>(iii) not recoverable by the employer.</p>	
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Criteria – Part Time - Real Costs [according to Art 67(1)(a) and 68(2) of Reg. (EU) No 1303/2013] and Art (3)(4)-(7) Delegated Reg. (EU) No 481/2014]	Comments		Index No.
	Yes	Not (fully)	
The calculation method is in line with programme rules.	<input type="checkbox"/>	<input type="checkbox"/>	e.g. Verified that the method to calculate the staff costs (fixed percentage of the gross employment cost or hourly rate based on monthly/annual gross employment cost) is in line with the programme rules.
<u>(only in case of fixed percentage of time worked per month)</u> Fixed percentage of gross employment cost is in line with fixed percentage of time worked on the project.	<input type="checkbox"/>	<input type="checkbox"/>	e.g. verified that the fixed percentage worked is in line with the document setting out the percentage of time to be worked on the project for each employee and correctly calculated.
<u>(only in case of flexible shares varying from one month to the other OR hourly rates)</u> The number of hours worked on the project is documented in a time registration system.	<input type="checkbox"/>	<input type="checkbox"/>	e.g. verified that the time sheets of persons claiming staff costs based on flexible shares document the time worked on the project and show 100% of the work of the person.
Staff cost are calculated correctly.	<input type="checkbox"/>	<input type="checkbox"/>	e.g. FIXED PERCENTAGE: verified that the percentage was correctly applied to the gross employment costs for each person declaring staff costs under this option. FLEXIBLE SHARES: verified that staff cost are correctly calculated by multiplying the number of hours worked on the project with the hourly gross employment cost



3.2 Office and Administration

Criteria – Simplified Cost Option [according to Art 68(1) of Reg. (EU) No 1303/2013]	Comments		Index No.
	Yes	Not (fully)	
The flat rate is 15% of the certified staff costs	<input type="checkbox"/>	<input type="checkbox"/>	<i>This is calculated by the Online Monitoring System, however it should be reconfirmed that the automatic calculation is coherent.</i>
There is no double declaration of the same cost item in other budget lines.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Verified that no cost items listed in Art. 4 of Delegated Reg. (EU) No 418/2014 have been included in other budget lines.</i>

3.3. Travel and Accommodation

Criteria – Real Costs [according to Art 67(a) of Reg. (EU) No 1303/2013] and Art (5) of Delegated Reg. (EU) No 481/2014]	Comments		Index No.
	Yes	Not (fully)	
Travel and accommodation costs relate to staff of the beneficiary organisation or natural persons working under work contracts considered as employment contracts of the beneficiary organisation	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Inspected invoices and documents of equivalent probative value to ensure that costs were incurred by employees or persons working under contracts considered as employment contracts.</i>
Costs are in line with applicable EU, programme, national and internal rules of the beneficiary organisation.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g., verified that the types of costs listed under the budget line are eligible according to Art 5 of Delegated Reg. (EU) No 481/2014. e.g. Inspected invoices and documents of equivalent probative value to ensure that they comply with the respective national rules/internal rules of the beneficiary organization</i>



3.4. External Expertise and Services

External expertise/services were purchased in this reporting period	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(if yes) Refer to Section 4 for verifying public procurement		

Criteria – Real Costs [according to Art 67(a) of Reg. (EU) No 1303/2013] and Art (6) of Delegated Reg. (EU) No 481/2014]	Comments		Index No.
	Yes	Not (fully)	
Providers of services or expertise are external to the project partnership and have never been part of the project partnership.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Interviewed the project beneficiary to verify that external expert or service providers are not and have never been part of the project partnership.</i>
Invoices or documents of equivalent probative value are in line with the contract(s) or, where applicable, with the selected offer in terms of amount and nature.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Inspected invoices and documents of equivalent probative value to verify that they are in accordance with the contract(s).</i>
(In case of experts or services that are NOT exclusively used for the project) The share allocated to the project is plausible, i.e. calculated according to a fair, equitable and verifiable method.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Verified that only a share of the expenditure is allocated to the project and that this share is calculated according to a fair, equitable and verifiable method.</i>
Deliverables or other evidence of the work carried out by the provider are available.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Inspected delivery notes, verified existence of outputs, etc.</i>

3.5. Equipment

New equipment is reported	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(if yes) Refer to Section 4 for verifying public procurements		

Criteria – Real Costs [according to Art 67(a) of Reg. (EU) No 1303/2013] and Art (7) of Delegated Reg. (EU) No 481/2014]	Comments		Index No.
	Yes	Not (fully)	
The types of costs listed under the budget line are eligible according to EU and programme rules. Equipment costs	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Verified that the types of costs listed under the budget line are eligible according to Art 7 of Delegated Reg. (EU) No 481/2014.</i>



claimed cover only specialist equipment needed specifically for the project and do not cover e.g. general office equipment				
Invoices or documents of equivalent probative value are in line with the contract(s) or – were applicable- the selected offer in terms of amount and nature.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Inspected invoices and documents of equivalent probative value to verify that they are in accordance with the contracts in terms of amount and nature.</i>	
The method to calculate equipment expenditure is correctly applied.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Verified that the calculation method used complies with rules .</i>	
(in case of depreciation) Depreciation is in line with programme rules, national rules and Art 69 (2) of Reg. (EU) 1303/2013.	<input type="checkbox"/>	<input type="checkbox"/>		
(In case of purchases used only partially by the project – full cost and depreciation) The share allocated to the project is based on a fair, equitable and verifiable calculation method.	<input type="checkbox"/>	<input type="checkbox"/>		
Equipment is available and physically exists.	<input type="checkbox"/>	<input type="checkbox"/>		

3.6 Investments

Criteria – Real cost [according to Art 67(a) of Reg. (EU) No 1303/2013]	Comments		Index No.
	Yes	Not (fully)	
Invoices or documents of equivalent probative value are in line with the contract(s) or – where applicable- the selected offer in terms of amount and nature.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Inspected invoices and documents of equivalent probative value to verify that they are in accordance with the contract(s) or selected offers.</i>
(In case of investments that are NOT exclusively funded by the project) The share allocated to the project is plausible, i.e. calculated according to a fair, equitable and verifiable method.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Verified that only a share of the expenditure is allocated to the project and that this share is calculated according to a fair, equitable and verifiable method.</i>
Investments exist or evidence of work in progress is available.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Inspected pictures, went on-the-spot, etc..</i>



4. Compliance with public procurement rules

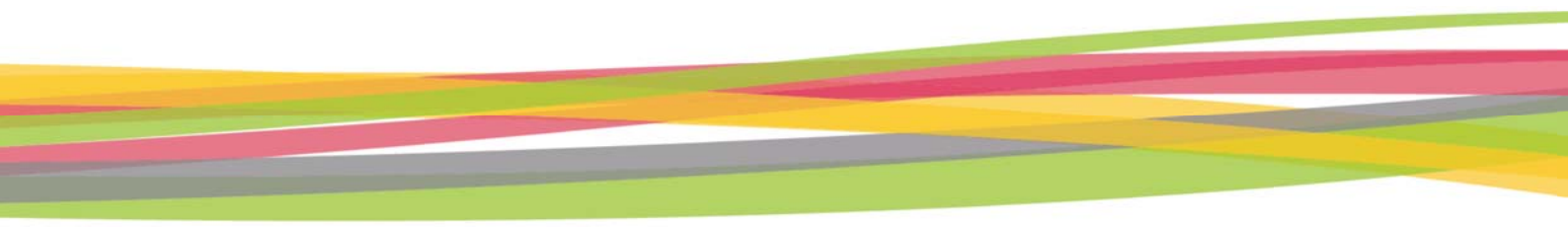
Errors in public procurement are among the most frequent errors in INTERREG projects. For this reason public procurement must receive special attention from controllers.

The verifications below are general. In particular, the requirements for '3-offer' contracts for low amounts should be treated lightly and should focus on identifying evidence that there was a genuine effort to identify bidders and that the provider was selected on a fair and transparent basis (see fact sheet 11). It is highly recommended to refer to national public procurement checklists for larger amounts. For more information please also consult the checklist used by EC auditors for public procurement, entitled: *Article 16 Checklist – Public Procurement; Objective: To ensure compliance with national and/or EU public procurement rules.*

This section should be repeated for each public procurement contract. Purchases below 5,000 Euro (excluding VAT) do not require this table.

Any deductions necessary must be allocated to the correct budget line!

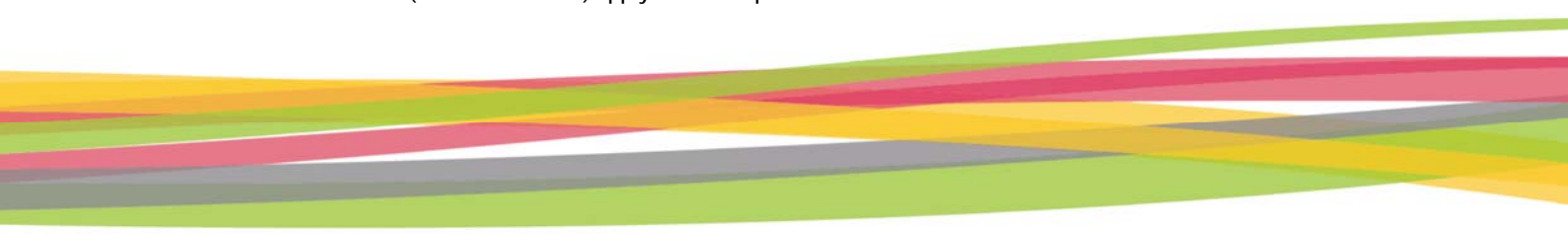
Title of the procurement – if applicable			
Name of contractor - if applicable			
The value of the procured, works, goods or services is above the EU threshold.	yes		no
The type of tender – if applicable	works	services	supply
The procurement procedure chosen (open, restricted, negotiated, direct contracting, etc.)			
The media chosen for publication – if applicable			
Criteria – Real cost [according to national and – if applicable - programme, regional and internal public procurement rules and – for amounts above the EU threshold for public procurement - national implementation of Directives No.	Accepted		Comments
	Yes	Not (fully)	
			Index No.





2014/24/EU and 2014/25/EU as of 18 April 2016 ²].				
Documentation of procurement Full documentation of the procurement procedure is available (in case documentation is not required, please tick <i>no</i> and provide an explanation in the comments section to the right).	<input type="checkbox"/>	<input type="checkbox"/>		
<u>Including:</u> Initial cost estimate made by the project beneficiary to identify the applicable public procurement procedure	<input type="checkbox"/>	<input type="checkbox"/>		
<u>Including:</u> Procurement publication/notice	<input type="checkbox"/>	<input type="checkbox"/>		
<u>Including:</u> Terms of reference	<input type="checkbox"/>	<input type="checkbox"/>		
<u>Including:</u> Offers/quotes received	<input type="checkbox"/>	<input type="checkbox"/>		
<u>Including:</u> Report on assessment of bids (Evaluation/selection report)	<input type="checkbox"/>	<input type="checkbox"/>		
<u>Including:</u> Information on acceptance and rejection	<input type="checkbox"/>	<input type="checkbox"/>		
<u>Including:</u> Complaints by bidders submitted to the contracting authority (if any)	<input type="checkbox"/>	<input type="checkbox"/>		
<u>Including:</u> Contract, including any amendments	<input type="checkbox"/>	<input type="checkbox"/>		
<u>Including:</u> Others (if any)	<input type="checkbox"/>	<input type="checkbox"/>		
Compliance with public procurement rules EU, national and - if applicable - programme, regional and internal-public procurement rules were observed. Please	<input type="checkbox"/>	<input type="checkbox"/>		
<u>Including:</u> The public procurement procedure (open, restricted, direct	<input type="checkbox"/>	<input type="checkbox"/>		

² Above EU threshold national transformation of Directive No. 2014/24/EU (on public works, supply and service contracts) and of Directive No. 2014/25/EU ('Sector Directive') apply as of 18 April 2016.





contracting, etc.) chosen complies with applicable rules.				
<u>Including:</u> There has been no artificial splitting of the contract objective/value in order to avoid public procurement requirements.	<input type="checkbox"/>	<input type="checkbox"/>		
<i>(in case a contract amendment/extension has been issued)</i> <u>Including:</u> The change has been only minor without changing the overall objective, content and economy of the tender. The change has been in line with relevant regulations without any relevant impact on the validity of the initial tender procedure.	<input type="checkbox"/>	<input type="checkbox"/>		
<i>(In case no tender was carried out)</i> <u>Including:</u> There is evidence on file documenting justification of this decision (e.g. in relation to Directive No. 2014/24/EU and Fact Sheet 11)	<input type="checkbox"/>	<input type="checkbox"/>		
<i>(In case of in-house contracting)</i> <u>Including:</u> There is evidence on file that in-house contracting is justified. In case of in-house contracting only real costs can be declared!	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. verified that conditions for in-house contracting or inter-communal cooperation set out in Fact Sheet 11 and Art 12 of Directive 2014/24/EU are met.³</i>	
<i>(In case of procurements above EU thresholds public procurements)</i> <u>Including:</u> Publicity requirements were respected.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g., verified that the possibility to submit a tender has been correctly advertised with a fair and clear description of the subject of the tender, the deadline and procedure for submitting bids, the selection and award criteria and the estimated contract value were respected).</i>	
<i>(In case of procurements below EU thresholds for public procurements AND potential relevance of the procurements for bidders in other countries)</i> The principles of transparency, non-	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Verified that the degree of advertising was sufficient to ensure that an undertaking located in another Member State has access to appropriate information Regarding the contract before it is awarded.</i>	

³ National transformation of Article 12 of Directive No. 2014/24/EU will be in force by April 2016 the latest. Prior to that, case law applies.



discrimination, equal treatment and effective competition been complied with (also for items below the EU-thresholds). <i>Transparency rules are outlined in the 'Commission Interpretative Communication on the Community law applicable to contract awards not or not fully subject to the provisions of the Public Procurement Directives (2006/C 179/02).</i>				
<u>Including:</u> - If applicable- There was a clear distinction between selection and award criteria in the evaluation of the bids. ⁴	<input type="checkbox"/>	<input type="checkbox"/>		
<u>Including:</u> - If applicable- Selection and award criteria and required technical specifications and national permits are transparent, non-discriminatory and ensure equal treatment.	<input type="checkbox"/>	<input type="checkbox"/>		
<u>Including:</u> - If applicable- Decisions are properly documented and justified.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g., verified that decisions of the evaluation committee are properly documented and selection and award criteria have been applied in a consistent way and no new criteria were added.</i>	
Contracts				
Contract(s) is/are in line with the selected offer(s).	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Inspected contract(s) to verify that they comply with the selected offer(s).</i>	
Anti-fraud measures				
Procurement procedures have been checked to ensure there is no evidence of fraud (See Annex 1)	<input type="checkbox"/>	<input type="checkbox"/>		

⁴ Purchases above EU public procurement thresholds require a clear distinction between selection and award criteria. Below EU thresholds this is not always the case.



5. Compliance with information and publicity requirements

Criteria – Real cost [according to Annex XII of Reg. (EU) No 1303/2013]	Accepted		Comments	Index No.
	Yes	Not (fully)		
Information and publicity rules of the EU and the programme were complied with.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g., Inspected project publicity items, including brochures, agendas of conferences, studies and deliverables to ensure they meet the publicity requirements outlined in Annex XII of Reg. (EU) No 1303/2013.</i>	
(In case of contracts exceeding a total public contribution of EUR 500.000 and consisting of the financing of infrastructure or construction projects) A temporary billboard of a significant size, readily visible to the public has been installed.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g., Inspected site to ensure they meet the publicity requirements outlined in of Art 2.2 of Annex XII of Reg. (EU) No 1303/2013).</i>	
(In case of projects not falling under the specification above) At least one poster with information about the project (minimum size A3), including the financial support from the Union at a location readily visible to the public, such as the entrance area of the building.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g., Inspected site to ensure they meet the publicity requirements outlined in Art 2.2 of Annex XII of Reg. (EU) No 1303/2013.</i>	



6. Compliance with other EU rules

You are asked here to confirm that you have not found evidence that EU policies on sustainable development, equal opportunities and non-discrimination, equality between men and women, or state aid are not being respected.

Criteria	Accepted		Comments	Index No.
	Yes	Not (fully)		
<p>[according to Articles 4 and 8 of Reg. (EU) No 1303/2013]</p> <p>There is no evidence that beneficiary activities do not comply with EU objectives for sustainable development.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Compared the beneficiary report does not raise any relevant issues.</i>	
<p>There is no evidence that investments do not comply with EU and national legislation on environmental impacts, required permits, etc.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Compared the beneficiary report does not raise any relevant issues.</i>	
<p>[according to Articles 4 and 7 of Reg. (EU) No 1303/2013]</p> <p>There is no evidence that beneficiary activities do not comply with the EU objectives for equality between men and women and non-discrimination.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Compared the beneficiary report does not raise any relevant issues.</i>	
<p>[according to Article 6 of Reg. (EU) No 1303/2013]</p> <p>There is no evidence that beneficiary activities do not comply with Community rules on State aid.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<p><i>e.g. Compared the beneficiary report to the application form and verified that activities are in line with the application form and do not raise any new issues.</i></p> <p><i>e.g. Verified that the project beneficiary complies with any terms for State Aid set out in the project contract</i></p> <p><i>e.g. Verified that the beneficiary has complied with requirements for services to final aid recipients outside the project partnership in accordance with the project contract</i></p>	

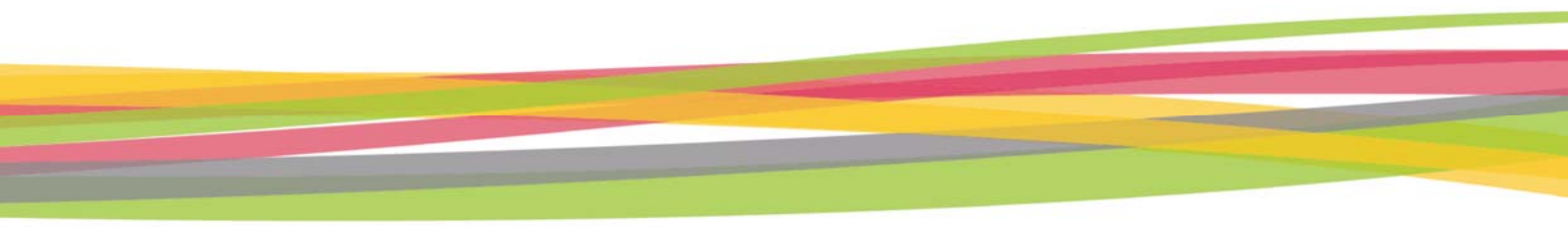


7. Shared Costs

Criteria – Real cost	Accepted		Comments	Index No.
	Yes	Not (fully)		
The Partnership Agreement includes a written agreement on shared costs between beneficiaries including the division key, the beneficiary incurring the original expenditure, specification of types of costs shared etc.	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
The method for cost sharing complies with the programme fact sheet on shared costs.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<i>e.g. Inspected the calculation scheme for cost sharing to ensure that it complies with programme rules</i>	

8. Lead Beneficiary-specific verifications (filled-in in the case of Lead Beneficiaries only)

Criteria – Real cost	Accepted		Comments	Index No.
	Yes	Not (fully)		
The Lead Beneficiary forwarded ERDF shares for the previous report to the project beneficiaries without unnecessary delays and in full.	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g. Inspected the bank account statement to verify that the Lead Beneficiary forwarded ERDF shares for the previous report to the project beneficiaries without delays taking into consideration shared costs.</i>	





Annex 1 – Fraud risks in procurement and staff costs

<p>Undisclosed conflict of interests or bribes and kickbacks</p>	<p>A member of staff of the beneficiary favours an applicant / tenderer because:</p> <ul style="list-style-type: none"> - an undeclared conflict of interest occurred or - bribes or kickbacks were paid 	<p>1) Beneficiaries may award sub-contracts to third parties in which a member of staff has an interest, whether financial or otherwise. Similarly, organisations may not fully disclose all conflicts of interest when applying for a contract or 2) Third parties that have applied for contracts may offer kickbacks or bribes to the beneficiaries in order to influence the award of contracts.</p>
<p>Avoidance of required competitive procedure</p>	<p>A beneficiary avoids the required competitive procedure in order to favour a particular applicant in either winning or maintaining a contract by:</p> <ul style="list-style-type: none"> - split purchases or - unjustified single source award or - not organising a tendering process or - irregular extension of the contract. 	<p>1) Beneficiaries may split a purchase into two or more purchase orders or contracts in order to avoid having to launch a competitive procedure or higher-level management review or 2) Beneficiaries may falsify single source acquisition justification by drafting very narrow specifications or 3) Beneficiaries may award contracts to favoured third parties without the required tendering process or 4) Beneficiaries may extend original contract lengths via a contract amendment or additional condition, in order to avoid a re-tendering process.</p>
<p>Manipulation of the competitive procedure process</p>	<p>A member of staff of a beneficiary favours a tenderer in a competitive procedure through:</p> <ul style="list-style-type: none"> - rigged specifications or - leaking bid data or - manipulation of bids. 	<p>1) Beneficiaries may tailor requests for bids or proposals so that they contain specifications which are tailored to meet the qualifications of a particular bidder, or which only one bidder can meet. Specifications which are too narrow can be used to exclude other qualified bidders or 2) Contracting, project design or bid evaluation personnel from a beneficiary may leak confidential</p>



		information to help a favoured bidder formulate a superior technical or financial proposal, such as estimated budgets, preferred solutions, or the details of competing bids or 3) Beneficiaries can manipulate bids after receipt to ensure that a favoured contractor is selected
Collusive bidding	Bidders manipulate the competitive procedure organised by a beneficiary to win a contract by colluding with other bidders or setting up fake bidders: - collusive bidding including bidding by interlinked companies or - phantom service provider	1) Third parties in a particular geographic area or region or industry can conspire to defeat competition and raise prices through various collusive bidding schemes, such as complementary bidding, bid suppression, bid rotation and market division or 2) Third parties may set up a 'phantom' service provider to submit complementary bids in collusive bidding schemes, to inflate costs or simply to generate fictitious invoices. In addition, an employee of the beneficiary can authorise payments to a fictitious seller in order to embezzle funds.
Defective pricing	A bidder manipulates the competitive procedure by not specifying certain costs in its bid	Third parties may fail to disclose current, complete and accurate cost or pricing data in their price proposals resulting in an increased contract price.
Manipulation of cost claims	A contractor manipulates cost claims or invoices to overcharge or recharge incurred costs. - Single contractor double claims costs or - False, inflated or duplicate invoices.	1) A third party with multiple similar work orders might charge the same personnel costs, fees or expenses to several contracts or 2) Third parties might knowingly submit false, inflated or duplicate invoices, either acting alone or in collusion with contracting personnel.



<p>Non-delivery substitution products</p>	<p>or of</p> <p>Contractors violate the contract conditions by non-delivery of agreed products or alterations and substitution with inferior quality</p> <ul style="list-style-type: none"> - Product substitution or - Non-existence of products or operation not carried out in line with grant agreement 	<p>1) Third parties may substitute inferior quality items for those which are specified in the contract or otherwise fail to meet contract specifications and then knowingly misrepresent that they have. Beneficiaries may be complicit in this fraud or 2) Some or all products or services to be supplied as part of a contract may not be provided, or the contract was knowingly not carried out in line with the grant agreement.</p>
<p>Amendment existing contract</p>	<p>of</p> <p>A beneficiary and a contractor collude to amend an existing contract with more favourable conditions for the third party to such an extent that the original procurement decision is no longer valid.</p>	<p>Amendment may be made to a contract after it has been agreed between a beneficiary and a third party, changing the contract terms/conditions to such an extent that the original procurement decision may no longer be valid.</p>
<p>Overstatement of quality or activities of personnel</p>	<p>A contractor intentionally overstates the quality of provided personnel or activities to claim them as eligible costs.</p> <ul style="list-style-type: none"> - Inadequately qualified labour or - Inaccurate descriptions of activities completed by personnel 	<p>1) A beneficiary or third party may propose a team of adequately qualified personnel in a tender, only to implement the action with personnel that are inadequately qualified or 2) A beneficiary or third party may knowingly falsify descriptions of tasks performed by personnel in order to ensure that costs claimed are considered eligible</p>



<p>False labour costs</p>	<p>A beneficiary claims knowingly false labour costs for activities that are not carried out or not carried out in accordance with the contract.</p> <ul style="list-style-type: none"> - False labour costs or - Uncompensated overtime or - Incorrect time rates claimed or - Staff costs claimed for personnel that do not exist or - Staff costs claimed for activities that took place outside the implementation period. 	<p>1) A beneficiary or third party may knowingly claim false labour, by inflating the number of working hours completed by the trainers, or by falsifying documents supporting the existence of such events, such as the record of attendance and invoices for the renting of teaching rooms or 2) A beneficiary or third party may knowingly claim overtime where no credit for the extra hours is usually given to staff or 3) A beneficiary or third party may knowingly claim inflated rates for personnel by misrepresenting hourly rates or actual working hours 4) A beneficiary or a third party may falsify documentation in order to claim costs for personnel that are not employed, or which do not exist or 5) A beneficiary or third party may knowingly falsify documentation to ensure that costs appear to have been incurred during the relevant implementation period.</p>
<p>Labour costs are apportioned incorrectly to specific projects</p>	<p>A beneficiary knowingly incorrectly apportions staff costs between EU projects and other sources of funding</p>	<p>A beneficiary may knowingly incorrectly apportion staff costs between EU projects and other sources of funding</p>

