



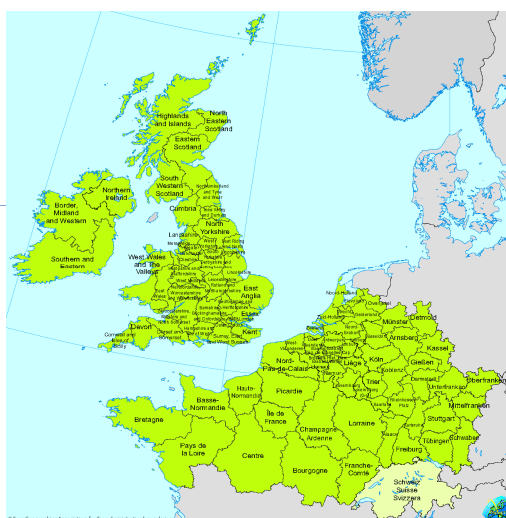
FLC Seminar Brussels- 16 September 2019

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Investing in Opportunities

The NWE Area 2014-2020



€396 million ERDF budget

60% co-funding

83 projects approved

313 million allocated

819 project partner

Tools for monitoring

6-monthly progress reports using eMS (activities and expenditure)

- + Meetings/phone calls
- + Partner meetings, project events
- + Two quality appraisals

Responsibility FLC

- First and main line of defense
- The only one who has all the documents
- Ensures eligibility of expenditure and audit trail
- Other countries, other systems...

Responsibility FLC

- Documenting the FLC work
 - Main point of criticism by auditors
 - Documents to be filled in:
 - Checklist (eMS + procurement)
 - Report

Responsibility LP FLC

The Programme asks the FLC of the lead partner to confirm:

- that the documents presented by the project partners are complete and have been validated by the partner FLC.
- that the information provided in the checklist of the partners is sufficient.
- that the ERDF payment from the lead partner to the project partners has been made without unnecessary delays and in full.

Responsibility LP FLC

- Making sure that all is fine vs. re-doing the job of the PP FLC.
- It's all about the quality of the work done on the level below.
- LP will have to provide the LP FLC with the documents.
- So what do you do if you think that it is missing?

Anti Fraud measures in NWE

- Zero tolerance
- Special FLCs reports in case of suspicion of fraud (see NWE homepage)
- Whistleblowing procedure



Programme Manual/Basic Rules



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Basic rules

The programme manual changes, pay attention to new submissions.

There are different levels of rules (European, Programme, National and institutional).

If those rules contradict each other, the stricter rule prevails.

To be eligible project costs must:

- Relate to the activities of the AF
- Be reasonable, justified, consistent with the applicable rules and sound financial management
- Identifiable, verifiable, plausible
- Incurred and paid
- Substantiated by proper evidence



Start and end of eligibility

Start date: approval of MC, set by JS.

End date: set by the project.

Preparation costs: €30,000 ERDF paid to the LP, up to partnership to decide who gets what.

Advance payments: available upon request with the submission of the AF, possible only for micro enterprises and micro NGO. €50,000 or 50% of partners budget, whichever is lower.



Closure

End date is the date that the documents are supposed to be at the JS

All output evidence is provided with the final report

Remember the FLC on the spot check

Settlement of the advances, check that all is incurred and paid before end date, overspending of budget lines on project level

JS will inform projects on how long they must keep their documents

Basic rules

Budget flexibility

The JS monitors the project spending only. Only in case of slow spending of a project, officers will look into the spending of partners in order to analyse the situation.

Each budget line can be overspent by 20%, afterwards a change request needs to be made.

If an item was forgotten in one claim, it can be added in the next one.

Public Procurement

NWE Programme rule:

For all contracts above € 5,000 (excl. VAT) project partners need to have documented proof that three quotes have been asked for. In the event that the partner must comply with other, stricter rules (e.g. internal rules), these stricter rules must apply.

The violation of this rule will lead to a 25% flat rate correction by the FLC or the JS if not applied by the FLC.

Public Procurement

The fundamental procurement principles of transparency, non-discrimination and equal treatment also apply for all purchases and subcontracted activities below the threshold values.

Current EU threshold values:

- Services and supplies €221,000
- Works contracts: €5,548,000

Public Procurement

Main procurement mistakes:

- **Direct award** of tenders without any competition
- **Extension of contracts** are too big or in addition to the old contract, breach a threshold.
- **Insufficient audit trail** (lack of documentation)
- Exceptions due to **urgency** : min 3 quotes rule + prove the unforeseeable circumstances. Insufficient planning by the project partner is not acceptable.
- **Previous relationship**: having worked with a provider whose quality of work was good and wishing to benefit from the knowledge the provider acquired then is not sufficient => never approved by external auditors.

Flat rate corrections on procurements range from 10% to 100% depending on the severity of the breach.



Reporting



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Reporting flow

LP FLC

Partner ↔ FLC ↔ LP ↔ JS ↔ MA ↔ CA ↔ LP ↔ Partner

Reporting expenditure

Partners spend according to the Application Form and report their costs directly in the **eMS**, in the List of Expenditures.

Each invoice is allocated to one of 6 budget lines and attributed to one of the Work Packages.

Edit expenditure
Partner report 11 LP_1 Period 1 List of expenditures

PP	Budget line	---	Please describe the expenditure. In the case of staff costs, please indicate the applied method (cf. programme manual section 5.2.I) 2000 Characters remaining Further description, if needed 2000 Characters remaining Partner Comment 2000 Characters remaining
	Workpackage	---	
	Internal reference number		
	Invoice number		
	Invoice date		
	Date of payment *		
	Currency	EUR - EURO	
	Total value of item in original currency		
	VAT		
	Declared amount in the original currency		
	Expenditure outside the Programme area?	<input type="checkbox"/>	
	In kind	<input type="checkbox"/>	

Edit expenditure
Partner report 11 LP_1 Period 1 List of expenditures

PP

Budget line: ---

Workpackage: ---

Internal reference number: ---

Invoice number: ---

Invoice date: ---

Date of payment *: ---

Currency: EUR - EURO

Total value of item in original currency: ---

VAT: ---

Declared amount in the original currency: ---

Expenditure outside the Programme area? ☐

In kind ☐

Please describe the expenditure. In the case of staff costs, please indicate the applied method (cf. programme manual section 5.2.I)

Staff costs

Office and administration

Travel and accommodation

External expertise and services

Equipment

Infrastructure and works

Net Revenue

2000 Characters remaining

Further description, if needed

2000 Characters remaining

Partner Comment

2000 Characters remaining

Edit expenditure
Partner report 11 LP_1 Period 1 List of expenditures

PP

Budget line: ---

Workpackage: ---

Internal reference number: ---

Invoice number: ---

Invoice date: ---

Date of payment *: ---

Currency: EUR - EURO

Total value of item in original currency: ---

VAT: ---

Declared amount in the original currency: ---

Expenditure outside the Programme area? ☐

In kind ☐

Please describe the expenditure. In the case of staff costs, please indicate the applied method (cf. programme manual section 5.2.I)

2000 Characters remaining

Further description, if needed

2000 Characters remaining

Partner Comment

2000 Characters remaining

Please specify the method for charging staff costs here

Edit expenditure
Partner report 11 LP_1 Period 1 List of expenditures

PP Budget line: Travel and ad

Workpackage: ---

Internal reference number: ---

Invoice number: ---

Invoice date: ---

Date of payment *: ---

Currency: EUR - EURO

Total value of item in original currency: ---

VAT: ---

Declared amount in the original currency: ---

Expenditure outside the Programme area? ☐

In kind ☐

Please describe the expenditure. In the case of staff costs, please indicate the applied method (cf. programme manual section 5.2.I)

LT implementation Long term

M management Project management

Further description, if needed

Partner Comment

Edit expenditure
Partner report 11 LP_1 Period 1 List of expenditures

PP Budget line: Staff costs

Workpackage: M managem

Internal reference number: ---

Invoice number: ---

Invoice date: ---

Date of payment *: 08.12.2016

Currency: EUR - EURO

Total value of item in original currency: ---

VAT: ---

Declared amount in the original currency: ---

Expenditure outside the Programme area? ☐

In kind ☐

Please describe the expenditure. In the case of staff costs, please indicate the applied method (cf. programme manual section 5.2.I)

Further description, if needed

Partner Comment

DKK - Danish krone

DOP - Dominican peso

DZD - Algerian dinar

EGP - Egyptian pound

ERN - nakfa

ETB - Ethiopian birr

EUR - EURO

FJD - Fiji dollar

FKP - Falkland Islands pound

What does the eMS do?

- automatically **aggregates** the claimed amounts and puts them in a list
- automatically applies the **exchange rate** for foreign currencies
- **transfers** the reports from the partners to their First Level Controllers (FLC), to the LP, who, with their FLC, endorses the amounts and transfers the report to the JS.
- **warns** you if a mistake is detected, or **blocks** you.

Exchange rate

The eMS takes care of converting expenditure into euros, but when do you claim in another currency?

Expenditure	Bookkeeping	eMS
€	€	€
	Other	€
Other	€	€
	Other	Other



Reporting expenditure : specific rules

1. One invoice = one line : invoices should not be **split!**
You can alternate the allocation of WPs if costs (e.g. for a member of staff) are budgeted several WPs.
2. Office and administration is calculated **automatically.**
3. Partners should claim in accordance with the Application Form!
4. Only **eligible expenditure** should be reported!

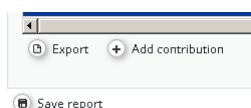


What documents go into the eMS?

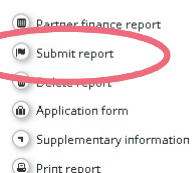
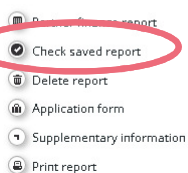
- Partners are allowed to upload additional attachments related to the entire report. Make sure that the attachments are relevant for the report.
- The eMS is not a storage place for invoices, procurements documents or timesheets.
- Only upon special request by the JS or LP, the partner should upload such documents.


Common mistakes

- Don't forget to....



How is a partner report submitted?



Interreg 
North-West Europe
European Regional Development Fund

How do I put the partner reports together?

Report > Work packages > Certificates > Project report tables > Attachments

Project progress report
Period 1 - 01.01.2015 - 31.12.2015

Start date: 01/01/15 End date: 31/12/15

Highlights of main achievements

Description of the main achievements in the reporting period *

Characters (including HTML) 0 (Limit: 2000), Words: 0

List of partner FLC certificates

Partner address	Certificate number	Certificate date	Total expenditure certified by FLC	Include in project finance report	Total partner expenditure included	Co-financing source	Co-financing rate (%)	Total partner EF
LP_1	LP_1.1.1	15.11.2016	€ 86 000,00	<input type="checkbox"/>		ERDF	85.00 %	

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European Regional Development Fund

FLC work in the eMS



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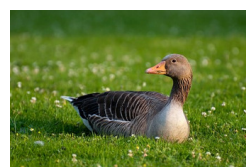
FLC documentation to be submitted

- Checklists and report
- FLC certificate

No signature is necessary due to the personalised login!

The sitting duck concept

Expenditure that is not ticked
verified by the FLC.



FLC work in the eMS

List of expenditure

Report number	Item Id	Budget line	WP	Procurement	Internal reference n
1.1	1.1	Staff costs	T1 WP T1 joint development of innovative ideas to reduce food waste		
1.1	1.2	Staff costs	T1 WP T1 joint development of innovative ideas to reduce food waste		
1.1	1.3	Staff costs	C Communication		
1.1	1.4	Staff costs	T2 WP T2 joint testing and implementation of innovative solutions to reduce food waste		
1.1	1.5	Staff costs	T2 WP T2 joint testing and implementation of innovative solutions to reduce food waste		
1.1	1.6	Staff costs	LT Long term		
1.1	1.7	Staff costs	M Project management		
1.1	1.8	Staff costs	M Project management		
1.1	1.9	Staff costs	M Project management		
1.1	2.1	Office and administration	T1 WP T1 joint development of innovative ideas to reduce food waste		
1.1	2.2	Office and administration	C Communication		
1.1	2.3	Office and administration	T2 WP T2 joint testing and implementation of innovative solutions to reduce food waste		
1.1	2.4	Office and administration	LT Long term		
1.1	2.5	Office and administration	M Project management		
4.1	4.1	External expertise and services	M Project management		

FLC work in the eMS



PP	Budget line	External expertise and services	Please describe the expenditure. In the case of staff costs, please indicate the applied method (cf. programme manual section 5.2.8)
	Workpackage	M Management Project management	
	Procurement	---	
	Internal reference number		
	Invoice number	KDGL00	
	Invoice date		
	Date of payment *	01.03.2017	
	Currency	EUR - EURO	
	Conversion rate	[1]	
	Total value of item in original currency	20 000.00	
VAT	2 000.00		
Declared amount in the original currency	18 000.00		
Declared amount in Eur	18 000.00		
Expenditure outside the Programme area?	<input type="checkbox"/>	Partner Comment 2000 Characters remaining	
In kind	<input type="checkbox"/>		
Verified by FLC	<input type="checkbox"/>		
Difference FLC	€ 0.00		
Amount FLC certified	€ 0.00		
FLC Correction Type		200 Characters remaining	

Classification of errors



FLC	Expenditure outside the Programme area?	<input type="checkbox"/>	Comment FLC
	In kind	<input type="checkbox"/>	
	Verified by FLC	<input type="checkbox"/>	
	Difference FLC	€ 1 000.00	
	Amount FLC certified	€ 0.00	
	FLC Correction Type		

Upload

No records found

Save

Incorrect public procurement

State aid-related error

Revenue generating operation

Information and publicity error

Incorrect use of simplified cost option

VAT not eligible

No or insufficient link to project

Miscalculation

Cost declared twice

Limits of the FLC section

Only the amount can be modified (lowered or raised).

All other changes like budget line, WP, in kind, dates..... need to be changed by the partner.

=> Send it back to the partner if necessary

How to send back without losing the work

List of expenditure

Report number ↕	Item Id ↕	Budget line ↕	WP ↕	Verified by FLC ↕
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
LP_1 2.8	1.1	Staff costs	M Project management	✓
LP_1 2.8	2.1	Office and administration	M Project management	✓
LP_1 2.8	3.1	Travel and accommodation	M Project management	✓
LP_1 2.8	4.1	External expertise and services	M Project management	✓
LP_1 2.8	5.1	Equipment	M Project management	✓

Verified by FLC ↕

How to unblock a line in order to have it modified

Untick the verified by FLC

Save => change of color

Send it back to the partner



If the tick stays, the partner will not be able to modify it.

Verified by FLC
<input checked="" type="checkbox"/>
<input type="checkbox"/>
<input checked="" type="checkbox"/>
<input type="checkbox"/>
<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>
<input type="checkbox"/>


Double validation of the FLC checklist

Comment	Confirmed
4000 Characters remaining	<input checked="" type="checkbox"/>
4000 Characters remaining	<input checked="" type="checkbox"/>
4000 Characters remaining	<input checked="" type="checkbox"/>
4000 Characters remaining	<input checked="" type="checkbox"/>
4000 Characters remaining	<input checked="" type="checkbox"/>
4000 Characters remaining	<input checked="" type="checkbox"/>
4000 Characters remaining	<input checked="" type="checkbox"/>
4000 Characters remaining	<input checked="" type="checkbox"/>


0	Name
Total assessment value	
Max	0.00
<input checked="" type="radio"/> Save <input type="radio"/> Final check <input type="radio"/> Exit checklist	

Comment	Confirmed
4000 Characters remaining	<input checked="" type="checkbox"/>
4000 Characters remaining	<input checked="" type="checkbox"/>
4000 Characters remaining	<input checked="" type="checkbox"/>
4000 Characters remaining	<input checked="" type="checkbox"/>
4000 Characters remaining	<input checked="" type="checkbox"/>
4000 Characters remaining	<input checked="" type="checkbox"/>
4000 Characters remaining	<input checked="" type="checkbox"/>


Finalizing FLC work



Save **Finish Checklist** Add answer Print preview Back to previous step Exit checklist Reset all answers




- [Supplementary information](#)
- [Check FLC Work](#)**
- [Print FLC certificate](#)
- [Exit to reports overview](#)
- [Exit to partner report](#)



- [Supplementary information](#)
- [Finalize FLC Work](#)**
- [Print FLC certificate](#)
- [Exit to reports overview](#)
- [Exit to partner report](#)

Finalising FLC work



FLC certificate

3. Verification			
Total declared (EUR)	Programme co-financing (EUR)	National contribution (EUR)	
35 637.08	21 394.25	14 262.83	
Total certified (EUR)	Programme co-financing (EUR)	National contribution (EUR)	
0.00	0.00	0.00	0.00

I. Based on the documents provided and my verification and professional judgement as a first level controller, for the amount certified I certify that:

- a. expenditure is in line with European, programme and national eligibility rules and complies with conditions for support of the project and payment as outlined in the subsidy contract;
- b. expenditure was actually paid with the exception of costs related to in-kind contribution, depreciations and simplified cost options;
- c. expenditure was incurred and paid (with the exceptions above under "b") within the eligible time period of the project and was not previously reported;
- d. if applicable, payment of self-costs is proven on the basis of pay slips or documents of equivalent probative value;
- e. expenditure based on simplified cost options (if any) is correctly calculated and the calculation method used is appropriate;
- f. expenditure reimbursed on the basis of eligible costs actually incurred is either properly recorded in a separate accounting system or has an adequate accounting code allocated. The necessary audit trail exists and all was available for inspection;
- g. expenditure in currency other than Euro was converted using the correct exchange rate;
- h. relevant EU/national institutional and programme public procurement rules were observed;
- i. EU and programme publicity rules were observed;
- j. co-financed products, services and works were actually delivered;
- k. expenditure is related to activities in line with the application form and the subsidy contract.

II. Based on the documents provided, my verification and my professional judgement as a first level controller, I have NOT found any evidence of:

- infringements of rules concerning sustainable development, equal opportunities and non-discrimination, equality between men and women and state aid;
- double financing of expenditure through other financial sources;
- generation of undisclosed project related revenue.

III. I hereby confirm that the verification of the project financial report was done precisely and objectively and with professional scepticism.

The control methodology and scope, control work actually done as well as eligible and ineligible expenditure per budget line are documented in the FLC report (based on the programme templates). In case of suspicion of fraud, it is reported using the specific programme template.

I and the institution / department I represent are independent from the project's activities and financial management and authorised to carry out the control.

Location

Date

Name and surname

Controller's signature

Finalize FLC Work And Issue Certificate



What information is available?

- eMS reporting guidance – the how to for LPs and PPs
- FLC guidance - eMS and general guidance
- Programme Manual

<http://www.nweurope.eu/help-support/implementation-resources/>



Project implementation tutorials

Available in all four programme languages:

- Registering on the eMS
- Reporting progress on the eMS
- Reporting expenditure on the eMS
- FLCs and their work on the eMS

<http://www.nweurope.eu/help-support/project-implementation-tutorials/>

Q&A

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