

Fact Sheet 23: Control of partner expenditure

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CORE MESSAGE

All projects and all partners are subject to control of expenditure. A Controller must be designated by the relevant national authorities in order to carry out control activities for a partner. The designation procedures vary in the different countries; however, they are all facilitated by the Online Monitoring System.

Important: All partners in a project must complete the designation procedure before any expenditure can be claimed!

Background

All project partners must appoint a Controller right from the start of the project. The purpose of the control is to carry out management verifications in line with Article 74(1) of the Common Provisional Regulation No 2021/1060 and Article 46(3) of the Interreg Regulation No. 2021/1059. All controllers must be independent and designated by the national authorities in each partner country. This happens by way of a designation procedure, which is briefly described in this fact sheet. In practise the designation is carried within the Online Monitoring System (OMS).

How the control process is organized

The control process starts at partner level, where the individual partner prepares a statement of expenditure. This can happen twice a year. If a partner chooses not to claim, this must be explained as described in Fact Sheet no 20 on reporting.

When the partner has completed the statement of expenditure, the statement is forwarded to the designated Controller or Control body (relevant for Swedish partners only). It is up to the designated Controller or control body to decide which accounting evidence is needed for the control process in line with the relevant EU regulations, programme rules and national requirements. The control can take place either as a desk check or

as an on-the-spot check or a combination of the two. The decision about this rests with the designated controller or control body only.

The control of a partner shall be **risk-based and proportionate to the risks identified at programme level**. The programme has issued a document outlining the programmes ex-ante risk assessment. The ex-ante risk assessment should be applied by all controllers when planning a control of a partner.

Each designated controller verifies the eligibility of expenditure incurred by the individual partners and confirms this by filling in and signing a Control report. According to Article 46(6) of the Interreg Regulation No 2021/1059, verification of expenditure can take up to three (3) months. The document 'Control Requirements' describes in detail the items which could be checked. The list of requirements can, if desired by the controller, be used as a checklist.

The Control of expenditure can be carried out with a desk based approach (desk check), however on-the-spot checks is mandatory for all investments financed by the programme.

The entire process of reporting and drawing up and signing the control report is handled in the Online Monitoring System (OMS). Once the statement of expenditure and control reports are in place for all relevant partners – including the lead partner - in a project, the lead partner will compile the statement into one statement of expenditure covering the entire project.

Designation of Controllers

Designation of Controllers takes place in line with Article 46(3) of the Interreg Regulation 2021/1059. In line with this it is the individual member state which is in charge of designating controllers. The designation of Controllers is done via the Online Monitoring System procedures, however, vary between countries and both general and country specific guidance can be found on the programme website.

It is important to note that selecting a Controller is subject to tendering in all countries except Belgium (shortlist), France (shortlist) and Sweden (centralized system), unless an internal controller per the relevant national rules can be appointed. This means that the guidance in Fact Sheet no 12 must be observed in relation to the appointment of a Controller. For Belgium and France, a national tender has been carried out which means that project partners can choose between a number of Controllers for which tendering has already been completed.

For Swedish beneficiaries Tillväxtverket is the only body that can carry out FLC. In Sweden Tillväxtverket as a National Agency has been designated to carry out all control of Swedish project partners.

Control Seminars

Control seminars will be held in all the 7 countries participating in the North Sea programme. The seminars are open to controllers and partners in approved projects. The purpose of the seminars is to ensure that all key stakeholders involved with reporting and control are fully aware of the latest regulations, programme rules and where relevant national rules.

All Controllers should participate at these seminars at least one time. Controllers who do not participate in any of the seminars may have their designation reassessed by the relevant national authorities.

References

- **Control Requirements** containing a breakdown of the issues that should be checked by controllers (Currently under development)
- **Ex-ante risk assessment** for controllers in the North Sea programme
- Common Provisional Regulation No. 2021/1060 Article 74
- Interreg Regulation No. 2021/1059 Article 46