

Interreg
North Sea



Co-funded by
the European Union

CONTROL REQUIREMENTS



PROJECT GUIDANCE

INTERREG NORTH SEA
2021-2027

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Introduction

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 as a checklist 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 control report, controllers confirm that they are satisfied as to the correctness of the expenditure claimed – and thereby that they are satisfied that the project partner 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 control report requires that controllers report both on the amount originally claimed by the project partner and the amount actually verified by the controller. All deductions must be listed, and a brief explanation provided of the reason for the deduction (if any). 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. Please note that changes to staff costs will also lead to changes in the flat rate payment for office and administration.

The 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.

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 encourage for sample-based controls. When applying sample checks you should be able to describe a clear and transparent methodology used for selecting the sample, and the amount of expenditure actually checked. The sample must provide assurance as to the correctness of the expenditure verified.

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.

Ex-ante risk assessment

Controllers are required to make use of the latest ex-ante risk assessment issued by the programme. The ex-ante risk assessment provides the controllers with the latest knowledge of risks for mistakes during project implementation and sets the scene for sampling expenditures for control.

CONTROL CHECKLIST

1. Accounting system

1.1. Accounting System		
According to Art. 74 1a(i) of Reg. (EU) No 2021/1060 Project partner maintains separate accounting records/system, or accounting code, for all transactions related to the project. Ensuring separation of project expenditure for all transactions relating to the project. Is this separation ensured?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Double-financing is excluded: <i>e.g., accounting system avoids the allocation of the same invoice to different projects and time recording system for staff prevents any duplication</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/> <i>Comment</i> <i>In case of YES, please describe how it was ensured</i> <i>In case of No, please provide further explanation.</i>

2. Audit Trail Checklist

General considerations / eligibility criteria	Accepted			Comments
	Yes	Not (fully)	n.a.	
The partnership agreement is signed by the project partner and latest version is available	<input type="checkbox"/>	<input type="checkbox"/>		
Costs are correctly recorded in the partner accounting system	<input type="checkbox"/>	<input type="checkbox"/>		
The source of the partner's contribution (private or public) is correctly indicated.	<input type="checkbox"/>	<input type="checkbox"/>		
Costs are directly related to the project and necessary for the implementation of the project.	<input type="checkbox"/>	<input type="checkbox"/>		
Costs are correctly allocated to the relevant cost categories.	<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 had not been declared twice in different cost categories or in previous reporting periods.</i>
(NOT needed for flat rates and lump sum): [according to Art 63(2) and Art 74 1a(i) of Reg.(EU) No 2021/1060] Expenditure was incurred and paid in project eligibility period and supported by proof of payment.	<input type="checkbox"/>	<input type="checkbox"/>		
(NOT needed for Flat rates and lump sum): 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"/>		
Ineligible costs according to the Regulations, programme and national rules are excluded from the Report	<input type="checkbox"/>	<input type="checkbox"/>		<i>e.g., Art. 64 of Reg.(EU) No 2021/1060</i>
VAT, except for operations set in the Art 64(1)(c) of Reg. (EU) No 2021/1060, was deducted	<input type="checkbox"/>	<input type="checkbox"/>		
The co-financed products and services were delivered, or delivery is in progress.	<input type="checkbox"/>	<input type="checkbox"/>		
Project partner has received the programme funds from the previous periods within the timeframe agreed by all partners.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g., Inspected in the bank statement</i>
The total partner budget, and budget per cost category were respected.	<input type="checkbox"/>	<input type="checkbox"/>		
If the partner contribution does not come from the partner's own resources but from an external public source, the total public contribution has not been exceeded.	<input type="checkbox"/>	<input type="checkbox"/>		

General comments, recommendations, points to follow-up; NOTE: deductions (if any) are allocated to the relevant cost categories		
Description of findings, observations, and limitations	<input type="checkbox"/> n.a.	
Conclusions and recommendations	<input type="checkbox"/> n.a.	
Follow-up measures for the next progress report	<input type="checkbox"/> n.a.	

3. Eligibility along Cost Categories

3.1 Staff Costs

Criteria – Real cost [according to Art 39 and (d) of Reg. (EU) No 2021/1059 and Art 54 and 55 of Reg. (EU) No 2021/1060]	Accepted			Comments
	Yes	Not (fully)	n.a.	
Persons who declared staff costs are employees of the project partner or work under a contract considered as an employment document.	<input type="checkbox"/>	<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>
A document defining the percentage worked on the project (100% or less) is available (e.g., task assignment letter).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g., Inspected agreements of persons declaring staff costs (part-time and full-time).</i>
The percentage worked on the project is correctly applied to calculate the eligible staff costs.				
If the staff is involved in several projects, it is ensured that not more than 100% of the time is reported. (e.g., task assignment letters for all projects are not for more than 100%).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Staff costs to which the percentage is applied are limited to salary payments and other costs directly linked to salary payments incurred and paid by the employer for the employee working on the project.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g., payrolls/payslips, 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 directly linked to salary payments incurred and paid by the employer such as employment taxes and social security including pensions provided that they are:</i> <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 (iii) not recoverable by the employer.

General comments, recommendations, points to follow-up;		
Description of findings, observations and limitations	<input type="checkbox"/> n.a.	
Conclusions and recommendations	<input type="checkbox"/> n.a.	
Follow-up measures for the next progress report	<input type="checkbox"/> n.a.	

3.2 Office and Administration

Criteria - Simplified Cost Option [according to Art 54 of Reg. (EU) No 2021/1060 and Art 40.2 of Reg. (EU) No 2021/1059]	Accepted			Comments	Index No.
	Yes	Not (fully)	n.a.		
The flat rate is calculated correctly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g., Recalculated costs using the calculation scheme.</i>	
There is no double declaration of the same cost item in other cost categories.	<input type="checkbox"/>	<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 had been included in other cost categories.</i>	

3.3. Travel and Accommodation

Criteria - Real Costs [according to Art 41 of Reg. (EU) No 2021/1059]	Accepted			Comments
	Yes	Not (fully)	n.a.	
Travels are related to the project activities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Travel and accommodation costs relate to the partner organisation's staff or natural persons who work under a contract considered as employment document of the partner organisation.	<input type="checkbox"/>	<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>

General comments, recommendations, points to follow-up;		
Description of findings, observations and limitations	<input type="checkbox"/> n.a.	
Conclusions and recommendations	<input type="checkbox"/> n.a.	
Follow-up measures for the next progress report	<input type="checkbox"/> n.a.	

3.4. External Expertise and Services

External expertise and services were acquired in this reporting period	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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(in addition a tools for procurement verification can be found in annex 1 to this document)

Criteria – Real Costs [according to Art 42 of Reg. (EU) No 2021/1059]	Accepted			Comments
	Yes	Not (fully)	n.a.	
Providers of services or expertise are external to the project partnership.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g., Interviewed the project partner to verify that external expert or service providers are not employees of the project partnership.</i>
The types of costs listed under this cost category are eligible according to EU and programme rules.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g., Verified that the types of costs listed under this cost category are eligible according to Art 6 of Delegated Reg. (EU) No 481/2014.</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"/>	<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 the 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"/>	<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>
General comments, recommendations, points to follow-up;				
Description of findings, observations and limitations	<input type="checkbox"/> n.a.			
Conclusions and recommendations	<input type="checkbox"/> n.a.			
Follow-up measures for the next progress report	<input type="checkbox"/> n.a.			

3.5. Equipment

New equipment expenditure is reported	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(in addition a tools for procurement verification can be found in annex 1 to this document)		

Criteria – Real Costs [according to Art 43 of Reg. (EU) No 2021/1059]	Accepted			Comments
	Yes	Not (fully)	n.a.	
The types of costs listed under the cost categories are eligible according to EU and programme rules.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g., Verified that the types of costs listed under the cost categories are eligible according to Art 43 of Reg. (EU) No 2021/1059</i>

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"/>	<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 used to calculate equipment expenditure (full costs, pro rata, depreciation) is correctly applied in line with EU and programme rules.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>e.g., Verified that the calculation methods used complies with rules . e.g., For pro-rata calculation, the share allocated to the project is based on a fair, equitable and verifiable calculation method. E.g., For depreciation: it is in line with Article 67(2) or regulation (EU) 2021/1060 and programme rules</i>
General comments, recommendations, points to follow-up;				
Description of findings, observations and limitations	<input type="checkbox"/> n.a.			
Conclusions and recommendations	<input type="checkbox"/> n.a.			
Follow-up measures for the next progress report	<input type="checkbox"/> n.a.			

3.6 Infrastructure and works¹

Criteria – Real cost [according to Art 44 of Reg. (EU) No 2021/1059]	Accepted			Comments
	Yes	Not (fully)	n.a.	
Providers of infrastructure and works are external to the project partnership.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
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"/>	<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>
<i>(In the case of infrastructure and works that are NOT exclusively used for the project)</i> 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"/>	<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>
General comments, recommendations, points to follow-up;				
Description of findings, observations and limitations	<input type="checkbox"/> n.a.			
Conclusions and recommendations	<input type="checkbox"/> n.a.			
Follow-up measures for the next progress report	<input type="checkbox"/> n.a.			

¹ A tools for procurement verification can be found in annex 1 to this document

4. Compliance with information and publicity requirements

Criteria – Real cost [according to Annex IX of Reg. (EU) No 2021/1060 and Art 46, 47 and 49 (6) of Reg. (EU) 2021/1060.	Accepted			Comments
	Yes	Not (fully)		
Information and publicity rules of the EU 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 2021/1060</i>
All communication and visibility material is made available upon request, and use of such material is granted to the Union	<input type="checkbox"/>	<input type="checkbox"/>		<i>e.g., Communication and visibility material has been inspected and contains Union rights of use according to Art. 47 of Reg. (EU) 2021/1060 .</i>
General comments, recommendations, points to follow-up; NOTE: deductions (if any) are allocated to the relevant cost categories. (Note: section appears if the question "Are there findings?" was answered with a YES)				
Description of findings, observations and limitations	<input type="checkbox"/> n.a.			
Conclusions and recommendations	<input type="checkbox"/> n.a.			
Follow-up measures for the next progress report	<input type="checkbox"/> n.a.			

Annex 1 - Compliance with procurement rules

This annex is considered a helping tool for controllers performing checks on applicable compliance with programme rules. The annex covers two sections;

- 1.1 Contract value up to EUR 10.000 (excl. VAT)
- 1.2 Contract value above EUR 10.000 (excl. VAT)

1.1 Contracting amounts below EUR 10.000 (excl. VAT) unless the threshold set by the applicable national rules is stricter.

Verifications	Confirmed		
	Yes	No	n.a.
1) The value for money of costs was ensured and demonstrated.			
2) There is no evidence of artificial splitting of the contract objective/value.			

Results, comments, recommendations, points to follow-up (if any).

NOTE: deductions (if any) are allocated to the relevant cost categories

1.2 Contracting between EUR 10.000 (excl. VAT) and the threshold set by the applicable EU, programme or national rules.

Title of the procurement – if Applicable			
Type of procurement	services	works	supply
Name of purchased services/work/supply			
Name of contractor <i>(for purchases between EUR 10.000 excl. VAT and the applicable threshold)</i>			
Total amount as per contract (excl. VAT)			
VERIFICATIONS	Confirmed		
	Yes	No	n.a.
1) Adequate market researches were performed and are duly documented (if applicable, according to the national and/or programme rules I).			
2) There is no evidence of artificial splitting of the contract objective/value.			
If applicable, any amendment of the contract is in line with the applicable procurement rules without putting into question the validity of the initial procurement procedure?			

Results, comments, recommendations, points to follow-up (if any).

NOTE: deductions (if any) are allocated to the relevant cost categories.

Get in touch

If you have any questions relating to this guide, feel free to contact one of our project advisors. We are happy to help!

You can find contact details for reaching our staff at our website interregnorthsea.eu.

