

First Level Control System in Malta

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Presentation Outline

- The role of the Territorial Cooperation Unit
- Overview of the FLC system in Malta
- Verification process and disbursement targets
- Recommendations to partners
- Recommendations to the FLC

Role of the Territorial Cooperation Unit

- National Contact Point for all Programmes
- Represents Malta in MC and SC meetings
- Monitors implementation process and disbursement schedules
- Approbation Authority (FLC)

Overview of the FLC system

In line with Article 125 of Regulation 1303/2013, the Managing Authority of a Programme is obliged to verify that:

- the co-financed products and services have been delivered and paid; and
- they are compliant with applicable law, the Cooperation Programme and the conditions of support of the project (incl. the Application Form, the grant agreement and the subsidy contract).

Overview of the FLC system

- Due to the nature of Territorial Cooperation Programmes, the verification may be carried out by a Member State on behalf of the MA
- Member States may opt for a centralised system, whereby the verifications are carried out by a central Unit, or a decentralised system, which entails having different controllers for different projects
- Malta has opted for a decentralised system – therefore the verification is carried out by a controller selected by the entity implementing the project, based upon a public procurement procedure

Overview of the FLC system

- Verifications may be carried out either externally (i.e. function is outsourced) or internally as long as the controller is a qualified auditor and he / she is not involved in the actual implementation of the project.
- In the case of external auditors, procurement should be transparent and fair. Draft template available on <https://eufunds.gov.mt/en/EU%20Funds%20Programmes/EU%20Territorial%20Programmes/Pages/Key-Documents-and-Downloads.aspx> as Annex 2.
- Once the respective auditor is selected by the entity, the Funds and Programmes Division is informed accordingly by means of a specific template.

Overview of the FLC system

- ❖ The purpose of such template (Annex 3 of the national guidelines) is to provide information on:
 - the project itself;
 - the entity implementing the project;
 - the proposed controller;
 - the checks that are to be carried out on the project.

What information is required?

- Information on the proposed controller (name, address, email, etc)
- Basic information on the project and on the project partner
- Confirmation that the controller is aware of the documents and regulations pertaining to the implementation of Territorial Cooperation Programmes
- Whether the controller is internal / external and information on the respective selection process
- The controller's professional skills and competences
- Confirmation of the controller's independence
- Warrant number.


Overview of the FLC system

- The FPD reviews such information and once approved, an approbation certificate is issued.
- The First Level Controller is then granted access to the Programme's online system to be able to carry out the work.
- Controllers should carry out a 100% check of the expenditure included in each claim
- At least one physical on-the-spot check should be carried out throughout the project lifetime to ensure that the project deliverables are in place and working well and also that the documents are documented properly

Verification process

- ❖ Controllers should ensure that:
 - The control is carried out within the timeframes stipulated by the Programme
 - The work is carried out in accordance with International Standards on Auditing
 - Such work is documented in a proper way for audit purposes
 - Any irregularities have to be deducted appropriately
 - In case of suspicion of fraud, the controller should inform the FPD immediately on fpd.meae@gov.mt.

Disbursement targets

- Programmes follow N+3 rule with the exception of ENI
- Therefore, funds committed in 2015 on a Programme level have to be certified by 2018, those committed in 2016 have to be certified by 2019 and so on
-  funds have to be certified not just disbursed or verified
- If disbursement target on a Programme level is not met, funds may be lost at a Programme level and also on a project and partner level

Recommendations to partners

- Obtain documentation required for the claims as soon as payment is approved and made – receipts are essential – do not chase them at the last minute
- Keep a record of the work carried out in connection with the project e.g. photos of training sessions, events, attendance sheets, press cuttings etc
- Ensure that visibility requirements are in place (EU flag, MT flag, Programme logo etc)
- Start inputting expenses online as you go along

Recommendations to the partners

- Always refer to the approved Application Form
- Keep in line with the timeframes stipulated in the AF as much as possible – delays do occur but please plan ahead, especially if procurement is foreseen (keep in mind pre-financing obligation – Annex 17)
- Fill in the templates according to the respective Programme
- File everything! – make sure there is a trail of all important transactions in connection with the project/s

Recommendations to the FLC

- Familiarise yourself with the pertinent regulations and guidelines – documentation required may vary at a Programme level
- Make sure you have a copy of the Application Form and the Subsidy Contract (MA - LP) / Partnership Agreement (whole partnership) because these form the basis of the project/s
- Use the relevant checklists to document your work
- Make sure that your work is documented properly – any cuts should be clear in both paperwork and the online system.



Thank you for your attention

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