

The Financial Control Unit

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Presentation Outline

- The role of the Financial Control Unit
- The Sampling Methodology
- Recommendations

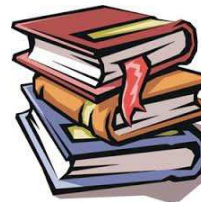
Role of FLC

FLCs verify and confirm eligible the expenditure through:

Desk-based checks - Checks of the relevant documentation: compulsory for **each progress report**

On-the-spot checks - Existence and delivery of goods and services: at least **once** during the project lifetime

100% check



What will the FCU do?

The Financial Control Unit (FCU) will carry out checks on the first level control performance and the quality of the control system.

*Checks by FCU shall be done on a **sample basis** using a risk assessment analysis system that determines which FLCs should be evaluated.*

The Sampling Methodology

Every six months, the FCU will take stock of all claims submitted by the four Territorial Cooperation programmes, and will identify and determine the number of First Level Controllers involved;

A High risk and Random sampling exercise will be performed to determine the FLCs that will need to be checked during that period;

FLCs checked in previous periods, will be omitted from the next quality check cycle, unless an irregularity is discovered during previous checks. In this case, the FLC/s will be automatically included in the next rounds of quality checks, until no further irregularities are detected.

Recommendations to FLCs

General Documentation

- *Ensure that you have the final/revised versions of the programme manuals, National Guidelines and the related Circulars;*
- *The project's approved Application Form should be cross checked with the expenditures being incurred in the claims and the deliverables of the project. Partners should also provide details/description of the progress being made in the project;*
- *Claim documents should include the project stamp;*
- *FLCs need to ensure that the correct templates are being used;*
- *The necessary signatures should always be in place;*
- *Online systems need to adjusted to reflect any deductions/comments made in the FLC Certificates;*

Recommendations to FLCs

Staff Costs

- *The project-related working time performed by a staff member must be recorded daily in a timely manner. For each day, timesheets must incorporate the 100% of the actual working time dedicated to the specific project at hand, **together** with other projects and other duties (if any) during that same day. This does not apply to employees working Full-time on the project or on a fixed percentage. (See Memo re Recording of working hours);*
- *The description of the tasks performed, should make sense (eg. Filing);*
- *Since SSC is an eligible cost, we recommend that FLCs check that NI Contributions are being paid by employee and the employer, and are according to National Legislations;*
- *Only fixed allowances are eligible. During Quality checks, proof of such fixed allowances is required;*

Recommendations to FLCs

Travel and Subsistence Costs

- *The **whole** procurement exercise, for the purchasing of travel tickets should be presented;*
- *To follow FCU Circular 04/2018 re the Procurement of Travel tickets;*
- *All meals offered during meetings, (as per meetings agendas) should always be deducted from the subsistence allowance.*

Recommendations to FLCs

Other types of expenditures

- *Ensure that **all** documentation pertaining to the procurement exercise carried out, is available in the file;*
- *Invoices, receipts and proof of payment are available, and payment date falls within the claim reporting period;*
- *When a local meeting/conference is organised, attendance sheets with participants signatures, is required;*
- *Publicity Regulations should be adhered to when issuing meeting/conference agendas, publishing of brochures, etc;*

Recommendations to FLCs

Procurement

- *All partners, including non-public entities, shall follow the principles of transparency, equal treatment and non-discrimination, whenever a good/service is procured.*
- *Ministries and Public entities are obliged to strictly follow the National Regulations on procurement -*

LN 352/2016 and Subsidiary Legislation 174.04 and any subsequent amendments

- *With regards to NGOs, VOs and private entities, even though they are not bound by any Legislation, we deeply encourage that they follow the same Regulation when it comes to procurement.*
- *There should be a proper documented audit trail for each procurement exercise required. We suggest that procurement done through phone calls or messages through social media, are avoided.*

Recommendations to FLCs

Publicity

- *It is very important that publicity rules are adhered to by all partners.*
- *Private entities have to publish on www.italiamalta.eu website, all the procurement procedures including the acquisition of internal and external human resources, in order to guarantee maximum involvement, transparency and respect of the general principles of impartiality provided by the European legislation.*
- *The FLC needs to check and remark on all the publicity that has been done by the partner for each claim period. The related comments should be included in the **Checklist on Information and Publicity Measures**. This checklist is not only required for ‘paid and claimed’ publicity expenditures (e.g. posters, brochures), but also for indirect publicity (e.g. reference to the programme/project in employment contracts, websites, Rfqs).*

Conclusions

FLCs should be comfortable in signing the Claim Certificates. With their signature, they are confirming that expenditures and documentation are in accordance with Programme and National Rules, and that they (the FLCs) have checked and seen all of the required documentation.

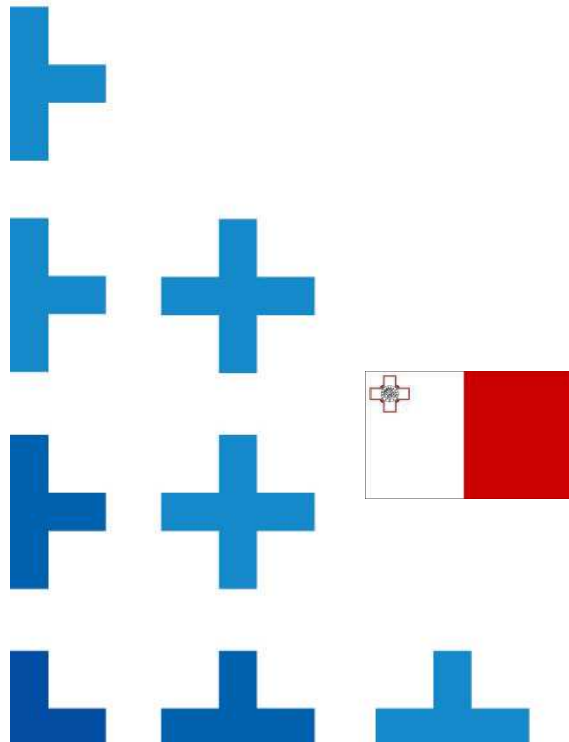
During our Quality Checks, we would need to see all documentation pertaining to the claim being checked, together with any other General Documentation that may be required. We will only check a sample of expenditures from the claim.

Do not hesitate to contact the FCU or the TCU for any assistance that may be required.

Thank you for your attention

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