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MINISTRY FOR EUROPEAN AFFAIRS AND
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PARLIAMENTARY SECRETARIAT FOR EU
FUNDS AND SOCIAL DIALOGUE

MALTA

ID-DIVIŻJONI GHALL-FONDI U PROGRAMMI

FUNDS AND PROGRAMMES DIVISION

3rd September 2018

RA Circular No. 13/2018

Revision of Manual of Procedures

Dear Beneficiaries,

In view of the new Public Procurement Regulations (PPR) (LN 352/2016), published on 28th October 2016 and the subsequent DOC Circular N° 19/2016 issued in November 2016, the Responsible Authority sought to revise the Manual of Procedures (MOP) to keep it in line with the respective legislation. Below is a summary of the salient features that were recently updated for ease of reference:

The procurement section, as listed in Chapter 4 of the MOP, *Contracting*, has been thoroughly revised according to the new PPR. Worth noting are Sections 4.3.1 and 4.3.2 of the MOP making reference to the procurement thresholds that are now applicable for public contracts with an estimated value of either below or higher than € 144,000. The complementary role of the Ministerial Procurement Unit, as per legal notice, has therefore been included in the procedure, as it is now responsible for administering tenders through open procedure up to the value of € 250,000, thereby limiting the procedure at ministerial level. Any tenders exceeding this value will however be executed by the Department of Contracts. Reference to the usage of the electronic procurement platform was also made as an alternative option to procuring services.

With regards to procurement carried out by Non-Governmental Organisations (NGOs), the Department of Contracts (DOC) has recently published a guidance note (Guidance Note No. 4) on the procedure to be adopted by NGOs for procurement purposes. According to this guidance note, NGOs are required to follow the provisions listed in the Regulations as stipulated in LN 352/2016. Competitive bidding should therefore remain a priority practice. Should there be the need to issue tenders, templates are also available. NGOs are therefore required to consult DOC for further assistance on procurement procedures. Non-compliance with established procurement practices may raise either administrative or financial corrections, both prior and after processing payments. In instances where the RA issues recoveries, beneficiaries are reminded to forward the extra paid payment within three calendar months, otherwise the respective amount can be offset from subsequent payments.

For simplification purposes, the RA also sought to reduce the administrative burden for expenditure related with staff costs whereby the provision of payslips is no longer required. However, beneficiaries are reminded to provide the workings used to calculate the costs that will be claimed, as per RA Circular 14/2018. Assigned individuals are reminded to provide timesheets with the hours of work dedicated to the project. A new timesheet has been prepared by the RA whereby those

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individuals who are assigned on a project will be requested to fill in their day to day duties including tasks not directly linked to the scope of the project in one timesheet.

With reference to the exchange rate, during its checks the RA noted some discrepancies in the use of conversion rates by beneficiaries. In order to simplify procedures, two different types of exchange rates were established, one applicable for reimbursement of costs and one for direct payments, as per Section 4 of the MOP.

In order to provide a clear picture of the roles involved in administering EU funds, the RA included a separate section under Chapter 9 of the MOP, section 9.1.2, on the *Verifications carried out by the Financial Control Unit*. This section provides an outline of the function and methodology adopted by FCU when reviewing claims for payment, whereby a sample of the payments is usually extracted based on a risk assessment carried out on the approved projects.

With reference to the reporting requirements established in the MOP, further revisions were made to the deadlines established for the Project Progress Report (PPR) and the Project Closure Reports to increase consistency. You are now required to compile the PPR on the previous financial year and to submit the report by 31st December or earlier whereas the Project Closure Report is to be provided by the end date of the project, as indicated in the project description.

The RA would like to also draw your attention to the changes made to some annexes of the MOP, particularly the delegation of authority form, the on the spot check report and the payment checklist. Also, another declaration has been drafted by the RA to be endorsed by beneficiaries participating in AMIF projects, to confirm the eligibility status of the target group.

The scope of these changes was to include transparency and accountability throughout all checks.

I take this opportunity to acknowledge the hard work and dedication you invest in implementing projects under the current programming period.

We thank you in advance for your cooperation.

Regards,



Raphael Scerri
Director General