

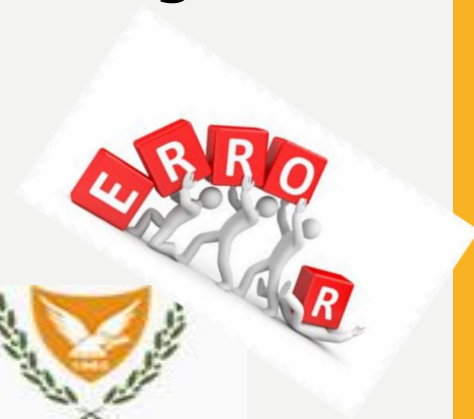


FLC & BENEFICIARIES: COMMON MISTAKES

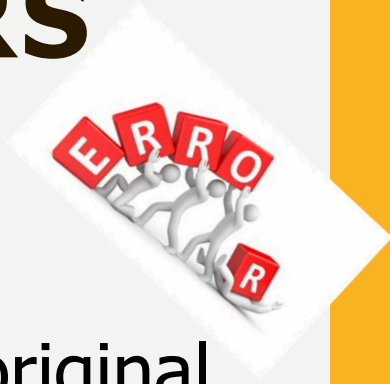
09 - 10 OCTOBER 2019

COMMON MISTAKES AND ERRORS AT BENEFICIARY LEVEL

- ❑ Inadequate audit trail – missing of important supporting accounting documents, ie boarding passes
- ❑ Failed to obtain the Compliance Certificates of EU Horizontal Issues such as Environment, equality of men and women, non discrimination and public procurement.
- ❑ Failed to obtain the Certificate of VAT Office concerning the eligibility and treatment of VAT
- ❑ Incorrect calculations of staff costs



COMMON MISTAKES AND ERRORS AT BENEFICIARY LEVEL



- ☐ Missing double funding stamp in the original documents/invoices
- ☐ Weak public procurement procedures
- ☐ Failed to complete the self assessment checklist for public procurement under the thresholds
- ☐ No compliance of publicity and advertising rules of the Program

COMMON MISTAKES AND ERRORS AT FLC LEVEL



- ☐ Validation of expenses without checking the Application Form of the Project (budget)
- ☐ Incomplete deliverables certified
- ☐ Weak audit files – missing supporting documents but validated anyway
- ☐ Incomplete FLC Checklists
- ☐ Ignore the double funding rule of the programs to stamp the original documents with appropriate stamp

COMMON MISTAKES AND ERRORS AT FLC LEVEL



- ☐ Ignore to check in the First Interim Certificate, the Compliance Certificates
- ☐ Wrongly treatment of VAT amount
- ☐ Wrongly calculations and validations of Payroll costs
- ☐ Wrongly completion of FLC Checklist

AUDIT TRAIL

ART.125(4)EU1303/2013

Project File-Template Project File Content

- ❑ Application Form
- ❑ Subsidy Contract
- ❑ Partnership Agreement
- ❑ Modifications
- ❑ Certificates of EU Horizontal Policies
- ❑ Certificate of FLC Controller
- ❑ Public Procurement Procedure documents - Deliverables
- ❑ FLC Expenditure Certificates together with the supporting accounting documents
- ❑ Progress Reports
- ❑ Reimbursement of ERDF
- ❑ Publicity



TREATMENT OF VAT

- ❑ In accordance with Regulation (EU) No 1303/2013 Article 69 (3), VAT is not eligible except in the case where VAT is non-recoverable under national VAT legislation. In practice, if a partner can recover VAT (regardless whether he actually does or not), all expenditure reported to the programme has to be reported without VAT.
- ❑ Each partner should contact the Tax Department in order to get a VAT certificate. The controller of each partner should check that specific certificate.

CONTROLS FOR DOUBLE FUNDING

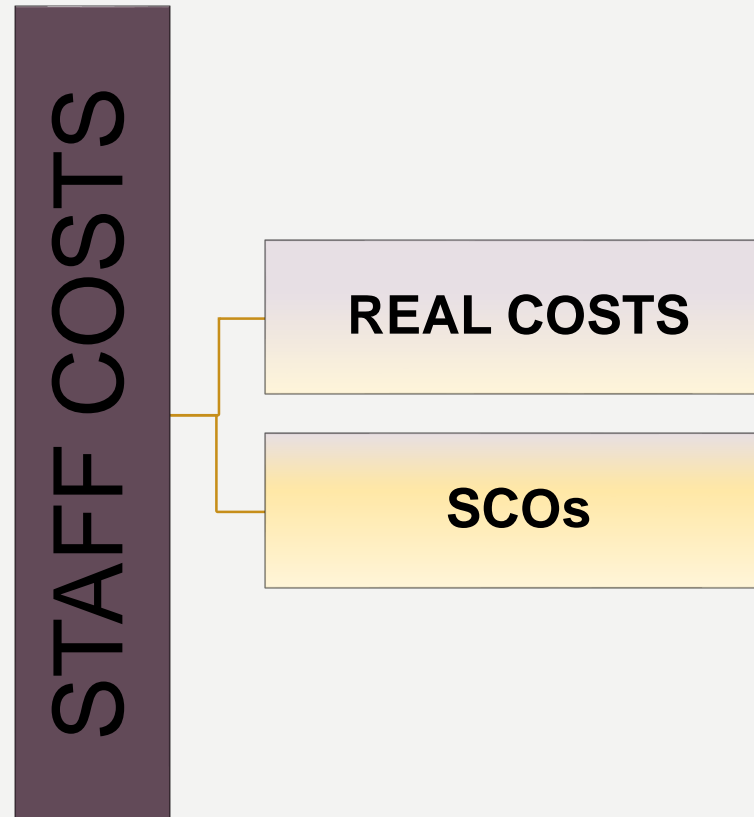


- ❑ Checks whether Beneficiary has stamped all original supporting documents (e.g. invoices) with special stamp stating that the item has been co-financed from the particular program.

_____ (ΔΙΚΑΙΟΥΧΟΣ)
Το παραστατικό αυτό υποβλήθηκε για χρηματοδότηση από τα
Διαριθρωτικά Ταμεία στα πλαίσια της πιστοποίησης δαπανών του
έργου: _____ (ΑΚΡΩΝΥΜΙΟ) του Προγράμματος
_____ με Αύξοντα Αριθμό Παραστατικού
_____ Επιλέξιμο ποσό: _____
Υπογραφή: _____ Ημερομηνία: _____

- ❑ Checks that no invoice reference number per Contractor is submitted more than once within the project payments supporting documents (ledger of beneficiary payments and supplier invoices created by MIS)

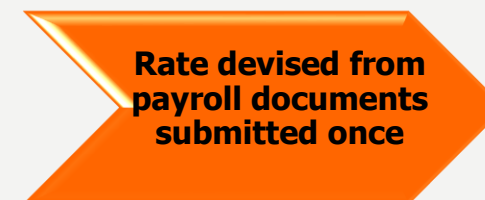
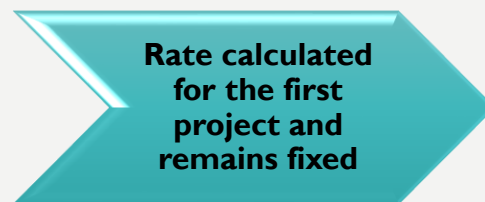
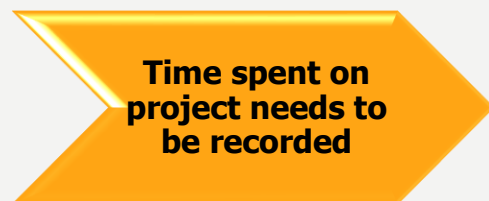
STAFF COSTS



STAFF COSTS

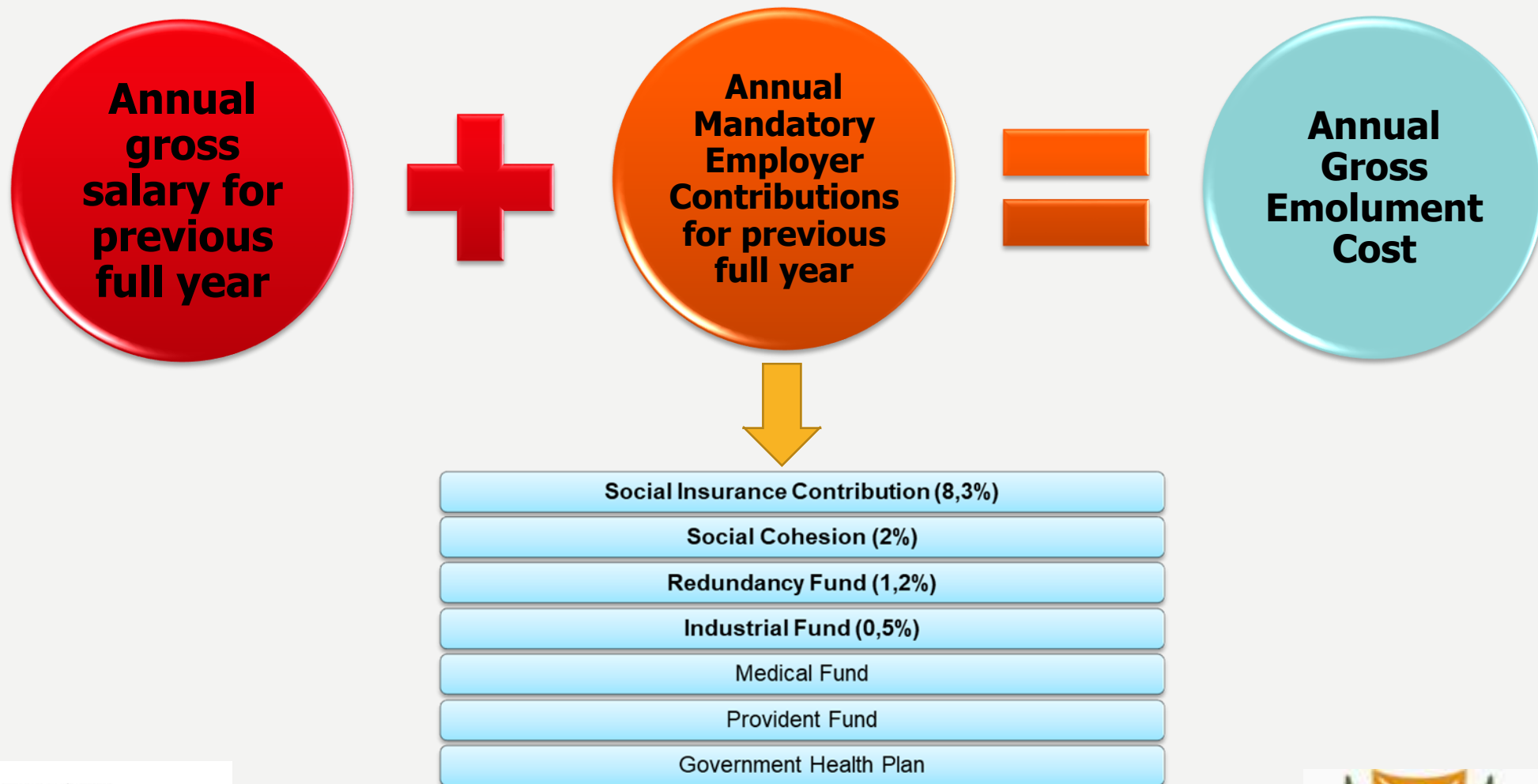
- ☐ Employer Staff Cost Based on Real Cost as shown in Beneficiary's Accounts – Permanent or Temporary Employees
- ☐ The eligible expenditure is calculated based on the Beneficiary's Payroll Documentation → Needs supporting documentation- Employees' Payroll Slips and Proof of Payment
- ☐ Time spent on project needs to be recorded in timesheet for no full time employees – need also 100% of employees working time timesheet and calculation of Hourly Rate based on 1720 Hours (Art.63 (2) EU1303/2013)

HOURLY RATE BASED ON 1720 HOURS



Case of same beneficiary with more than one co-financed project using same staff

ANNUAL GROSS EMOLUMENT COST



CHECKLIST FOR PP LEGALITY

- ☐ FLC should check the legality of PP documents procedures by completing the designated checklist

ΚΑΤΑΛΟΓΟΣ ΕΠΑΛΗΘΕΥΣΗΣ ΣΥΜΒΑΤΟΤΗΤΑΣ ΜΕ ΤΟ ΝΟΜΟΘΕΤΙΚΟ ΠΛΑΙΣΙΟ ΓΙΑ ΤΗ ΣΥΝΑΨΗ
ΔΗΜΟΣΙΩΝ ΣΥΜΒΑΣΕΩΝ ΓΙΑ ΔΙΑΓΩΝΙΣΜΟΥΣ ΕΚΤΙΜΩΜΕΝΗΣ ΑΞΙΑΣ ΜΕΧΡΙ €125.000 ΓΙΑ
ΥΠΗΡΕΣΙΕΣ ΚΑΙ ΠΡΟΜΗΘΕΙΕΣ Ή ΜΕΧΡΙ €500.000 ΓΙΑ ΕΡΓΑ

Αναθέτουσα Αρχή/Αναθέτων Φορέας (ΑΑ/ΑΦ):.....

Τίτλος Διαγωνισμού:.....

Αριθμός Διαγωνισμού

Εκτιμώμενη Αξία:.....

ΕΝΟΤΗΤΑ Α: ΈΛΕΓΧΟΣ ΣΥΜΒΑΤΟΤΗΤΑΣ ΔΙΑΔΙΚΑΣΙΑΣ

A/A	ΣΤΟΙΧΕΙΑ ΕΛΕΓΧΟΥ	ΝΑΙ	Δ/Ε	ΠΑΡΑΤΗΡΗΣΕΙΣ
1	Επαληθεύεται ότι Ο υπολογισμός της εκτιμώμενης αξίας συμπεριλαμβάνει τυχόν δικαιώματα προαίρεσης ή δικαίωμα παράτασης της σύμβασης; <i>[(άρθ. 10-Ν.73(Ι)/2016), (άρθ. 11-Ν.140(Ι)/2016</i>			<i>ΕΚΤΙΜΩΜΕΝΗ ΑΞΙΑ</i> €----- <i>ΔΙΚΑΙΩΜΑ</i> <ul style="list-style-type: none">• ΠΡΟΑΙΡΕΣΗΣ €-----• ΠΑΡΑΤΑΣΗΣ -----
2	Επαληθεύεται ότι ο διαγωνισμός που διενεργείται δεν είναι αποτέλεσμα κατάρτησης, λαμβάνοντας υπόψη στοιχεία από το προτεινόμενο τεχνικό δελτίο έργου ή οτιδήποτε άλλο έχει περιέλθει στην αντίληψη του;			

FLC CHECKLIST REPORT – WRONGLY AND INCOMPLETE

- ☐ The FLC interim Certificates should be completed in accordance with the program guidelines
- ☐ All questions must be completed.
- ☐ Try to be accurate and justify your answers.
- ☐ Findings should be clearly stated in the specific spot on the Checklist.
- ☐ Suggestions for improvement of beneficiaries' internal control system should be included.

THANK YOU FOR YOUR ATTENTION!!!

QUESTIONS?



Mary Ioannou – Accounting Officer

Directorate General for European Programs,
Coordination and Development

**UNIT OF EUROPEAN TERRITORIAL COOPERATION
PROGRAMMES**

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