



***DISCLAIMER***

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In case the document is endorsed by an ENI CBC programme and renders it compulsory for use by project beneficiaries, **neither TESIM experts nor the TESIM consortium members shall be held liable for its contents**, in particular as far as audit findings on the eligibility of expenditure are concerned.

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| A project funded by the European Union |  | Implemented by a consortium led by |  |
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Expenditure verification pack: control checklist

Annex 3 to the adaptation for projects with subgrants of the “Fact sheet on expenditure and revenue verification report”

**July 2020**

# Template of control checklist

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| **Audit firm/Public officer organisation responsible for issuing the expenditure and revenue verification report:** |

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| **Project Code:** | | |
| **Project Title:** | | |
| **Reporting period:** from*dd Month yyyy*to*dd Month yyyy* | | |
| **Name of the Beneficiary:** | | |
| **Role of the beneficiary in the project:** | **Lead beneficiary** | **Project Beneficiary** |
| **Names of the Subgrantees:** | | |
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| **Request for examination:** | **Date of request for examination:**  *dd Month yyyy* | **Date of receipt of documents for verification (desk-based check):**  *dd Month yyyy* |
| **General remarks of the auditor/public officer (if any):** | | |

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| **Date: 16 July 2020** |
| **Name of the auditor/public officer(s)[[1]](#footnote-1):** |
| **Signature(s):** |

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| SUMMARY OF AMOUNTS AND TYPE OF VERIFICATION | |
| Expenditure declared by the beneficiary | EUR <x,xxx.xx> |
| Expenditure verified by the auditor/public office | EUR <x,xxx.xx>  Expenditure Coverage Ratio <xx.xx%> |
| If less than 100% is verified, please indicate for which budget headings a sample has been applied and describe the sampling method. |  |
| Expenditure complying with requirements set in the expenditure verification procedures | EUR <x,xxx.xx> |
| Expenditure not complying with requirements set in the expenditure verification procedures | EUR <x,xxx.xx> |
| [If applicable] The total revenues and contributions by third parties verified is: | EUR <x,xxx.xx> |
| [If applicable, and only in the final report] The profit deriving from a surplus of income over expenditures is: | EUR <x,xxx.xx> |
| Type of the verification: | Only desk-based check  Includes on-the-spot verification |
| On-the-spot verification(s) | Date: *dd Month yyyy*  Place(s):  premises of the beneficiary <indicate address>  place of project outputs <indicate address>  premises of the subgrantees <indicate address>  place of subgrant outputs <indicate address>  other (please indicate)  <indicate address> |
| Expenditure verified on-the-spot: | EUR <x,xxx.xx> |
| Format in which documents were made available | original (including electronic)  copies (including electronic) |

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| FORMAL CHECKS | | |
| **Checks** | **Yes/No**  **N.A.** | **Comments** |
| Application Form, Budget and Logical Framework in force, as approved by the JMC are available, electronically or paper based |  |  |
| Grant Contract signed by both parties (MA/JTS and Lead Beneficiary) is available, electronically or paper based |  |  |
| Partnership Agreement signed by all project beneficiaries is available, electronically or paper based |  |  |
| Documents of the call for subgrants are available, electronically or paper based |  |  |
| Subgrant Contracts signed by both parties (Beneficiary and Subgrantees) is available, electronically or paper based |  |  |
| Narrative report of the beneficiary concerning the activities undertaken during the reporting period is available and duly verified |  |  |
| Addendum of any modification of the Grant Contract is available |  |  |
| Financial report of the beneficiary is available |  |  |
| The global project budget in force is available |  |  |
| The individual budget in force for the beneficiary is available |  |  |
| Notifications to MA/JTS made by the Beneficiary, when flexibility rule is applicable, is available |  |  |
| Declaration on the VAT status of the beneficiary is available in original, signed by the authorised person of the project partner’s institution |  |  |
| Additional documents and clarifications were requested during the control procedure (please describe) |  |  |

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| GENERAL ELIGIBILITY CRITERIA | | |
| **Checks** | **Yes/No**  **N.A.** | **Comments** |
| All expenses have been actually incurred and paid by the beneficiary and the subgrantees[[2]](#footnote-2), and they can be verified on the basis of adequate original supporting documents |  |  |
| All expenses are directly related to the project, necessary for its implementation, and they are in accordance with the approved budget |  |  |
| All expenses by the subgrantees, in case of financial regime of reimbursement of costs, are directly related to the implementation of the subgrant, necessary for its implementation and they are in accordance with the approved budget |  |  |
| All expenses have been **incurred[[3]](#footnote-3) and paid between the** date of start of the project and the end date of the relevant reporting period or end of implementation period, with the following exceptions for the final report:   * expenditure verification and final evaluation of the project, which may be incurred after the implementation period of the project * expenses are paid before the submission of the final report * the expenses to be paid afterwards are listed in the final report together with the estimated date of payment. |  |  |
| All expenses have been incurred in the Programme eligible area |  |  |
| For the expenditure incurred outside the Programme eligible area, specific provisions in the Grant Contract are respected |  |  |
| The exchange rate for converting expenditure incurred in national currency into Euro has been properly applied, in accordance with the provisions of the Grant Contract |  |  |
| Any recoverable VAT has been deducted from the amount of declared expenditure for all relevant items |  |  |
| Any ineligible expenditure, including contributions in kind has been excluded from the declared expenditure |  |  |
| Expenses are identifiable and verifiable and accounted in accordance with accounting standards |  |  |
| Expenses are reasonable, justified and in accordance with the principles of sound financial management, in particular regarding economy and efficiency |  |  |
| Expenses comply with the requirements of applicable tax, labour and social legislation |  |  |

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| ALLOCATION TO ACTIVITIES AND BUDGET LINES | | |
| **Checks** | **Yes/No**  **N.A.** | **Comments** |
| Expenses have been correctly allocated to the concerned work packages or groups of activities, when relevant |  |  |
| The beneficiary’s budget by activities and by budget lines fixed in the approved Budget have been respected |  |  |
| There is a clear link between activities implemented and described in the narrative part of the report and costs incurred |  |  |

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| ELIGIBILITY OF EXPENDITURES BY BUDGET LINES | | |
| STAFF COSTS | | |
| **Checks** | **Yes/No**  **N.A.** | **Comments** |
| The full list of staff working in the project is available with the first report |  |  |
| Work contracts / any similar type of contract according to national rules / designation or secondment order of civil servant for all project staff is available |  |  |
| Contract/ designation or secondment order and/ or the related job description contains   * the assignment of the person for the project and its tasks within the project * start date and end date of the assignment * the person is working exclusively or partially on the project |  |  |
| Payslips are available |  |  |
| Monthly timesheets are available |  |  |
| Timesheets are sufficiently detailed (name of the employee, date, time and description of the daily activity) |  |  |
| Timesheets are signed both by the employee and the employer |  |  |
| The method for calculating the hourly/daily rates and the calculation of the staff costs are available and correct. |  |  |
| The calculation of staff costs is based on real costs (real gross salary proved by payslips) and real worked hours (time spent on the project proved by timesheets) |  |  |
| Working time spent on the project does not exceed the normal working hours, according to the national legislation in force. |  |  |
| Any fringe benefits, rewards over the monthly salaries are excluded from the hourly/daily rate |  |  |
| Additional charges besides the social contribution charges (obligatory according to national rules) are excluded from the hourly/daily rate |  |  |
| The calculation of staff costs, that is the actual cost of the actual time devoted, is correct |  |  |
| Proof of payment of the salary is available |  |  |
| Proof of payment of the social charges and taxes is available |  |  |

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| TRAVEL AND ACCOMODATION COSTS | | |
| **Checks** | **Yes/No**  **N.A.** | **Comments** |
| Travel costs are directly related to the project |  |  |
| Only travelling costs of the project staff or other persons taking part in the project are declared |  |  |
| Travel costs of the partner employees/associated partners and final beneficiaries are budgeted |  |  |
| Travels are performed within the eligible area. When the travel incurred outside the eligible area of the Programme, the specific provisions in the Grant Contract are respected |  |  |
| Authorisations of the missions are available (if obligatory according to national/ institutional rules) |  |  |
| Mission report signed by the travelling person is available (if obligatory according to national/ institutional rules) |  |  |
| All supporting documents are available (invitation, agenda, list of participants, minutes, etc.) |  |  |
| Train/bus tickets, plane tickets, boarding cards, etc. are available |  |  |
| The most economical way of transport is used, in accordance with the internal procedures of the organisation |  |  |
| In case of use of own car or company car, calculation sheet prepared according to national or institutional rules stating at least the distance, the unit rate and the total costs of the travel is available |  |  |
| If costs are directly paid by the institution, proof of payment are available |  |  |
| If costs are paid by the person going on mission / an advance is paid by the institution to the person going on mission, the documents on the reimbursement of costs are available |  |  |
| For staff working in public institutions as well as in units subordinated or coordinated by such institutions, the expenses with subsistence costs should comply with the national legislation in force applicable for public institutions |  |  |
| For staff working in other legal entities than those mentioned in the previous category, subsistence costs do not exceed neither the costs normally paid by the beneficiary according to its rules and regulations nor the rates published by the Commission at the time of the mission if reimbursed on the basis of lump sums, unit costs or flat rate financing:  [www.ec.europa.eu/europeaid/work/procedures/index\_en.htm](http://www.ec.europa.eu/europeaid/work/procedures/index_en.htm) |  |  |
| Proof of payment of subsistence costs are available |  |  |
| Documents confirming payment of travel medical insurance, visas are available |  |  |

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| INVESTMENTS OR INFRASTRUCTURES | | |
| **Checks** | **Yes/No**  **N.A.** | **Comments** |
| The building permit is issued on behalf of the beneficiary |  |  |
| Handover of the site and floor plan of the investment terminals containing topographic positions is dated, signed (with the name mentioned in the clear) and stamped by all persons mentioned in program tracking and quality control work |  |  |
| The program tracking and quality control work is covered by the relevant public supervising body, signed by the legal representative / project's technical designer and contractor |  |  |
| Date of issue of commencement order of work predates any analysis bulletins, the minutes of the hidden works and minutes on determined phases |  |  |
| Quality reception minutes, minutes for hidden works and decisive phases are developed in accordance with and quality control of works from the technical project, are signed and stamped by all participants to its elaboration |  |  |
| Payment statements of works and centralized payment statements are signed with the name mentioned in clear and dated by the legal representative / technical representative, the tutor / supervisor inspector (with attesting certificate) and contractor |  |  |
| The total amount of payment statements for work matches the value of the centralized work situation |  |  |
| Work execution is in accordance with the time schedule of works |  |  |
| Analysis reports for incorporated materials and certificates of quality / compliance of materials used in construction were verified by the auditor/public officer during the site visit |  |  |
| Type and quantities of works performed and reflected in the payment statements are found on site |  |  |
| Analysis reports are issued by authorized laboratories and their authorization is valid (has not expired) |  |  |
| Unit prices from payment situations are less than or equal to those from the winning bid unit prices which is attached to the contract execution |  |  |
| Calculations for each category of works (quantity, unit price and value) are correct |  |  |
| Works from payment situations are executed according to the time schedule and don’t exceed the contracted budget |  |  |

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| EQUIPMENT | | |
| **Checks** | **Yes/No**  **N.A.** | **Comments** |
| The equipment purchased is necessary for the project implementation and is foreseen in the approved Grant Contract |  |  |
| The equipment is used exclusively for project implementation |  |  |
| Documents on the selection of the suppliers are available |  |  |
| The contract laying down the purchase of equipment in the framework of the project is available |  |  |
| The evidence of the purchase of equipment is available (e.g. inventory of the equipment purchased) |  |  |
| Proof of payment is available |  |  |

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| EXTERNAL EXPERTISE AND SERVICES | | |
| 1. **EXTERNAL EXPERTISE** | | |
| **Checks** | **Yes/No**  **N.A.** | **Comments** |
| Services provided by the external experts are directly related to the project, the related activities are explicitly stated in the approved Grant Contract |  |  |
| Documents on the selection of the external expert (or service company) are available |  |  |
| Beneficiaries of the same project or any affiliated entity are not contracted as an external expert or a sub-contractor. |  |  |
| The contract laying down the services to be provided is available |  |  |
| The evidence of the work carried out by the service provider is available (studies, researches, analysis, etc.), as well acceptance of the works is available. |  |  |
| If applicable, the deliverables respect the information and publicity requirements of the Programme |  |  |
| Proof of payment is available |  |  |

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| 1. **MEETINGS AND EVENTS** | | |
| **Checks** | **Yes/No**  **N.A.** | **Comments** |
| Meetings and events are directly related to the project, the related activities are explicitly stated in the approved Grant Contract |  |  |
| Documents on the selection of the service providers are available |  |  |
| The contract laying down the services to be provided is available |  |  |
| The evidence of the work carried out by the service provider is available (invitation, agenda of the meeting, list of participants, photos of the event, etc.) |  |  |
| The promotional materials produced in the framework of the event respect the information and publicity requirements of the Programme |  |  |
| For costs of catering, a list of participants is available |  |  |
| Proof of payment is available |  |  |

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| 1. **FINANCIAL CHARGES AND GUARANTEE COSTS** | | |
| **Checks** | **Yes/No**  **N.A.** | **Comments** |
| All costs are real, directly related to the project and have not been declared under other budget lines |  |  |
| Only eligible expenditure according to the Grant Contract are declared   * charges for transnational financial transactions; * bank charges for opening and administering the account or accounts where the implementation of a project requires a separate account or accounts to be opened; * the cost of guarantees provided by a bank or other financial institution to the extent to which the guarantees are required by national or Community legislation; * legal consultancy fees, notarial fees if they are directly linked to the project and are necessary for its implementation |  |  |
| Proof of payment is available |  |  |

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| 1. **PROMOTION COSTS** | | |
| **Checks** | **Yes/No**  **N.A.** | **Comments** |
| Promotion costs are directly related to the project and have not been declared on other budgeted lines. |  |  |
| The evidence of the work carried out by the service provider is available (brochures, project website, etc.) |  |  |
| According to this evidence, the information and publicity requirements of the Programme are respected |  |  |
| Proof of payment is available |  |  |

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| 1. **OTHER SERVICES** | | |
| **Checks** | **Yes/No**  **N.A.** | **Comments** |
| Costs are directly related to the project and the related activities are mentioned in the approved Grant Contract |  |  |
| Documents on the selection of the service providers or the sub-grants are available |  |  |
| The contract laying down the services or the sub-grants to be provided is available |  |  |
| Beneficiaries of the same project or its affiliated entities are not contracted as an external expert, sub-contractor or sub-grantee |  |  |
| The evidence of the work carried out by the service provider is available (e.g. translation of project documents) |  |  |
| Proof of payment is available |  |  |

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| PREPARATION COSTS | | |
| **Checks** | **Yes/No**  **N.A.** | **Comments** |
| They are incurred after the publication of the call for proposals. |  |  |
| They are limited to travel and subsistence costs of staff employed by the beneficiaries. |  |  |
| They do not exceed the maximum amount fixed at programme level. |  |  |
| Proof of payment is available |  |  |

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| INDIRECT ADMINISTRATIVE COSTS | | |
| **Checks** | **Yes/No**  **N.A.** | **Comments** |
| Indirect administrative expenses - do not exceed the percentage specified in the financing contract, up to 7% of total direct eligible costs. |  |  |

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| PUBLIC PROCUREMENT | | |
| **Checks** | **Yes/No**  **N.A.** | **Comments** |
| The procedure applied for the procurement of services, equipment or investments/infrastructure is adequate according to the Grant Contract, national and community rules |  |  |
| Public procurements are documented (e.g. award criteria, requests for offers, offers, reports from evaluation committee, contracts are available) |  |  |
| Rules of nationality is respected, that is, there is no restriction for participation in tenders for reason of nationality of the tenderer[[4]](#footnote-4) |  |  |
| The procedure for awarding the contracts by the beneficiary is free of conflict of interests. Persons who conducted the activates associated with the procedure of selecting the contractor on behalf of the contracting party, including participating in the evaluation of tenders, don not have any personal or capital tieswith the contractors. They are impartial and objective. |  |  |

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| STATE AID | | |
| **Checks** | **Yes/No**  **N.A.** | **Comments** |
| In accordance with Article 12.3 of the ENI CBC Implementing Rules, aid granted to this project still complies with the applicable Union rules on State aid within the meaning of Article 107 of the Treaty on the Functioning of the European Union and the conditions stipulated in the grant contract |  |  |
| The project still complies with equivalent national legislation and with the contents on the matter of any bilateral agreement (Association, Framework or Partnership agreements) signed between the EU and the CBC Partner Country(ies) participating in the project and the conditions stipulated in the grant contract |  |  |

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| REVENUES | | |
| **Checks** | **Yes/No**  **N.A.** | **Comments** |
| The Beneficiary reports revenues |  |  |
| The revenues are real and adequately recorded |  |  |
| At the final report, there is no surplus of receipts over costs (non-profit) |  |  |

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| INFORMATION AND PUBLICITY | | |
| **Checks** | **Yes/No**  **N.A.** | **Comments** |
| The requirements of programme Visual Identity Guide and the Grant Contract are respected |  |  |

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| AUDIT TRAIL AND ACCOUNTING SYSTEM[[5]](#footnote-5) | | |
| **Checks** | **Yes/No**  **N.A.** | **Comments** |
| Specific accounting codes or other transparent methods are used for the project in the accounting system which allow the identification of costs allocated to the project by the beneficiary and the subgrantees |  |  |
| Computerised list of project expenditure and revenue can be obtained from the accounting system (except for staff and administrative costs), both from the beneficiary and subgrantees |  |  |
| The expenditure declared corresponds to the accounting records and supporting documents held by the Beneficiary and the subgrantees |  |  |

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| PAYMENTS OF EU CONTRIBUTION FROM THE LEAD BENEFICIARY TO THE BENEFICIARIES | | |
| **Checks** | **Yes/No**  **N.A.** | **Comments** |
| The Lead Beneficiary paid the pre-financing amounts of EU contributions to the beneficiaries, in accordance with the provisions of the grant contract and the partnership agreement |  |  |
| The amounts of pre-financing transferred from the Lead Beneficiary to the beneficiaries indicated in the reports (or informed by the Lead Beneficiary to the MA/JTS) are accurate |  |  |

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| CALLS FOR SUBGRANTS | | |
| **Checks** | **Yes/No**  **N.A.** | **Comments** |
| The subgrant scheme respects the three requirements of “no margin for discretion” of article 204 of the Omnibus Regulation[[6]](#footnote-6), that is, the grant contract[[7]](#footnote-7) stipulates the criteria for determining the amount of the subgrants, the subgrants activities are determined in a fixed list and there is a definition of the persons or categories of persons, which may receive the subgrants |  |  |
| The call for subgrants clearly describes the above-mentioned requirements as eligibility criteria |  |  |
| The call for subgrants respects the principles of transparency, equal treatment, co-financing[[8]](#footnote-8), no retroactivity and no cumulative award |  |  |
| The procedures for submission, selection and contracting of subgrants described in the ad-hoc guidelines for applicants are documented and have been respected. |  |  |

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| SUBGRANT EXPENDITURE (in case of simplified costs) | | |
| **Checks** | **Yes/No**  **N.A.** | **Comments** |
| The stipulations of article 50 of the ENI CBC Implementing Rules are respected and the beneficiary documented the verification during the contracting phase |  |  |
| The subgrant contract stipulates clear triggering conditions for payment |  |  |
| The triggering conditions have been respected by the beneficiary and documented |  |  |

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| SUBGRANT EXPENDITURE (in case of reimbursement of costs) | | |
| **Checks** | **Yes/No**  **N.A.** | **Comments** |
| The beneficiary checked and documented the expenditure declared by the subgrantees before inserting it in its Financial Report |  |  |
| Please carry out the same checks than for the equivalent categories of expenditure and confirm that the expenditure is eligible, following the same requirements than the expenses of the beneficiary. |  |  |

1. Name of the person(s) who performed the verification [↑](#footnote-ref-1)
2. When the financial regime for the subgrants is reimbursement of costs [↑](#footnote-ref-2)
3. “*Costs relating to services and works shall relate to activities performed during the implementation period*” (article 48 of ENI CBC IR) [↑](#footnote-ref-3)
4. In accordance with articles 8.2 of Regulation 236/2014 [↑](#footnote-ref-4)
5. For subgrantees, only in case of financial regime of reimbursement of costs [↑](#footnote-ref-5)
6. Regulation 2018/1046 [↑](#footnote-ref-6)
7. These criteria must be stipulated in the grant contract between the MA/JTS and the Lead Beneficiary [↑](#footnote-ref-7)
8. The co-financing may be provided by the subgrantees or by the beneficiary [↑](#footnote-ref-8)