



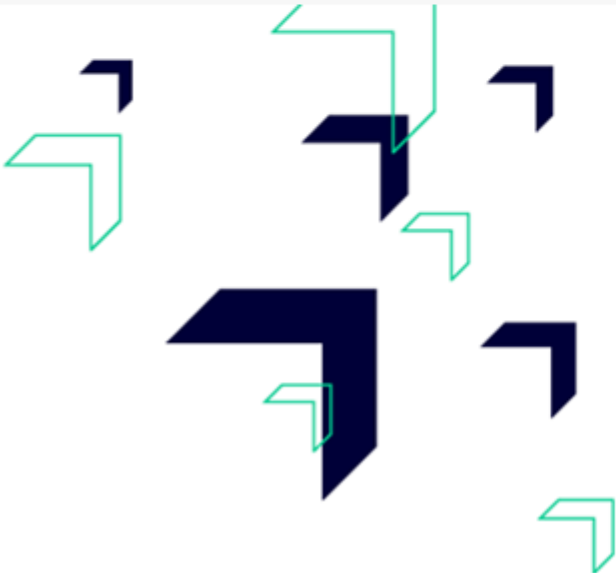
GOVERNMENT
OF MALTA



The Financial Control Unit

Astrid Fenech
Programme Manager, Financial Control Unit
Office of the Permanent Secretary, (Funds)

20th September 2023



Co-funded by
the European Union

Presentation Outline

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

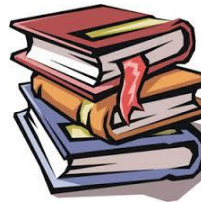
Role of FLC

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 are normally done on a *sample basis* using a risk assessment analysis system that determines which projects should be evaluated.

The Sampling Methodology

- The quality control checks, performed by the FCU on the claims, will now take place at least one month before the set deadline of when the FLC has to submit the certified claim to the Lead Partner. Thus, claims are now being vetted ‘in real time.’
- This implies that FLCs should conclude their work up to a draft format stage at least **one month before** their due submission of their certified work to the Lead Partner.
- The maximum number of claims to be checked by the FCU for a particular deadline is 4; one per programme. If for a particular deadline there are more than one claim with respect to a particular Programme/s, a random sample is computed with respect to the claims of each respective Programme, to determine which claim will be vetted for each Programme.

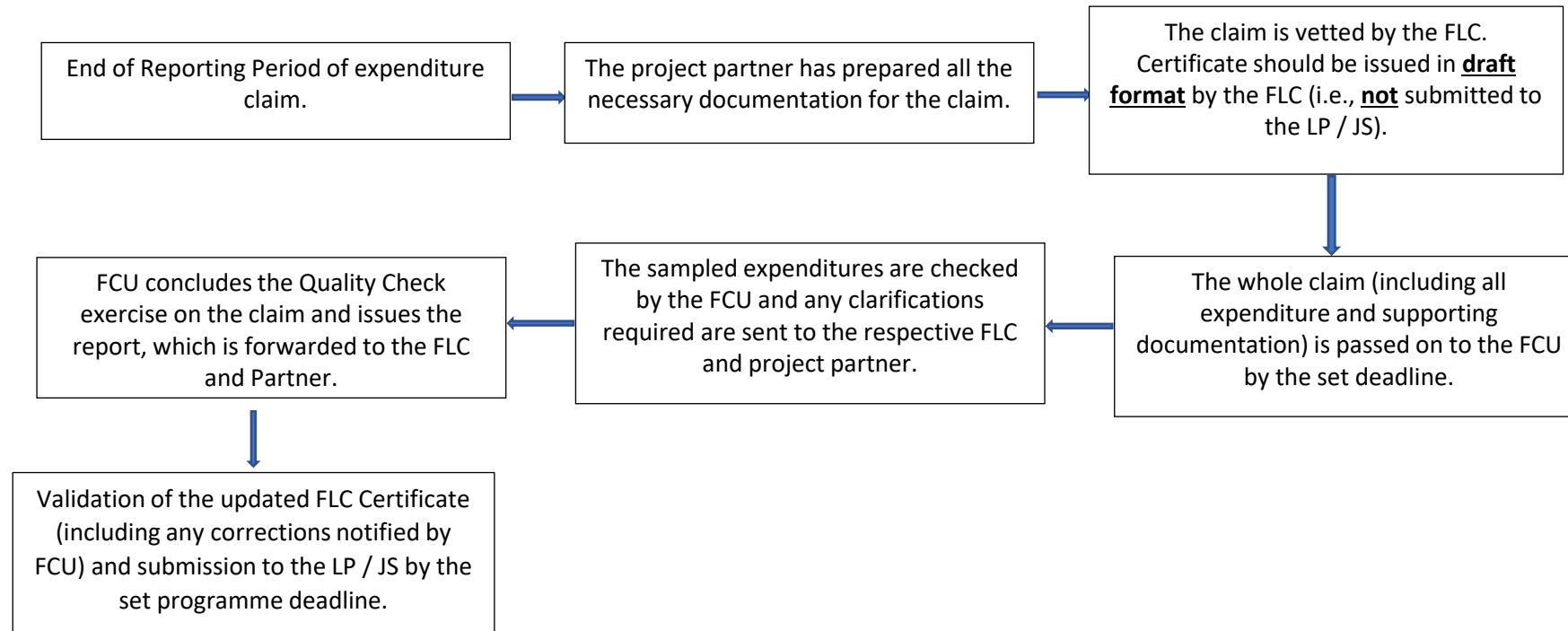
The Sampling Methodology

- All documentation pertaining to that particular claim has to be furnished to the FCU for the quality check. This work (in draft format) has to reach the FCU by the stipulated deadline either in hard copy or soft copy format.
- The FCU normally reviews a sample from the expenditures claimed in that particular claim.
- During the FCU's work, clarifications are sought from the FLC and the Project Partner. The ensuing report published by FCU following the quality control check, is sent to the FLC and the Project Partner for the necessary actions/rectifications. A copy of the FCU's report is also sent to the Joint Secretariat (JS) of the respective programme/s.

The Sampling Methodology

- In those cases where a claim of a project is subjected to:
 - (i) a control check by the FCU and/or
 - (ii) an audit/check by the Internal Audit and Investigations Department,and in respect of which irregularity/ies entailing a material financial correction of more than €250 (in line with Article 122 of Regulation 1303/2013) has been applied, any future claims related to same project will automatically be subjected to a quality control check, till no further irregularities are identified in the future with respect thereto.
- On the other hand, future checks with respect to a claim which did not entail any irregularities would only ensue again when all projects had a claim subjected to a check.

The Sampling Methodology



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 be adjusted to reflect any deductions/comments made in the FLC Certificates. It is to be ensured that ALL pertaining documentation is uploaded on the respective Programmes' Online systems.

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 both the 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, amongst other documentation;
- 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.

Conclusions

National Complementary Requirements

https://fondi.eu/important_documentat/territorial-cooperation-eni-cbc-med/

Circulars issued by the FPD

<https://fondi.eu/important-documentation/reference-documents/circulars/2014-2020-programming-period/territorial-cooperation-circulars/>

Italia – Malta Programme Manual

<https://italiamalta.eu/documenti/?lang=en>



GOVERNMENT
OF MALTA



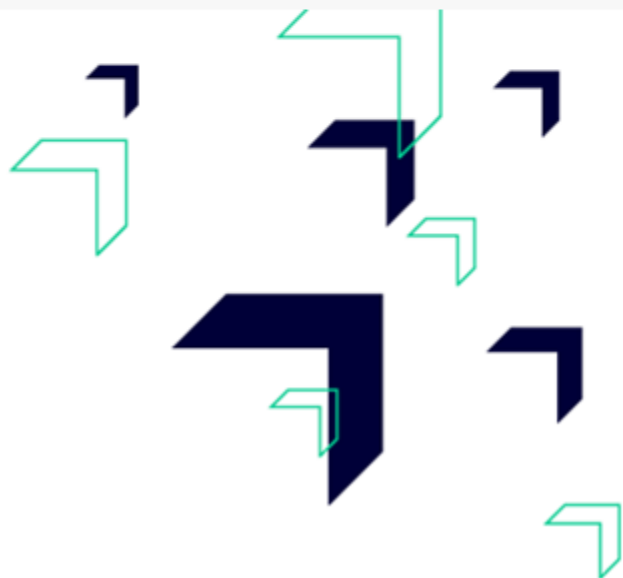
FONDI.eu

Thank you !

Financial Control Unit
Office of the Permanent Secretary

Tel.: 2555 2621

Email: astrid.fenech@gov.mt



Co-funded by
the European Union